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JUNIPER NETWORKS INC

FORM 10-Q
(Quarterly Report)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2014
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: 001-34501

JUNIPER NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**77-0422528**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
1194 North Mathilda Avenue **Sunnyvale, California**	**94089**
(Address of principal executive offices)	*(Zip code)*

(408) 745-2000
(Registrant's telephone number, including area code)

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 (§232.405 of this chapter) 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	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 ☒

There were 432,568,783 shares of the Company's Common Stock, par value $0.00001, outstanding as of November 7, 2014 .

Juniper Networks, Inc.

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PART I — FINANCIAL INFORMATION

Item 1. ***Financial Statements***

Juniper Networks, Inc.

Condensed Consolidated Statements of Operations
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net revenues:				
Product	$ 809.5	$ 900.8	$ 2,614.7	$ 2,546.4
Service	316.4	284.8	910.8	849.1
Total net revenues	1,125.9	1,185.6	3,525.5	3,395.5
Cost of revenues:				
Product	290.0	325.5	975.9	925.0
Service	121.1	113.6	366.5	332.7
Total cost of revenues	411.1	439.1	1,342.4	1,257.7
Gross margin	714.8	746.5	2,183.1	2,137.8
Operating expenses:				
Research and development	253.2	264.6	772.7	784.5
Sales and marketing	249.2	269.5	780.6	792.7
General and administrative	55.0	61.4	190.5	169.1
Restructuring and other (credit) charges	(15.0)	6.0	157.2	21.0
Total operating expenses	542.4	601.5	1,901.0	1,767.3
Operating income	172.4	145.0	282.1	370.5
Other (expense) income, net	(6.8)	(7.5)	326.0	(30.2)
Income before income taxes	165.6	137.5	608.1	340.3
Income tax provision	62.0	38.4	172.8	52.3
Net income	$ 103.6	$ 99.1	$ 435.3	$ 288.0
Net income per share:				
Basic	$ 0.23	$ 0.20	$ 0.93	$ 0.57
Diluted	$ 0.23	$ 0.19	$ 0.91	$ 0.56
Shares used in computing net income per share:				
Basic	448.4	501.5	468.1	503.0
Diluted	454.8	508.6	477.0	510.7
Cash dividends declared per common stock	$ 0.10	$ —	$ 0.10	$ —

See accompanying Notes to Condensed Consolidated Financial Statements

Juniper Networks, Inc.

Condensed Consolidated Statements of Comprehensive Income
(In millions)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net income	$ 103.6	$ 99.1	$ 435.3	$ 288.0
Other comprehensive (loss) income, net of tax:				
Available-for-sale securities:				
Unrealized (losses) gains on available-for-sale securities, net of tax benefit (provision) of $2.0 and ($26.2) during the three and nine months ended September 30, 2014, respectively, and ($36.4) and ($40.4) for the corresponding periods of fiscal 2013, respectively	(4.4)	65.2	44.0	70.8
Reclassification adjustment for realized net (gains) on available-for-sale securities included in net income, net of tax provision of $0.1 and $60.5 during the three and nine months ended September 30, 2014, respectively, and $0.1 and $0.3 for the corresponding periods of fiscal 2013, respectively	(0.2)	(0.3)	(104.0)	(0.8)
Unrealized (losses) gains on available-for-sale securities during the period, net of taxes	(4.6)	64.9	(60.0)	70.0
Cash flow hedges:				
Unrealized (losses) gains on cash flow hedges, net of tax (provision) benefit of zero and ($1.3) during the three and nine months ended September 30, 2014, respectively, and $1.1 and $2.4 for the corresponding periods of fiscal 2013, respectively	(2.8)	0.7	0.4	(1.8)
Reclassification adjustment for realized net (gains) losses on cash flow hedges included in net income, net of tax provision (benefit) of $0.5 and $0.8 during the three and nine months ended September 30, 2014, respectively, and ($0.8) and ($0.3) for the corresponding periods of fiscal 2013, respectively	(1.0)	0.6	(4.2)	(0.9)
Unrealized (losses) gains on cash flow hedges during the period, net of taxes	(3.8)	1.3	(3.8)	(2.7)
Change in foreign currency translation adjustments	(7.7)	4.1	(3.8)	(5.4)
Other comprehensive (loss) income, net of tax	(16.1)	70.3	(67.6)	61.9
Comprehensive income	$ 87.5	$ 169.4	$ 367.7	$ 349.9

See accompanying Notes to Condensed Consolidated Financial Statements

Juniper Networks, Inc.

Condensed Consolidated Balance Sheets
(In millions, except par values)

	September 30, 2014 (Unaudited)	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,615.9	$ 2,284.0
Short-term investments	299.5	561.9
Accounts receivable, net of allowances	617.0	578.3
Deferred tax assets, net	157.5	79.8
Prepaid expenses and other current assets	206.5	199.9
Assets held for sale	166.9	—
Total current assets	3,063.3	3,703.9
Property and equipment, net	888.8	882.3
Long-term investments	1,405.6	1,251.9
Restricted cash and investments	45.9	89.5
Purchased intangible assets, net	90.8	106.9
Goodwill	3,911.7	4,057.7
Other long-term assets	162.9	233.8
Total assets	$ 9,569.0	$ 10,326.0
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 242.2	$ 200.4
Accrued compensation	193.3	273.9
Deferred revenue	728.4	705.8
Other accrued liabilities	244.6	261.3
Liabilities held for sale	40.5	—
Total current liabilities	1,449.0	1,441.4
Long-term debt	1,348.9	999.3
Long-term deferred revenue	345.6	363.5
Long-term income taxes payable	154.2	114.4
Other long-term liabilities	80.9	105.2
Total liabilities	3,378.6	3,023.8
Commitments and contingencies (Note 17)		
Stockholders' equity:		
Convertible preferred stock, $0.00001 par value; 10.0 shares authorized; none issued and outstanding	—	—
Common stock, $0.00001 par value; 1,000.0 shares authorized; 438.1 shares and 495.2 shares issued and outstanding as of September 30, 2014 and December 31, 2013, respectively	—	—
Additional paid-in capital	9,157.1	9,868.9
Accumulated other comprehensive (loss) income	(3.0)	64.6
Accumulated deficit	(2,963.7)	(2,631.3)
Total stockholders' equity	6,190.4	7,302.2
Total liabilities and stockholders' equity	$ 9,569.0	$ 10,326.0

See accompanying Notes to Condensed Consolidated Financial Statements

Juniper Networks, Inc.

Condensed Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Nine Months Ended September 30,	
	2014	2013
Cash flows from operating activities:		
Net income	$ 435.3	$ 288.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Share-based compensation expense	185.4	180.7
Depreciation, amortization, and accretion	141.9	135.2
Restructuring and other (credit) charges	179.4	28.6
Deferred income taxes	(85.4)	40.4
Gain on investments, net	(165.1)	(7.8)
Gain on legal settlement, net	(121.1)	—
Excess tax benefits from share-based compensation	(8.8)	(1.5)
Loss on disposal of fixed assets	1.9	1.2
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable, net	(33.2)	(111.0)
Prepaid expenses and other assets	(29.4)	(67.0)
Accounts payable	47.4	(1.1)
Accrued compensation	(78.3)	(88.6)
Income taxes payable	86.1	(26.1)
Other accrued liabilities	(124.5)	(16.8)
Deferred revenue	40.9	97.7
Net cash provided by operating activities	472.5	451.9
Cash flows from investing activities:		
Purchases of property and equipment	(140.9)	(183.0)
Purchases of available-for-sale investments	(1,970.5)	(1,351.6)
Proceeds from sales of available-for-sale investments	1,918.7	860.4
Proceeds from maturities of available-for-sale investments	339.0	287.6
Purchases of trading investments	(3.5)	(3.1)
Proceeds from sales of privately-held investments	2.5	8.4
Purchases of privately-held investments	(12.3)	(20.4)
Payments for business acquisitions, net of cash and cash equivalents acquired	(27.1)	(10.0)
Purchase of licensed software	—	(10.0)
Changes in restricted cash	45.0	—
Net cash provided by (used in) investing activities	150.9	(421.7)
Cash flows from financing activities:		
Proceeds from issuance of common stock	157.6	123.7
Purchases and retirement of common stock	(1,761.0)	(332.1)
Issuance of long-term debt, net	346.5	—
Payment for capital lease obligation	(0.4)	(1.4)
Customer financing arrangements	0.8	41.8
Excess tax benefits from share-based compensation	8.8	1.5
Payment of cash dividends	(43.8)	—
Net cash used in financing activities	(1,291.5)	(166.5)
Net decrease in cash and cash equivalents	(668.1)	(136.3)
Cash and cash equivalents at beginning of period	2,284.0	2,407.8
Cash and cash equivalents at end of period	$ 1,615.9	$ 2,271.5

See accompanying Notes to Condensed Consolidated Financial Statements

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1. Basis of Presentation

Basis of Presentation

The unaudited Condensed Consolidated Financial Statements of Juniper Networks, Inc. (the "Company" or "Juniper") have been prepared in accordance with United States ("U.S.") generally accepted accounting principles ("U.S. GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The Condensed Consolidated Balance Sheet as of December 31, 2013 , is derived from the audited Consolidated Financial Statements for the year ended December 31, 2013 . In the opinion of management, all adjustments, including normal recurring accruals, considered necessary for a fair presentation have been included. The results of operations for the three and nine months ended September 30, 2014 , are not necessarily indicative of the results that may be expected for the year ending December 31, 2014 , or any future period. The information included in this Quarterly Report on Form 10-Q ("Report") should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors," "Quantitative and Qualitative Disclosures About Market Risk," and the Consolidated Financial Statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 . Certain amounts in the prior year Condensed Consolidated Financial Statements contained in this Report have been reclassified to conform to the current year presentation.

The preparation of the financial statements and related disclosures in accordance with U.S. GAAP requires the Company to make judgments, assumptions, and estimates that affect the amounts reported in the Condensed Consolidated Financial Statements and the accompanying notes. Actual results could differ materially from those estimates under different assumptions or conditions.

In the first quarter of 2014 , the Company announced an integrated operating plan ("IOP") to refocus the Company's strategy, optimize its structure, and improve operational efficiencies. In connection with the IOP, the Company realigned its organization into a One-Juniper structure which includes consolidating the Company's R&D and go-to-market functions to reduce complexity, increase clarity of responsibilities, and improve efficiency. As a result of these changes, the Company's consolidated business is considered to be one reportable segment. Future organizational changes, if any, could impact how the chief operating decision maker ("CODM") allocates resources and assesses performance. In fiscal 2013, the Company operated under two reportable segments: Platform Systems Division ("PSD") and Software Solutions Division ("SSD"). This change did not impact previously reported consolidated results of operations. See Note 14, *Segments* , for further discussion of the Company's segment reorganization.

Note 2. Summary of Significant Accounting Policies

There have been no material changes to the Company's significant accounting policies compared to the accounting policies described in Note 2, *Significant Accounting Policies* , in Notes to Consolidated Financial Statements in Item 8 of Part II of the Annual Report on Form 10-K for the year ended December 31, 2013 .

Recent Accounting Pronouncements

In August 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-15 (Subtopic 205-40) - *Presentation of Financial Statements—Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* ("ASU 2014-15") which provides guidance about management's responsibility to evaluate whether or not there is substantial doubt about the Company's ability to continue as a going concern and to provide related footnote disclosure. ASU 2014-15 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. Early application is permitted. The adoption of this standard is not expected to have an impact on the Company's Consolidated Financial Statements.

In June 2014, the FASB issued ASU No. 2014-12 (Topic 718) - *Compensation - Stock Compensation* ("ASU 2014-12") which provides guidance that a performance target that affects vesting of a share-based payment and that could be achieved after the requisite service period is a performance condition. As a result, the target is not reflected in the estimation of the award's grant date fair value. Compensation cost for such an award would be recognized over the required service period, if it is probable that

the performance condition will be achieved. ASU 2014-12 is effective for all entities for annual periods beginning after December 15, 2015 and interim periods within those annual periods. ASU 2014-12 should be applied on a prospective basis to awards that are granted or modified on or after the effective date. The adoption of this standard is not expected to have an impact on the Company's Consolidated Financial Statements.

In May 2014, the FASB issued ASU No. 2014-09 (Topic 606) —*Revenue from Contracts with Customers* ("ASU 2014-09") which provides guidance for revenue recognition. This ASU affects all contracts that the Company enters into with customers to transfer goods and services or for the transfer of nonfinancial assets. This ASU will supersede the revenue recognition requirements in Topic 605, and most industry specific guidance. This ASU also supersedes some cost guidance included in Subtopic 605-35, Revenue Recognition-Construction-Type and Production-Type Contracts. The standard's core principle is that revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In doing so, the Company will need to use additional judgment and estimates than under the existing guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. ASU 2014-09 is effective for annual and interim periods beginning after December 15, 2016. Early adoption is not permitted. Accordingly, the ASU will be effective for the Company beginning fiscal year 2017. The Company is currently evaluating the impact of the adoption on its Consolidated Financial Statements.

In April 2014, the FASB issued ASU No. 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* ("ASU 2014-08") which raises the threshold for a disposal to qualify as a discontinued operation and requires new disclosures of both discontinued operations and certain other disposals that do not meet the definition of a discontinued operation. ASU 2014-08 is effective for annual periods beginning on or after December 15, 2014. Early adoption is permitted but only for disposals that have not been reported in financial statements previously issued. The Company has determined that this pronouncement would not have a material impact on the Company's financial position or results of operations.

Note 3. Business Combination

On January 7, 2014, the Company acquired 100% of the equity securities of WANDL, Inc. ("WANDL"), for $28.7 million of cash and stock consideration. WANDL, a provider of software solutions for advanced planning, management, design and optimization of next-generation multi-layer networks, provides the Company with technology and experience in traffic engineering, multi-layer optimization and path computation to help service provider customers optimize the performance and cost of their networks.

The aggregate consideration of $28.7 million was allocated as follows: intangible assets of $17.8 million , recognized goodwill of $13.6 million , and net liabilities of $2.7 million . The goodwill recognized for the acquisition of WANDL was primarily attributable to expected synergies and is not deductible for U.S. federal income tax purposes.

Additionally, under the terms of the purchase agreement, the Company assumed share-based awards for employees with a fair value of $34.9 million , which were granted in contemplation of future services and will be expensed as share-based compensation over the remaining service period.

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Intangible Assets Acquired

The following table presents details of the Company's intangible assets acquired through the business combination completed during the nine months ended September 30, 2014 (in millions, except years):

	Weighted Average Estimated Useful Life (In Years)	Amount
Existing technology	7	$ 10.7
Customer relationships	7	6.0
Trade name	4	0.6
Backlog	1	0.2
Non-compete agreements	2	0.3
Total	7	$ 17.8

The Company's Condensed Consolidated Financial Statements include the operating results of this business combination from the date of acquisition. Pro forma results of operations for this acquisition have not been presented as the financial impact to the Company's consolidated results of operations is not material.

Note 4. Assets Held for Sale

On July 22, 2014, the Company entered into a definitive agreement to sell its Junos ® Pulse product portfolio to an affiliate of Siris Capital, a private equity firm, for approximately $250.0 million , subject to certain working capital adjustments. The sale was completed on October 1, 2014 and the Company received total consideration of $228.1 million , of which $103.1 million was in cash, net of a $21.9 million working capital adjustment, and $125.0 million was in the form of an 18-month non-contingent interest bearing promissory note issued to the Company. The related assets and liabilities sold have been presented as held for sale in the Condensed Consolidated Balance Sheet as of September 30, 2014. The Company's sale of the Junos Pulse product portfolio is driven by product rationalization in connection with the Company's IOP.

The following table presents the carrying value of the major components of assets and liabilities of Junos Pulse held for sale as of September 30, 2014 (in millions):

	As of September 30, 2014
Assets:	
Goodwill [1]	$ 159.8
Intangible assets	6.0
Other assets	1.1
Total assets held for sale	$ 166.9
Liabilities:	
Deferred revenue	$ 38.3
Other liabilities	2.2
Total liabilities related to assets held for sale	$ 40.5

[1] Allocated goodwill is subject to final valuation to be performed in the fourth quarter of 2014.

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Note 5. Cash Equivalents and Investments

Investments in Available-for-Sale and Trading Securities

The following tables summarize the Company's unrealized gains and losses and fair value of investments designated as available-for-sale and trading securities as of September 30, 2014 and December 31, 2013 (in millions):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
As of September 30, 2014				
Fixed income securities:				
Asset-backed securities	$ 310.3	$ —	$ (0.3)	$ 310.0
Certificates of deposit	12.4	—	—	12.4
Commercial paper	12.9	—	—	12.9
Corporate debt securities	869.8	0.8	(0.8)	869.8
Foreign government debt securities	28.4	—	—	28.4
Government-sponsored enterprise obligations	200.3	0.1	(0.2)	200.2
U.S. government securities	269.9	0.1	—	270.0
Total fixed income securities	1,704.0	1.0	(1.3)	1,703.7
Money market funds	692.0	—	—	692.0
Mutual funds	3.8	0.1	—	3.9
Publicly-traded equity securities	2.4	—	(0.3)	2.1
Total available-for-sale securities	2,402.2	1.1	(1.6)	2,401.7
Trading securities in mutual funds [1]	16.7	—	—	16.7
Total	$ 2,418.9	$ 1.1	$ (1.6)	$ 2,418.4
Reported as:				
Cash equivalents	$ 668.2	$ —	$ —	$ 668.2
Restricted investments	45.1	—	—	45.1
Short-term investments	299.5	0.3	(0.3)	299.5
Long-term investments	1,406.1	0.8	(1.3)	1,405.6
Total	$ 2,418.9	$ 1.1	$ (1.6)	$ 2,418.4

[1] Balance includes the Company's non-qualified deferred compensation plan assets.

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
As of December 31, 2013				
Fixed income securities:				
Asset-backed securities	$ 249.9	$ 0.1	$ (0.1)	$ 249.9
Certificates of deposit	27.6	—	—	27.6
Commercial paper	6.9	—	—	6.9
Corporate debt securities	813.6	2.0	(0.3)	815.3
Foreign government debt securities	10.7	—	—	10.7
Government-sponsored enterprise obligations	306.2	0.1	(0.1)	306.2
U.S. government securities	303.3	0.1	(0.1)	303.3
Total fixed income securities	1,718.2	2.3	(0.6)	1,719.9
Money market funds	1,043.7	—	—	1,043.7
Mutual funds	3.9	0.1	—	4.0
Publicly-traded equity securities	12.0	104.5	(1.9)	114.6
Total available-for-sale securities	2,777.8	106.9	(2.5)	2,882.2
Trading securities in mutual funds [1]	15.4	—	—	15.4
Total	$ 2,793.2	$ 106.9	$ (2.5)	$ 2,897.6
Reported as:				
Cash equivalents	$ 996.2	$ —	$ —	$ 996.2
Restricted investments	87.5	0.1	—	87.6
Short-term investments	459.0	104.9	(2.0)	561.9
Long-term investments	1,250.5	1.9	(0.5)	1,251.9
Total	$ 2,793.2	$ 106.9	$ (2.5)	$ 2,897.6

[1] Balance includes the Company's non-qualified deferred compensation plan assets.

The following table presents the contractual maturities of the Company's total fixed income securities as of September 30, 2014 (in millions):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Due in less than one year	$ 297.9	$ 0.2	$ —	$ 298.1
Due between one and five years	1,406.1	0.8	(1.3)	1,405.6
Total	$ 1,704.0	$ 1.0	$ (1.3)	$ 1,703.7

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

The Company had 325 and 178 investments in an unrealized loss position as of September 30, 2014 and December 31, 2013 , respectively. The gross unrealized losses related to these investments were primarily due to changes in market interest rates and stock prices. The Company periodically reviews its investments to identify and evaluate investments that have an indication of possible impairment. The Company aggregates its investments by category and length of time the securities have been in a continuous unrealized loss position to facilitate its evaluation.

For available-for-sale debt securities that have unrealized losses, the Company evaluates whether (i) it has the intention to sell any of these investments and (ii) whether it is more likely than not that it will be required to sell any of these investments before recovery of the entire amortized cost basis. As of September 30, 2014 , the Company anticipates that it will recover the entire amortized cost basis of such available-for-sale debt securities and has determined that no other-than-temporary impairments associated with credit losses were required to be recognized during the three and nine months ended September 30, 2014 and September 30, 2013 .

For available-for-sale equity securities that have unrealized losses, the Company evaluates whether there is an indication of other-than-temporary impairments. This determination is based on several factors, including the financial condition and near-term prospects of the issuer and the Company's intent and ability to hold the publicly-traded equity securities for a period of time sufficient to allow for any anticipated recovery in market value. During the three and nine months ended September 30, 2014 , the Company determined that certain available-for-sale equity securities were other-than-temporarily impaired, resulting in an impairment charge of $1.1 million and $2.7 million , respectively that were recorded within other (expense) income, net, in the Condensed Consolidated Statements of Operations. There were no such charges during the three and nine months ended September 30, 2013 .

During the nine months ended September 30, 2014 , gross realized gains from available-for-sale securities were $166.3 million and gross realized losses were not material, excluding the impairment charge noted above. During the three months ended September 30, 2014 , and during the three and nine months ended September 30, 2013 , there were no material gross realized gains or losses from available-for-sale securities and there were no material gross realized gains or losses from trading securities during the three and nine months ended September 30, 2014 and September 30, 2013 .

The following tables present the Company's available-for-sale securities that were in an unrealized loss position as of September 30, 2014 and December 31, 2013 (in millions):

	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
As of September 30, 2014						
Fixed income securities:						
Asset-backed securities	$ 237.2	$ (0.3)	$ —	$ —	$ 237.2	$ (0.3)
Corporate debt securities	472.8	(0.8)	—	—	472.8	(0.8)
Foreign government debt securities [1]	15.9	—	—	—	15.9	—
Government-sponsored enterprise obligations	104.2	(0.2)	—	—	104.2	(0.2)
U.S. government securities [1]	21.7	—	—	—	21.7	—
Total fixed income securities	851.8	(1.3)	—	—	851.8	(1.3)
Publicly-traded equity securities	2.1	(0.3)	—	—	2.1	(0.3)
Total available-for-sale securities	$ 853.9	$ (1.6)	$ —	$ —	$ 853.9	$ (1.6)

[1] Balances less than 12 months include investments that were in an immaterial unrealized loss position as of September 30, 2014 .

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Notes to Condensed Consolidated Financial Statements (Continued)
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	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
As of December 31, 2013						
Fixed income securities:						
Asset-backed securities [1]	$ 153.0	$ (0.1)	$ 0.6	$ —	$ 153.6	$ (0.1)
Corporate debt securities [1]	156.1	(0.3)	9.7	—	165.8	(0.3)
Foreign government debt securities [2]	10.0	—	—	—	10.0	—
Government-sponsored enterprise obligations	123.1	(0.1)	—	—	123.1	(0.1)
U.S. government securities	119.7	(0.1)	—	—	119.7	(0.1)
Total fixed income securities	561.9	(0.6)	10.3	—	572.2	(0.6)
Publicly-traded equity securities	6.8	(1.9)	—	—	6.8	(1.9)
Total available-for-sale securities	$ 568.7	$ (2.5)	$ 10.3	$ —	$ 579.0	$ (2.5)

[1] Balances 12 months or greater include investments that were in an immaterial unrealized loss position as of December 31, 2013 .

[2] Balances less than 12 months include investments that were in an immaterial unrealized loss position as of December 31, 2013 .

Restricted Cash and Investments

The Company classifies certain cash and investments as restricted cash and investments on its Condensed Consolidated Balance Sheets for: (i) amounts held in escrow accounts, as required in connection with certain acquisitions completed between 2005 and 2014; (ii) the India Gratuity Trust and Israel Retirement Trust, which cover statutory severance obligations in the event of termination of any of the Company's India and Israel employees, respectively; and (iii) the Directors and Officers indemnification trust ("D&O Trust"). The restricted investments are designated as available-for-sale securities.

Privately-Held Investments

As of September 30, 2014 and December 31, 2013 , the carrying values of the Company's privately-held investments of $79.3 million and $57.2 million , respectively, were included in other long-term assets in the Condensed Consolidated Balance Sheets. As of September 30, 2014 , the carrying value of the privately-held debt securities was $42.3 million . For the nine months ended September 30, 2014 , the Company recorded $10.0 million in other comprehensive income for unrealized gains associated with its privately-held debt securities. During the three months ended September 30, 2014 , and during the three and nine months ended September 30, 2013 , there were no unrealized gains associated with its privately-held debt securities.

The Company reviews its investments to identify and evaluate investments that have an indication of possible impairment. The Company adjusts the carrying value of its privately-held investments for any impairment if the fair value is less than the carrying value of the respective assets on an other-than-temporary basis.

During the three and nine months ended September 30, 2014 , the Company determined that certain privately-held investments were other than temporarily impaired, resulting in impairment charges of $1.1 million that were recorded within other (expense) income, net in the Condensed Consolidated Statements of Operations. For the three and nine months ended September 30, 2013 , the Company recorded impairment charges for certain privately-held investments of $2.1 million and $2.5 million , respectively, within other (expense) income, net in the Condensed Consolidated Statements of Operations.

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Note 6. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables provide a summary of assets and liabilities measured at fair value on a recurring basis and as reported in the Condensed Consolidated Balance Sheets (in millions):

	Fair Value Measurements at September 30, 2014 Using:			
	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Remaining Inputs (Level 2)	Significant Other Unobservable Remaining Inputs (Level 3)	Total
Assets measured at fair value:				
Available-for-sale securities:				
Asset-backed securities	$ —	$ 310.0	$ —	$ 310.0
Certificates of deposit	—	12.4	—	12.4
Commercial paper	—	12.9	—	12.9
Corporate debt securities	—	869.8	—	869.8
Foreign government debt securities	—	28.4	—	28.4
Government-sponsored enterprise obligations	—	200.2	—	200.2
Money market funds [1]	692.0	—	—	692.0
Mutual funds [2]	3.9	—	—	3.9
Publicly-traded equity securities	2.1	—	—	2.1
U.S. government securities	243.0	27.0	—	270.0
Total available-for-sale securities	941.0	1,460.7	—	2,401.7
Trading securities in mutual funds [3]	16.7	—	—	16.7
Privately-held debt securities	—	—	42.3	42.3
Derivative assets:				
Foreign exchange contracts	—	1.2	—	1.2
Total assets measured at fair value	$ 957.7	$ 1,461.9	$ 42.3	$ 2,461.9
Liabilities measured at fair value:				
Derivative liabilities:				
Foreign exchange contracts	$ —	$ (1.8)	$ —	$ (1.8)
Total liabilities measured at fair value	$ —	$ (1.8)	$ —	$ (1.8)
Total assets measured at fair value, reported as:				
Cash equivalents	$ 650.8	$ 17.4	$ —	$ 668.2
Restricted investments	45.1	—	—	45.1
Short-term investments	98.4	201.1	—	299.5
Long-term investments	163.4	1,242.2	—	1,405.6
Prepaid expenses and other current assets	—	1.2	—	1.2
Other long-term assets	—	—	42.3	42.3
Total assets measured at fair value	$ 957.7	$ 1,461.9	$ 42.3	$ 2,461.9
Total liabilities measured at fair value, reported as:				
Other accrued liabilities	$ —	$ (1.8)	$ —	$ (1.8)
Total liabilities measured at fair value	$ —	$ (1.8)	$ —	$ (1.8)

[1] Balance includes $41.3 million of restricted investments measured at fair market value related to the Company's D&O Trust and acquisitions related escrows.

(2) Balance relates to restricted investments measured at fair market value related to the Company's India Gratuity Trust.
(3) Balance relates to investments measured at fair value related to the Company's non-qualified deferred compensation plan assets.

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Notes to Condensed Consolidated Financial Statements (Continued)
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	Fair Value Measurements at December 31, 2013 Using:			
	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Remaining Inputs (Level 2)	Significant Other Unobservable Remaining Inputs (Level 3)	Total
Assets measured at fair value:				
Available-for-sale securities:				
Asset-backed securities	$ —	$ 249.9	$ —	$ 249.9
Certificates of deposit	—	27.6	—	27.6
Commercial paper	—	6.9	—	6.9
Corporate debt securities	—	815.3	—	815.3
Foreign government debt securities	—	10.7	—	10.7
Government-sponsored enterprise obligations	—	306.2	—	306.2
Money market funds [1]	1,043.7	—	—	1,043.7
Mutual funds [2]	4.0	—	—	4.0
Publicly-traded equity securities	114.6	—	—	114.6
U.S. government securities	197.2	106.1	—	303.3
Total available-for-sale securities	1,359.5	1,522.7	—	2,882.2
Trading securities in mutual funds [3]	15.4	—	—	15.4
Privately-held debt securities	—	—	28.1	28.1
Derivative assets:				
Foreign exchange contracts	—	3.0	—	3.0
Total assets measured at fair value	$ 1,374.9	$ 1,525.7	$ 28.1	$ 2,928.7
Liabilities measured at fair value:				
Derivative liabilities:				
Foreign exchange contracts	$ —	$ (0.7)	$ —	$ (0.7)
Total liabilities measured at fair value	$ —	$ (0.7)	$ —	$ (0.7)
Total assets measured at fair value, reported as:				
Cash equivalents	$ 965.1	$ 31.1	$ —	$ 996.2
Restricted investments	87.6	—	—	87.6
Short-term investments	246.5	315.4	—	561.9
Long-term investments	75.7	1,176.2	—	1,251.9
Prepaid expenses and other current assets	—	3.0	—	3.0
Other long-term assets	—	—	28.1	28.1
Total assets measured at fair value	$ 1,374.9	$ 1,525.7	$ 28.1	$ 2,928.7
Total liabilities measured at fair value, reported as:				
Other accrued liabilities	$ —	$ (0.7)	$ —	$ (0.7)
Total liabilities measured at fair value	$ —	$ (0.7)	$ —	$ (0.7)

(1) Balance includes $83.6 million of restricted investments measured at fair market value related to the Company's D&O Trust and acquisitions related escrows.
(2) Balance relates to restricted investments measured at fair market value related to the Company's India Gratuity Trust.
(3) Balance relates to investments measured at fair value related to the Company's non-qualified deferred compensation plan assets.

The Company's Level 2 available-for-sale fixed income securities are priced using quoted market prices for similar instruments or non-binding market prices that are corroborated by observable market data. The Company uses inputs such as actual trade data, benchmark yields, broker/dealer quotes, or alternative pricing sources with reasonable levels of price transparency which are obtained from quoted market prices, independent pricing vendors, or other sources, to determine the ultimate fair value of these assets. The Company's derivative instruments are classified as Level 2, as they are not actively traded and are valued using pricing models that use observable market inputs. The Company's policy is to recognize asset or liability transfers among Level 1, Level 2, and Level 3 at the beginning of the quarter in which a change in circumstances resulted in a transfer. During the three and nine months ended September 30, 2014 , the Company had no transfers between levels of the fair value hierarchy of its assets or liabilities measured at fair value.

All of the Company's privately-held debt securities are classified as Level 3 assets due to the absence of quoted market prices and an inherent lack of liquidity. The Company estimates the fair value of its privately-held debt investments on a recurring basis using an analysis of the financial condition and near-term prospects of the investee, including recent financing activities and the investee's capital structure. During the three and nine months ended September 30, 2014 , there were purchases of $0.2 million and $4.6 million respectively, related to our privately-held debt securities.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain of the Company's assets, including intangible assets, goodwill, and privately-held equity investments, are measured at fair value on a nonrecurring basis, if impairment is indicated.

Privately-held equity investments, which are normally carried at cost, are measured at fair value on a nonrecurring basis due to events and circumstances that the Company identified as significantly impacting the fair value of investments. The Company estimates the fair value of its privately-held equity investments using an analysis of the financial condition and near-term prospects of the investee, including recent financing activities and the investee's capital structure.

Purchased intangible assets are measured at fair value primarily using discounted cash flow projections.

As of September 30, 2014 , the Company had no significant assets measured at fair value on a nonrecurring basis. As of December 31, 2013 , the Company had $2.0 million of privately-held equity investments measured at fair value on a nonrecurring basis and were classified as Level 3 assets due to the absence of quoted market prices and inherent lack of liquidity. The impairment charges, representing the difference between the net book value and the fair value, are recorded to other (expense) income, net in the Condensed Consolidated Statements of Operations.

As of September 30, 2014 and December 31, 2013 , the Company had no liabilities measured at fair value on a nonrecurring basis.

Assets and Liabilities Not Measured at Fair Value

The carrying amounts of the Company's accounts receivable, financing receivables, accounts payable, and other accrued liabilities approximate fair value due to their short maturities. As of September 30, 2014 and December 31, 2013 , the estimated fair value of the Company's long-term debt in the Condensed Consolidated Balance Sheets was approximately $1,432.7 million and $1,023.5 million , respectively, based on observable market inputs (Level 2).

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
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Note 7. Derivative Instruments

The Company uses derivatives to partially offset its market exposure to fluctuations in certain foreign currencies and does not enter into derivatives for speculative or trading purposes.

The notional amount of the Company's foreign currency derivatives are summarized as follows (in millions):

	As of	
	September 30, 2014	December 31, 2013
Cash flow hedges	$ 144.4	$ 137.6
Non-designated derivatives	94.7	144.4
Total	$ 239.1	$ 282.0

Cash Flow Hedges

The Company uses foreign currency forward or option contracts to hedge certain forecasted foreign currency transactions relating to cost of services and operating expenses. The derivatives are intended to hedge the U.S. Dollar equivalent of the Company's planned cost of services and operating expenses denominated in certain foreign currencies. These derivatives are designated as cash flow hedges. Execution of these cash flow hedge derivatives typically occurs every month with maturities of one year or less. The effective portion of the derivative's gain or loss is initially reported as a component of accumulated other comprehensive income, and upon occurrence of the forecasted transaction, is subsequently reclassified into the cost of services or operating expense line item to which the hedged transaction relates. The Company records any ineffectiveness of the hedging instruments in other (expense) income, net, in its Condensed Consolidated Statements of Operations. Cash flows from such hedges are classified as operating activities. All amounts within other comprehensive income are expected to be reclassified into earnings within the next twelve months.

See Note 6, *Fair Value Measurements* , for the fair values of the Company's derivative instruments in the Condensed Consolidated Balance Sheets.

During the three and nine months ended September 30, 2014 , the Company recognized a loss of $2.8 million and a gain of $1.7 million , respectively, in accumulated other comprehensive (loss) income for the effective portion of its derivative instruments and reclassified a gain of $1.5 million and $5.0 million , respectively, from other comprehensive income to operating expense in the Condensed Consolidated Statements of Operations. During the three and nine months ended September 30, 2013 , the Company recognized a loss of $0.4 million and $4.2 million , respectively, in accumulated other comprehensive loss for the effective portion of its derivative instruments and reclassified a loss of $1.4 million and a gain of $0.6 million , respectively, from other comprehensive (loss) income to operating expense in the Condensed Consolidated Statements of Operations.

The ineffective portion of the Company's derivative instruments recognized in its Condensed Consolidated Statements of Operations was not material during the three and nine months ended September 30, 2014 and September 30, 2013 .

Non-Designated Derivatives

The Company also uses foreign currency forward contracts to mitigate variability in gains and losses generated from the remeasurement of certain monetary assets and liabilities denominated in foreign currencies. These derivatives were not designated for special hedge accounting treatment. These derivatives are carried at fair value with changes recorded in other (expense) income, net, in the Condensed Consolidated Statements of Operations. Changes in the fair value of these derivatives are largely offset by remeasurement of the underlying assets and liabilities. Cash flows from such derivatives are classified as operating activities. The derivatives have maturities within two months.

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During the three and nine months ended September 30, 2014 , the Company recognized net losses of $0.3 million and $3.3 million , respectively, on non-designated derivative instruments within other expense, net, in its Condensed Consolidated Statements of Operations. During the three and nine months ended September 30, 2013 , the Company recognized net gain of $0.9 million and $1.0 million , respectively, on non-designated derivative instruments within other (expense) income, net, in its Condensed Consolidated Statements of Operations.

Offsetting of Derivatives

The Company presents its derivative assets and derivative liabilities on a gross basis in the Condensed Consolidated Balance Sheets. However, under agreements containing provisions on netting with certain counterparties of foreign exchange contracts, subject to applicable requirements, the Company is allowed to net-settle transactions on the same date in the same currency, with a single net amount payable by one party to the other. As of September 30, 2014 and December 31, 2013 , the potential effect of rights of setoff associated with derivative instruments was not material. The Company is neither required to pledge nor entitled to receive cash collateral related to these derivative transactions.

Note 8. Goodwill and Purchased Intangible Assets

Goodwill

The following table presents goodwill activity during the nine months ended September 30, 2014 (in millions):

Balance as of December 31, 2013	$	4,057.7
Additions due to business combination		13.6
Goodwill reclassified to assets held for sale		(159.8)
Tax reserve adjustment		0.2
Balance as of September 30, 2014	$	3,911.7

The additions to goodwill were based on the purchase price allocation of the acquisition completed during the first quarter of 2014. There were no impairments to goodwill during the three and nine months ended September 30, 2014 and September 30, 2013 .

Purchased Intangible Assets

The Company's purchased intangible assets were as follows (in millions):

	Gross	Accumulated Amortization	Impairments and Other Charges [1]	Net
As of September 30, 2014				
Intangible assets with finite lives:				
Technologies and patents	$ 592.0	$ (477.8)	$ (35.7)	$ 78.5
Customer contracts, support agreements, and related relationships	80.3	(65.8)	(3.0)	11.5
Other	19.9	(19.1)	—	0.8
Total purchased intangible assets	$ 692.2	$ (562.7)	$ (38.7)	$ 90.8
As of December 31, 2013				
Intangible assets with finite lives:				
Technologies and patents	$ 581.4	$ (453.4)	$ (30.5)	$ 97.5
Customer contracts, support agreements, and related relationships	74.3	(62.7)	(2.2)	9.4
Total purchased intangible assets	$ 655.7	$ (516.1)	$ (32.7)	$ 106.9

[1] Balance includes $6.0 million of unamortized intangible assets related to Junos Pulse that have been reclassified to assets held for sale.

Intangible assets to be disposed of as a result of the Junos Pulse product portfolio disposition were included in assets held for sale within the Condensed Consolidated Balance Sheets as of September 30, 2014 and accordingly, amortization of the assets was stopped as of the date they were deemed to be held for sale.

The following table presents the amortization of intangible assets included in the Condensed Consolidated Statements of Operations (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Cost of revenues	$ 7.1	$ 6.5	$ 23.7	$ 19.3
Operating expenses:				
Sales and marketing	1.1	0.8	3.2	2.6
General and administrative	0.3	0.3	0.9	0.9
Total operating expenses	1.4	1.1	4.1	3.5
Total	$ 8.5	$ 7.6	$ 27.8	$ 22.8

There were no impairment charges related to purchased intangible assets during the three and nine months ended September 30, 2014 and September 30, 2013 .

As of September 30, 2014 , the estimated future amortization expense of purchased intangible assets with finite lives is as follows (in millions):

Years Ending December 31,	Amount
Remainder of 2014	$ 8.5
2015	32.1
2016	20.8
2017	13.0
2018	6.1
Thereafter	10.3
Total	$ 90.8

Note 9. Other Financial Information

Inventories

The Company purchases and holds inventory to help ensure adequate component supplies over the life of the underlying products. The majority of the Company's inventory is production components. Inventories are reported both within prepaid expenses and other current assets and other long-term assets in the Condensed Consolidated Balance Sheets. Total inventories consisted of the following (in millions):

	As of	
	September 30, 2014	December 31, 2013
Production materials	$ 35.6	$ 51.3
Finished goods	15.0	1.4
Inventories	$ 50.6	$ 52.7

The Company recorded charges in cost of revenues of $15.5 million for the nine months ended September 30, 2014 , related to the acceleration of the end-of-life of certain products in connection with the 2014 Restructuring Plan discussed in Note 10, *Restructuring and Other Charges* , and no similar charges for the three months ended September 30, 2014.

Other Long-Term Assets

Other long-term assets consisted of the following (in millions):

	As of	
	September 30, 2014	December 31, 2013
Privately-held investments	$ 79.3	$ 57.2
Licensed software	9.4	90.4
Federal income tax receivable	20.0	20.0
Financed customer receivable	18.2	19.9
Inventory	6.8	15.2
Prepaid costs, deposits, and other	29.2	31.1
Other long-term assets	$ 162.9	$ 233.8

In connection with the 2014 Restructuring Plan discussed in Note 10, *Restructuring and Other Charges* , the Company reviewed its product portfolio and determined to cease development of the application delivery controller software technology licensed in July 2012. As a result, the Company recognized a charge of $84.7 million recorded within operating expenses in the Condensed Consolidated Statements of Operations during the nine months ended September 30, 2014 . There were no revenues associated with this technology.

Warranties

The Company accrues for warranty costs based on associated material, labor for customer support, and overhead at the time revenue is recognized. This accrual is reported within other accrued liabilities in the Condensed Consolidated Balance Sheets. Changes in the Company's warranty reserve during the nine months ended September 30, 2014 were as follows (in millions):

Balance as of December 31, 2013	$ 28.0
Provisions made during the period	21.9
Actual costs incurred during the period	(21.3)
Warranty reclassified to liabilities held for sale	(0.5)
Balance as of September 30, 2014	$ 28.1

Deferred Revenue

Details of the Company's deferred revenue, as reported in the Condensed Consolidated Balance Sheets, were as follows (in millions):

	As of	
	September 30, 2014	December 31, 2013
Deferred product revenue:		
Undelivered product commitments and other product deferrals	$ 166.5	$ 184.9
Distributor inventory and other sell-through items	113.0	118.7
Deferred gross product revenue	279.5	303.6
Deferred cost of product revenue	(57.0)	(58.6)
Deferred product revenue, net	222.5	245.0
Deferred service revenue	851.5	824.3
Total	$ 1,074.0	$ 1,069.3
Reported as:		
Current	$ 728.4	$ 705.8
Long-term	345.6	363.5
Total	$ 1,074.0	$ 1,069.3

Deferred product revenue represents unrecognized revenue related to shipments to distributors that have not sold through to end-users, undelivered product commitments, and other shipments that have not met all revenue recognition criteria. Deferred product revenue is recorded net of the related costs of product revenue. Deferred service revenue represents billable amounts for service contracts, which include technical support, hardware and software maintenance, professional services, and training, for which services have not been rendered.

Other (Expense) Income, Net

Other (expense) income, net, consisted of the following (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Interest income	$ 2.7	$ 2.3	$ 6.9	$ 6.1
Interest expense	(16.9)	(14.2)	(50.2)	(43.4)
Net gain on legal settlement	0.8	—	196.1	—
(Loss) gain on investments	(1.9)	4.0	165.1	7.8
Other	8.5	0.4	8.1	(0.7)
Other (expense) income, net	$ (6.8)	$ (7.5)	$ 326.0	$ (30.2)

Interest income primarily includes interest earned on the Company’s cash, cash equivalents, and investments. Interest expense primarily includes interest, net of capitalized interest expense, from long-term debt and customer financing arrangements. Other typically consists of foreign exchange gains and losses and other non-operational income and expense items.

During the nine months ended September 30, 2014 , the Company entered into a settlement agreement with Palo Alto Networks ("PAN") resolving patent litigation between the two companies, which resulted in a realized gain on legal settlement and subsequent sale of related securities of $196.1 million , net of legal fees. Under the terms of the settlement, PAN made a one-time payment to the Company of $75.0 million in cash and issued PAN common stock and warrants to the Company. The fair value of the PAN common stock and warrants at the date of receipt was included in the net realized gain. All such PAN securities were sold in the third quarter of 2014, and the Company recorded an additional $0.8 million gain during the three months ended September 30, 2014.

Other (expense) income, net, during the nine months ended September 30, 2014, was also comprised of a gain of $163.0 million , related to the sale of investments which were converted from privately-held investments to publicly-traded equity upon IPO and subsequently sold.

During the three and nine months ended September 30, 2013 , net gain on investments was primarily comprised of a gain of $3.6 million and $4.9 million , respectively, related to the Company's privately-held investments.

Note 10. Restructuring and Other Charges

The following table presents restructuring and other charges included in cost of revenues and restructuring and other (credit) charges in the Condensed Consolidated Statements of Operations (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Severance	$ 7.1	$ 3.8	$ 45.6	$ 9.0
Facilities	(25.0)	(0.8)	12.8	9.5
Contract terminations	—	1.8	2.3	2.8
Total restructuring charges	(17.9)	4.8	60.7	21.3
Asset impairment and write-downs	2.9	7.3	118.7	7.3
Total restructuring and other (credit) charges	$ (15.0)	$ 12.1	$ 179.4	$ 28.6
Reported as:				
Cost of revenues	$ —	$ 6.1	$ 22.2	$ 7.6
Restructuring and other (credit) charges	(15.0)	6.0	157.2	21.0
Total	$ (15.0)	$ 12.1	$ 179.4	$ 28.6

Restructuring and other (credit) charges noted above are based on the Company's 2014 Restructuring Plan and Other Restructuring Plans that were committed to by management. Any changes in the estimates of executing the approved plans are reflected in the Company's results of operations.

2014 Restructuring Plan

In connection with IOP announced in the first quarter of 2014, the Company initiated a restructuring plan (the “2014 Restructuring Plan”) designed to refocus the Company's strategy, optimize its structure, and improve operational efficiencies. The 2014 Restructuring Plan consists of workforce reductions, facility consolidations and closures, asset write-downs, contract terminations and other charges.

During the three months ended September 30, 2014 , the Company recorded $7.1 million of severance costs, a benefit of $25.0 million of facility consolidation and closures, and $2.9 million of asset write-downs, that were recorded to restructuring and other (credit) charges in the Condensed Consolidated Statements of Operations.

During the three months ended September 30, 2014, the Company with the consent of its landlord and the administrative agent to its lienholder, assigned certain of its real property leases, totaling approximately 0.4 million square feet, some of which the Company has already ceased the use of in the second quarter, to a third party. Concurrently with the assignments, the Company executed a sublease with the assignee for one of the properties of approximately 0.1 million square feet, for a period of two years , with a one -time right to extend the term for up to six months . Under these arrangements, the Company paid $12.3 million to the landlord and was released from all future lease obligations following the date of the assignments. The Company also incurred $5.3 million of transaction fees, which were recorded to restructuring and other (credit) charges in the Condensed Consolidated Statements of Operations. As a result of the lease assignments, the Company recorded a benefit of approximately $25.0 million , which included a reversal of previously recorded restructuring liability and additional charges relating to facility consolidation activities, in the third quarter of 2014.

During the nine months ended September 30, 2014 , the Company recorded $45.0 million of severance costs, $12.6 million of facility consolidation and closures costs, $84.7 million of impairment charges related to licensed software, $11.8 million of asset write-downs, and $2.3 million of charges related to contract terminations, which were recorded to restructuring and other (credit) charges in the Condensed Consolidated Statements of Operations. The Company also recorded inventory write-downs of $15.5 million and a charge related to products with contract manufacturers of $6.7 million for acceleration of the end-of-service life of certain products to cost of revenues in the Condensed Consolidated Statements of Operations during the nine months ended September 30, 2014 .

In connection with the 2014 Restructuring Plan, the Company expects to record aggregate future charges of approximately $7.0 million to $9.0 million allocated to the following restructuring activities: $4.0 million to $5.0 million for severance, $2.0 million to $3.0 million for facility consolidations or closures, and up to $1.0 million for contract terminations and other charges.

Other Restructuring Plans

Restructuring plans initiated by the Company in fiscal 2013, 2012, and 2011 have been substantially completed as of September 30, 2014 . The Company does not expect to record significant future charges under these restructuring plans.

Restructuring Liability

Restructuring liabilities are reported within other accrued liabilities and other long-term liabilities in the Condensed Consolidated Balance Sheets. The following table provides a summary of changes in the restructuring liability related to the Company's plans during the nine months ended September 30, 2014 (in millions):

	December 31, 2013	Charges	Cash Payments	Non-cash Settlements and Other	September 30, 2014
Severance	$ 5.6	$ 45.6	$ (40.9)	$ (1.0)	$ 9.3
Facilities	5.1	12.8	(17.5)	8.9	9.3
Contract terminations and other	7.1	2.3	(8.3)	(0.9)	0.2
Total	$ 17.8	$ 60.7	$ (66.7)	$ 7.0	$ 18.8

As of September 30, 2014 , the Company's restructuring liability was $18.8 million , of which $9.5 million is related to severance and other charges expected to be settled by January 2015. The remaining $9.3 million related to facility closures is expected to be paid through March 2018.

Note 11. Long-Term Debt and Financing

Long-Term Debt

The following table summarizes the Company's long-term debt (in millions, except percentages):

	As of September 30, 2014	
	Amount	Effective Interest Rates
Senior notes:		
3.10% fixed-rate notes, due 2016 ("2016 Notes")	$ 300.0	3.25%
4.60% fixed-rate notes, due 2021 ("2021 Notes")	300.0	4.69%
4.50% fixed-rate notes, due 2024 ("2024 Notes")	350.0	4.63%
5.95% fixed-rate notes, due 2041 ("2041 Notes")	400.0	6.03%
Total senior notes	1,350.0	
Unaccreted discount	(1.1)	
Total	$ 1,348.9	

In February 2014, the Company issued $350.0 million aggregate principal amount of 4.50% senior notes due 2024. The 2024 Notes are senior unsecured obligations and rank equally with all of the Company's other existing and future senior unsecured indebtedness. Interest on the 2024 Notes is payable in cash semiannually. The Company may redeem the 2024 Notes, at any time in whole or from time to time in part, subject to a make-whole premium, and in the event of a change in control, the holders of the 2024 Notes may require the Company to repurchase for cash all or part of the 2024 Notes at a purchase price equal to 101% of the aggregate principal amount, plus accrued and unpaid interest, if any. The indenture that governs the 2024 Notes also contains various covenants, including limitations on the Company's ability to incur liens or enter into sale-leaseback transactions over certain dollar thresholds.

The effective interest rates for the 2016 Notes, 2021 Notes, 2024 Notes, and 2041 Notes (collectively the “Notes”) include the interest on the Notes, accretion of the discount, and amortization of issuance costs. As of September 30, 2014 , the Company was in compliance with all of its covenants in the indentures governing the Company's notes.

Revolving Credit Facility

On June 27, 2014, the Company entered into a Credit Agreement ("Credit Agreement") with certain institutional lenders and Citibank, N.A., as administrative agent, that provides for a $500.0 million unsecured revolving credit facility, with an option of the Company to increase the amount of the credit facility by up to an additional $200.0 million , subject to certain conditions. Proceeds of loans made under the Credit Agreement may be used by the Company for working capital and general corporate purposes. Revolving loans may be borrowed, repaid and reborrowed until June 27, 2019, at which time all amounts borrowed must be repaid. Borrowing may be denominated, at the Company's option in U.S. dollars, Pounds Sterling or Euro.

Borrowings under the Credit Agreement will bear interest, at either i) a floating rate per annum equal to the base rate plus a margin of between 0.00% and 0.50% , depending on the Company's public debt rating or ii) a per annum rate equal to the reserve adjusted Eurocurrency rate , plus a margin of between 0.90% and 1.50% , depending on the Company's public debt rating. Base rate is defined as the greatest of (A) Citibank's base rate , (B) the federal funds rate plus 0.50% or (C) the ICE Benchmark Administration Settlement Rate applicable to dollars for a period of one month plus 1.00% . The Eurocurrency rate is determined for U.S. dollars and Pounds Sterling as the rate at which deposits in such currency are offered in the London interbank market for the applicable interest period and for Euro as the rate specified for deposits in Euro with a maturity comparable to the applicable interest period.

As of September 30, 2014 , the Company was in compliance with all covenants in the Credit Agreement, and no amounts were outstanding.

Customer Financing Arrangements

The Company provides certain distribution partners access to extended financing arrangements for certain end-user customers that require longer payment terms than those typically provided by the Company through factoring accounts receivable to third-party financing providers ("financing providers"). The program does not and is not intended to affect the timing of the Company's revenue recognition. Under the financing arrangements, proceeds from the financing provider are due to the Company within 30 to 90 days from the sale of the receivable. In these transactions with the financing provider, the Company surrenders control over the transferred assets. The factored accounts receivable are isolated from the Company and put beyond the reach of the Company's creditors, even in the event of bankruptcy. The Company does not maintain effective control over the transferred assets through obligations or rights to redeem, transfer, or repurchase the receivables after they have been transferred.

Pursuant to the financing arrangements for the sale of receivables, the Company sold net receivables of $92.8 million and $241.4 million during the three months ended September 30, 2014 and September 30, 2013 , respectively, and $429.2 million and $607.1 million during the nine months ended September 30, 2014 and September 30, 2013 , respectively.

The Company received cash proceeds from the financing provider of $128.9 million and $210.8 million during the three months ended September 30, 2014 and September 30, 2013 , respectively, and $473.3 million and $579.2 million during the nine months ended September 30, 2014 and September 30, 2013 , respectively. As of September 30, 2014 and December 31, 2013 , the amounts owed to the Company by the financing provider were $146.2 million and $189.8 million , respectively, and were recorded in accounts receivable on the Condensed Consolidated Balance Sheets.

The Company has provided guarantees to third-party financing companies for certain third-party financing arrangements extended to certain end-user customers, which have terms of up to four years. The Company is liable for the aggregate unpaid payments to the third-party financing company in the event of customer default. As of September 30, 2014 , the Company has not been required to make any payments under these arrangements. Pursuant to these arrangements, the Company has guarantees for third-party financing arrangements of $22.1 million as of September 30, 2014 .

The portion of the receivable financed that has not been recognized as revenue is accounted for as a financing arrangement and is included in other accrued liabilities and other long-term liabilities in the Consolidated Balance Sheets . As of September 30, 2014 and December 31, 2013 , the estimated cash received from the financing provider not recognized as revenue was $59.5 million and $62.3 million , respectively.

Note 12. Equity

Cash Dividends on Shares of Common Stock

On July 22, 2014, the Company declared a quarterly cash dividend of $0.10 per share of common stock, or $43.8 million in the aggregate, to stockholders of record on September 2, 2014 which was paid on September 23, 2014. Any future dividends, and the establishment of record and payment dates, are subject to approval by the Board of Directors (the "Board") of Juniper Networks or authorized committee thereof. See Note 18, *Subsequent Events*, for discussion of the Company's dividend declaration subsequent to September 30, 2014 .

Stock Repurchase Activities

In February 2014, the Company's Board approved a stock repurchase program that authorized the Company to repurchase up to $2.1 billion of its common stock through the end of the first quarter of 2015, including $1.2 billion to be used pursuant to an accelerated share repurchase program ("2014 Stock Repurchase Program"). The $2.1 billion authorization replaced the $1.0 billion stock repurchase authorization approved by the Board in July 2013 ("2013 Stock Repurchase Program").

As part of the 2014 Stock Repurchase Program, the Company entered into two separate accelerated share repurchase agreements (collectively, the "ASR") with two financial institutions to repurchase $1.2 billion of the Company’s common stock. During the three months ended March 31, 2014, the Company made an up-front payment of $1.2 billion pursuant to the ASR and received and retired an initial 33.3 million shares ("Initial Shares") of the Company’s common stock for an aggregate price of $900.0 million based on the market value of the Company’s common stock on the date of the transaction. The payment for the Initial Shares was accounted for as a reduction to stockholders' equity in the Condensed Consolidated Balance Sheets. On July 23, 2014, the ASR was completed and an additional 16.0 million shares for the remaining $300.0 million was received from the financial institutions for a total of 49.3 million shares of the Company's common stock, which resulted in a volume weighted average repurchase price, less an agreed upon discount, of $24.35 per share. The 16.0 million shares received were retired during the three months ended September 30, 2014. Retired shares return to authorized but unissued shares of common stock.

Subsequent to the completion of the ASR, the Company repurchased and retired approximately 23.5 million shares of its common stock under the 2014 Stock Repurchase Program at an average price of $23.44 per share for an aggregate purchase price of $550.0 million during the three months ended September 30, 2014 . During the three and nine months ended September 30, 2013 , the Company repurchased and retired approximately 4.4 million and 17.0 million shares of its common stock, respectively, at an average price of $20.92 and $19.32 per share, respectively, for an aggregate purchase price of $92.9 million and $328.4 million , respectively.

As of September 30, 2014 , there was $350.0 million of authorized funds remaining under the 2014 Stock Repurchase Program. In October 2014, the Board authorized a $1.3 billion increase to the 2014 Stock Repurchase Program. The Company has announced its intention to repurchase an additional $1.5 billion of its common stock before the end of the second quarter of 2015, as part of its three year capital return program.

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

In addition to repurchases under the Company's stock repurchase program, the Company also repurchases common stock from certain employees in connection with the net issuance of shares to satisfy minimum tax withholding obligations upon the vesting of certain stock awards issued to such employees. Repurchases associated with tax withholdings were not significant during the three and nine months ended September 30, 2014 and September 30, 2013 .

Future stock repurchases under the Company's stock repurchase program will be subject to a review of the circumstances at that time and will be made from time to time in private transactions or open market purchases as permitted by securities laws and other legal requirements.

See Note 18, *Subsequent Events*, for discussion of the Company's stock repurchase activity subsequent to September 30, 2014 .

Accumulated Other Comprehensive Income, Net of Tax

The components of accumulated other comprehensive income, net of related taxes, during the nine months ended September 30, 2014 were as follows (in millions):

	Unrealized Gains (Losses) on Available-for-Sale Securities [1]	Unrealized Gains (Losses) on Cash Flow Hedges [2]	Foreign Currency Translation Adjustments	Total
Balance as of December 31, 2013	$ 66.2	$ 2.2	$ (3.8)	$ 64.6
Other comprehensive gain before reclassifications	44.0	0.4	(3.8)	40.6
Amount reclassified from accumulated other comprehensive income	(104.0)	(4.2)	—	(108.2)
Net other comprehensive loss	(60.0)	(3.8)	(3.8)	(67.6)
Balance as of September 30, 2014	$ 6.2	$ (1.6)	$ (7.6)	$ (3.0)

[1] The reclassifications out of accumulated other comprehensive income during the nine months ended September 30, 2014 for realized gains on available-for-sale securities of $104.0 million are included in other (expense) income, net, in the Condensed Consolidated Statements of Operations.

[2] The reclassifications out of accumulated other comprehensive income during the nine months ended September 30, 2014 for realized gains on cash flow hedges are included within cost of revenues of $0.4 million , research and development of $1.3 million , sales and marketing of $1.6 million , and general and administrative of $0.9 million for which the hedged transactions relate in the Condensed Consolidated Statements of Operations.

Note 13. Employee Benefit Plans

Equity Incentive Plans

The Company's equity incentive plans include the 2006 Equity Incentive Plan (the "2006 Plan"), the 2000 Nonstatutory Stock Option Plan (the "2000 Plan"), the Amended and Restated 1996 Stock Plan (the "1996 Plan"), various equity incentive plans assumed through acquisitions, and the 2008 Employee Stock Purchase Plan (the "ESPP"). Under these plans, the Company has granted (or, in the case of acquired plans, assumed) stock options, restricted stock units ("RSUs"), restricted stock awards ("RSAs"), and performance share awards ("PSAs").

The 2006 Plan was adopted and approved by the Company's stockholders in May 2006. To date, the Company's stockholders have approved a share reserve of 149.5 million shares of common stock plus the addition of any shares subject to options under the 2000 Plan and the 1996 Plan that were outstanding as of May 18, 2006, and that subsequently expire unexercised, up to a maximum of an additional 75.0 million shares. As of September 30, 2014 , an aggregate of 30.3 million shares were subject to currently outstanding equity awards under the 2006 Plan, the 2000 Plan, and the 1996 Plan. As of September 30, 2014 , 45.3 million shares were available for future issuance under the 2006 Plan and no shares were available for future issuance under either the 2000 Plan or the 1996 Plan.

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Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

The ESPP was adopted and approved by the Company's stockholders in May 2008. To date, the Company's stockholders have approved a share reserve of 19.0 million shares of the Company's common stock for issuance under this plan. The ESPP permits eligible employees to acquire shares of the Company's common stock at a 15% discount to the offering price (as determined in the ESPP) through periodic payroll deductions of up to 10% of base compensation, subject to individual purchase limits of 6,000 shares in any twelve -month period or $25,000 worth of stock, determined at the fair market value of the shares at the time the stock purchase option is granted, in one calendar year. As of September 30, 2014 , approximately 15.7 million shares have been issued and 3.3 million shares remain available for future issuance under the ESPP.

In connection with certain past acquisitions, the Company assumed stock options, RSUs, RSAs and PSAs under the assumed stock plans of the acquired companies and exchanged the assumed awards for the Company's stock options, RSUs, RSAs and PSAs, respectively. No new stock options, RSUs, RSAs and PSAs can be granted under these plans. As of September 30, 2014 , stock options, RSUs, RSAs and PSAs representing approximately 4.7 million shares of common stock were outstanding under all awards assumed through the Company's acquisitions.

Stock Option Activities

The following table summarizes the Company's stock option activity and related information as of and for the nine months ended September 30, 2014 (in millions, except for per share amounts and years):

	Outstanding Options			
	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Balance as of December 31, 2013	23.1	$ 25.15		
Canceled	(0.6)	30.34		
Exercised	(5.2)	19.95		
Expired	(5.8)	28.68		
Balance as of September 30, 2014	11.5	$ 25.46	2.1	$ 25.7
As of September 30, 2014:				
Vested and expected-to-vest options	11.4	$ 25.60	2.1	$ 24.3
Exercisable options	10.5	$ 26.40	1.8	$ 15.7

The aggregate intrinsic value represents the difference between the Company's closing stock price on the last trading day of the period, which was $22.15 per share as of September 30, 2014 , and the exercise price of the applicable options multiplied by the number of related options. The pre-tax intrinsic value of options exercised, representing the difference between the fair market value of the Company's common stock on the date of exercise and the exercise price of each option, was $3.4 million and $32.0 million for the three and nine months ended September 30, 2014 , respectively.

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
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Restricted Stock Unit, Restricted Stock Award, and Performance Share Award Activities

The following table summarizes the Company's RSU, RSA, and PSA activity and related information as of and for the nine months ended September 30, 2014 (in millions, except per share amounts and years):

	Outstanding RSUs, RSAs, and PSAs			
	Number of Shares	Weighted Average Grant-Date Fair Value per Share	Weighted Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Balance as of December 31, 2013	25.4	$ 23.44		
RSUs granted [1][4]	8.8	22.98		
RSUs assumed [2]	0.4	22.66		
RSAs assumed [2]	0.9	22.66		
PSAs granted [3][4]	0.8	25.59		
PSAs assumed [2]	0.2	22.66		
RSUs vested	(6.0)	23.40		
RSAs vested	(1.1)	19.59		
PSAs vested	(1.0)	36.77		
RSUs canceled	(2.2)	21.81		
PSAs canceled	(2.7)	31.29		
Balance as of September 30, 2014	23.5	22.11	1.3	$ 520.8

(1) Includes service-based and market-based RSUs granted under the 2006 Plan according to its terms.

(2) RSUs, RSAs, and PSAs assumed in connection with the acquisition of WANDL.

(3) The number of shares subject to PSAs granted represents the aggregate maximum number of shares that may be issued pursuant to the award over its full term. The aggregate number of shares subject to these PSAs that would be issued if performance goals determined by the Compensation Committee are achieved at target is 0.4 million shares. Depending on achievement of such performance goals, the range of shares that could be issued under these awards is 0 to 0.8 million shares.

(4) On February 20, 2014, the Company announced its intention to initiate a quarterly cash dividend of $0.10 per share of common stock in the third quarter of 2014. As a result of the Company's announcement, the grant date fair value of RSUs and PSAs granted after the announcement date were reduced by the present value of the dividends expected to be paid on the underlying shares of common stock during the requisite and derived service period as these awards are not entitled to receive dividends until vested. On July 22, 2014, the Company declared a cash dividend of $0.10 per share of common stock, or $43.8 million in the aggregate, to stockholders of record on September 2, 2014, which was paid on September 23, 2014.

Employee Stock Purchase Plan

The ESPP is implemented in a series of offering periods, each currently six months in duration, or such other period as determined by the Board. Employees purchased 1.4 million and 2.9 million shares of common stock through the ESPP at an average exercise price of $20.01 and $19.30 per share for the three and nine months ended September 30, 2014 , respectively, and 1.5 million and 3.3 million shares at an average per share price of $18.42 and $16.53 for the three and nine months ended September 30, 2013 , respectively.

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
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Valuation Assumptions

There were no market-based RSU grants during the three months ended September 30, 2014 or the three and nine months ended September 30, 2013 . The weighted-average assumptions used and the resulting estimates of fair value for ESPP and market-based RSUs during the three and nine months ended September 30, 2014 and September 30, 2013 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
ESPP [1]:				
Volatility	27%	35%	30%	36%
Risk-free interest rate	0.1%	0.1%	0.1%	0.1%
Expected life (years)	0.5	0.5	0.5	0.5
Dividend yield	1.8%	—	1.0%	—
Weighted-average fair value per share	$5.13	$5.47	$5.72	$5.54
Market-based RSUs [2]:				
Volatility	—	—	36%	—
Risk-free interest rate	—	—	1.6%	—
Dividend yield	—	—	0% - 1.5%	—
Weighted-average fair value per share	—	—	$18.28	—

(1) The Black-Scholes-Merton option-pricing model is utilized to estimate the fair value of ESPP.

(2) The fair value of market-based RSUs utilizes a Monte Carlo valuation methodology. The Company amortizes the fair value of these awards over the derived service period adjusted for estimated forfeitures for each separately vesting tranche of the award. Provided that the derived service is rendered, the total fair value of the market-based RSUs at the date of grant is recognized as compensation expense even if the market condition is not achieved. However, the number of shares that ultimately vest can vary significantly with the performance of the specified market criteria.

Share-Based Compensation Expense

Share-based compensation expense associated with stock options, RSUs, RSAs, PSAs, and ESPP was recorded in the following cost and expense categories in the Condensed Consolidated Statements of Operations (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Cost of revenues - Product	$ 1.3	$ 1.4	$ 3.9	$ 3.5
Cost of revenues - Service	3.6	3.4	10.7	11.5
Research and development	37.1	36.6	100.8	93.2
Sales and marketing	15.9	20.4	44.9	53.0
General and administrative	7.4	7.5	25.1	19.5
Total	$ 65.3	$ 69.3	$ 185.4	$ 180.7

The following table summarizes share-based compensation expense by award type (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Stock options	$ 3.2	$ 7.7	$ 12.0	$ 24.9
RSUs, RSAs, and PSAs	58.2	57.7	161.9	144.0
ESPP	3.9	3.9	11.5	11.8
Total	$ 65.3	$ 69.3	$ 185.4	$ 180.7

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
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The following table presents unrecognized compensation cost, adjusted for estimated forfeitures, recognized over a weighted-average period related to unvested stock options, RSUs, RSAs, and PSAs as of September 30, 2014 (in millions, except years):

	Unrecognized Compensation Cost	Weighted Average Period (In Years)
Stock options	$ 15.9	1.5
RSUs, RSAs, and PSAs	$ 302.8	1.9

Note 14. Segments

In connection with the IOP, the Company realigned its organization into a One-Juniper structure which includes consolidating the Company's R&D and go-to-market functions to reduce complexity, increase clarity of responsibilities, and improve efficiency. As a result of these changes, the consolidated business is considered to be one reportable segment and operating segment, consistent with how the Company's CODM views the business, allocates resources, and assesses the performance of the Company. Future organizational changes, if any, could impact how the CODM allocates resources and assesses performance.

The Company continues to sell its high-performance network products and service offerings across routing, switching, and security to service provider and enterprise markets.

The following table presents net revenues by product and service (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Routing	$ 533.2	$ 609.0	$ 1,700.8	$ 1,700.2
Switching	155.0	147.6	546.8	439.3
Security	121.3	144.2	367.1	406.9
Total product	809.5	900.8	2,614.7	2,546.4
Total service	316.4	284.8	910.8	849.1
Total	$ 1,125.9	$ 1,185.6	$ 3,525.5	$ 3,395.5

The Company attributes revenues to geographic region based on the customer's ship-to location. The following table presents net revenues by geographic region (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Americas:				
United States	$ 621.3	$ 604.6	$ 1,905.7	$ 1,761.8
Other	57.0	56.7	165.1	166.7
Total Americas	678.3	661.3	2,070.8	1,928.5
Europe, Middle East, and Africa	290.5	306.5	911.0	898.0
Asia Pacific	157.1	217.8	543.7	569.0
Total	$ 1,125.9	$ 1,185.6	$ 3,525.5	$ 3,395.5

No customer accounted for 10% or more of the Company's net revenues during the three and nine months ended September 30, 2014 and September 30, 2013 , respectively.

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Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

The following table presents geographic information for property and equipment, net (in millions):

	As of	
	September 30, 2014	December 31, 2013
United States	$ 806.6	$ 801.3
International	82.2	81.0
Property and equipment, net	$ 888.8	$ 882.3

The Company tracks assets by physical location. The majority of the Company's assets, excluding cash and cash equivalents and investments, as of September 30, 2014 and December 31, 2013, were attributable to U.S. operations.

Note 15. Income Taxes

The Company's effective tax rate for the three and nine months ended September 30, 2014 of 37.4% and 28.4% , respectively, differs from the federal statutory rate of 35% and the effective tax rate for the same periods in 2013 primarily due to the impact of the discrete items referenced below, offset by the benefit from the Section 199 deduction for U.S. production activities and earnings in foreign jurisdictions, which are subject to lower tax rates. The effective rate for the period does not reflect the benefit of the federal R&D credit, which expired on December 31, 2013.

The effective tax rate for the three and nine months ended September 30, 2013 of 27.9% and 15.4% , respectively, differs from the federal statutory rate of 35% primarily due to the benefit from the Section 199 deduction for U.S. production activities, earnings in foreign jurisdiction, which are subject to lower tax rates, the impact of the recognition of tax benefits related to a tax settlement with the Internal Revenue Service ("IRS") and the reinstatement of the U.S. federal research and development ("R&D") tax credit on January 2, 2013.

The effective tax rates for the three and nine months ended September 30, 2014 and September 30, 2013 include the tax expense (benefit) of the following discrete items (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Tax on equity investments [1]	$ 0.7	$ 3.0	$ 36.3	$ 3.4
Restructuring	$ 9.2	$ (4.4)	$ (46.7)	$ (7.9)
Legal settlement	$ —	$ —	$ 44.7	$ (3.8)
Section 199 deduction	$ —	$ 0.6	$ —	$ (19.7)
Tax settlement with Internal Revenue Service ("IRS")	$ —	$ —	$ —	$ (27.8)
Reinstatement of the U.S. federal R&D tax credit	$ —	$ (1.0)	$ —	$ (16.2)

[1] During the nine months ended September 30, 2014, tax on equity investments of $36.3 million is net of a valuation allowance release of $24.7 million .

As of September 30, 2014 , the total amount of gross unrecognized tax benefits was $175.6 million , of which $164.7 million , if recognized, would affect the Company's effective tax rate. The increase in the gross unrecognized tax benefit balance for the nine months ended September 30, 2014 primarily relates to the impact on foreign income of positions taken during the current year.

The Company engages in continuous discussions and negotiations with tax authorities regarding tax matters in various jurisdictions. There is a greater than remote likelihood that the balance of the gross unrecognized tax benefits will decrease by approximately $2.6 million within the next twelve months due to lapses of applicable statutes of limitation and the completion of tax review cycles in various tax jurisdictions.

The Company is currently under examination by the IRS for the 2007 through 2009 tax years. The Company is also subject to separate ongoing examinations by the India tax authorities for the 2004 tax year, 2004 through 2008 tax years, and the 2008 through 2010 tax years. The Company is not aware of any other examinations by tax authorities in any other major jurisdictions in which it files income tax returns as of September 30, 2014 .

In 2008, the Company received a proposed adjustment from the India tax authorities related to the 2004 tax year. In 2009, the India tax authorities commenced a separate investigation of our 2004 through 2008 tax returns and are disputing the Company's determination of taxable income due to the cost basis of certain fixed assets. The Company accrued $4.6 million in penalties and interest in 2009 related to this matter. The Company understands that in accordance with the administrative and judicial process in India, the Company may be required to make payments that are substantially higher than the amount accrued in order to ultimately settle this issue. The Company strongly believes that any assessment it may receive in excess of the amount accrued would be inconsistent with applicable India tax laws and intends to defend this position vigorously.

The Company is pursuing all available administrative remedies relative to these matters. The Company believes that it has adequately provided for any reasonably foreseeable outcomes related to these proposed adjustments and the ultimate resolution of these matters is unlikely to have a material effect on its consolidated financial condition or results of operations; however there is still a possibility that an adverse outcome of these matters could have a material effect on its consolidated financial condition and results of operations.

Note 16. Net Income Per Share

The Company computed basic and diluted net income per share as follows (in millions, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Numerator:				
Net income	$ 103.6	$ 99.1	$ 435.3	$ 288.0
Denominator:				
Weighted-average shares used to compute basic net income per share	448.4	501.5	468.1	503.0
Dilutive effect of employee stock awards	6.4	7.1	8.9	7.7
Weighted-average shares used to compute diluted net income per share	454.8	508.6	477.0	510.7
Net income per share:				
Basic	$ 0.23	$ 0.20	$ 0.93	$ 0.57
Diluted	$ 0.23	$ 0.19	$ 0.91	$ 0.56
Anti-dilutive:				
Potential anti-dilutive shares	10.2	21.8	10.8	22.3

Basic net income per share is computed using net income available to common stockholders and the weighted-average number of common shares outstanding for the period. Diluted net income per share is computed using net income available to common stockholders and the weighted-average number of common shares outstanding plus potentially dilutive common shares outstanding during the period. Dilutive potential common shares consist of common shares issuable upon exercise of stock options, issuances of ESPP, and vesting of RSUs, RSAs, and PSAs. The Company includes the common shares underlying PSAs in the calculation of diluted net income per share when they become contingently issuable and excludes such shares when they are not contingently issuable. Potentially dilutive common shares were excluded from the computation of diluted net income per share because their effect would be anti-dilutive.

Note 17. Commitments and Contingencies

Commitments

Operating Leases

The Company leases its facilities and certain equipment under non-cancelable operating leases that expire at various dates through October 31, 2024 . Certain leases require the Company to pay variable costs such as taxes, maintenance, and insurance and include renewal options and escalation clauses. Future minimum payments under the non-cancelable operating leases totaled $138.5 million as of September 30, 2014 . Rent expense was $10.8 million and $36.5 million for the three and nine months ended September 30, 2014 , respectively, and $12.6 million and $39.9 million for the three and nine months ended September 30, 2013 , respectively.

Purchase Commitments with Contract Manufacturers and Suppliers

In order to reduce manufacturing lead times and help ensure adequate component supply, the Company enters into agreements with contract manufacturers and certain suppliers to procure inventory based on the Company's requirements. A significant portion of the Company's purchase commitments arising from these agreements consists of firm and non-cancelable commitments. These purchase commitments totaled $485.6 million as of September 30, 2014 .

The Company establishes a liability in connection with purchase commitments related to quantities in excess of its demand forecasts or obsolete materials charges for components purchased by the contract manufacturers based on the Company’s demand forecast or customer orders. As of September 30, 2014 , the Company accrued $16.3 million based on its estimate of such charges.

Long-Term Debt and Interest Payment on Long-Term Debt

As of September 30, 2014 , the Company held long-term debt consisting of senior notes with a carrying value of $1,348.9 million . Of these Notes, $300.0 million will mature in 2016 and bears interest at a fixed rate of 3.10% , $300.0 million will mature in 2021 and bears interest at a fixed rate of 4.60% , $350.0 million will mature in 2024 and bears interest at a fixed rate of 4.50% , and $400.0 million will mature in 2041 and bears interest at a fixed rate of 5.95% . Interest on the Notes is payable semiannually. See Note 11, *Long-Term Debt and Financing* , for further discussion of the Company's long-term debt.

Other Contractual Obligations

As of September 30, 2014 , other contractual obligations primarily consisted of $45.9 million in indemnity-related and service related escrows, as required in connection with certain asset purchases and acquisitions completed by the Company between 2005 and 2014, campus build-out obligations of $4.0 million , and $27.2 million of agreements that are firm, non-cancelable and specify terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of payment.

Tax Liabilities

As of September 30, 2014 , the Company had $154.2 million included in long-term income taxes payable in the Condensed Consolidated Balance Sheets for unrecognized tax positions. At this time, the Company is unable to make a reasonably reliable estimate of the timing of payments related to this amount due to uncertainties in the timing of tax audit outcomes.

Guarantees

The Company enters into agreements with customers that contain indemnification provisions relating to potential situations where claims could be alleged that the Company’s products infringe the intellectual property rights of a third-party. The Company also has financial guarantees consisting of guarantees of product and service performance, guarantees related to third-party customer-financing arrangements, custom and duty guarantees, and standby letters of credit for certain lease facilities. As of September 30, 2014 and December 31, 2013 , the Company had $28.3 million and $40.1 million , respectively, in financing arrangements, bank guarantees, and standby letters of credit related to these financial guarantees, of which $22.1 million in financing guarantees was

recorded in other accrued liabilities and other long-term liabilities in the Condensed Consolidated Balance Sheets as of September 30, 2014 . See Note 11, *Long-Term Debt and Financing* , for further discussion of the Company's third-party customer financing arrangements that contain guarantee provisions.

Legal Proceedings

The Company is involved in disputes, litigation, and other legal actions, including, but not limited to, the matters described below. The Company is aggressively defending its current litigation matters. There are many uncertainties associated with any litigation and these actions or other third-party claims against the Company may cause the Company to incur costly litigation and/or substantial settlement charges. In addition, the resolution of any intellectual property litigation may require the Company to make royalty payments, which could adversely affect gross margins in future periods. If any of those events were to occur, the Company's business, financial condition, results of operations, and cash flows could be adversely affected. The actual liability in any such matters may be materially different from the Company's estimates, if any, which could result in the need to adjust the liability and record additional expenses. Unless otherwise noted below, during the period presented, we have not recorded any accrual for loss contingencies associated with such legal proceedings; determined that an unfavorable outcome is probable or reasonably possible; or determined that the amount or range of any possible loss is reasonably estimable.

Investigations

The U.S. Securities and Exchange Commission and the U.S. Department of Justice are conducting investigations into possible violations by the Company of the U.S. Foreign Corrupt Practices Act. The Company is cooperating with these agencies regarding these matters. The Company is unable to predict the duration, scope or outcome of these investigations.

Note 18. Subsequent Events

Sale of Junos Pulse Net Assets

The sale of the Junos Pulse product portfolio was completed on October 1, 2014, and the Company received a total consideration of $228.1 million , of which $103.1 million was in cash, net of a $21.9 million working capital adjustment, and $125.0 million was in the form of an 18-month non-contingent interest bearing promissory note issued to the Company. The net gain from this sale will be recorded in the fourth quarter of 2014 in the Consolidated Statements of Operations.

Capital Allocation Program

As part of the Company's commitment to drive stockholder value, in October 2014, the Company's Board authorized a $1.3 billion increase to the Company's previously authorized capital return program of $3.0 billion . This brings the Company's total capital return commitment to shareholders, for the period from February 2014 through 2016, including dividends, to $4.1 billion . In October 2014, the Company announced its intention to repurchase an additional $1.5 billion of its common stock before the end of the second quarter of 2015, as part of its three year capital return program.

Dividend Declaration

On October 23, 2014, the Company announced that it had declared a cash dividend of $0.10 per share of common stock payable on December 23, 2014 to stockholders of record as of the close of business on December 2, 2014.

Stock Repurchase Activities

Subsequent to September 30, 2014, through the filing of this Report, the Company repurchased 8.1 million shares of its common stock, for an aggregate of $170.0 million at an average purchase price of $21.01 per share, under the 2014 Stock Repurchase Program. Repurchases of 6.7 million shares were settled prior to the filing of this Report and the remaining shares will be settled after the filing date. Following the October 2014 increase to the 2014 Stock Repurchase Program, the Company has an aggregate of $1.5 billion in authorized repurchase funds remaining as of the filing date. Purchases under the Company's stock repurchase program are subject to review of the circumstances in place at the time and will be made from time to time as permitted by securities laws and other legal requirements. This program may be discontinued at any time.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

This Quarterly Report on Form 10-Q ("Report"), including "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements regarding future events and the future results of Juniper Networks, Inc. ("we," "us," or the "Company") that are based on our current expectations, estimates, forecasts, and projections about our business, our results of operations, the industry in which we operate and the beliefs and assumptions of our management. Words such as "expects," "anticipates," "targets," "goals," "projects," "would," "could," "intends," "plans," "believes," "seeks," "estimates," variations of such words, and similar expressions are intended to identify such forward-looking statements. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, and these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in this Report under the section entitled "Risk Factors" in Item 1A of Part II and elsewhere, and in other reports we file with the U.S. Securities and Exchange Commission ("SEC"), specifically our most recent Annual Report on Form 10-K. While forward-looking statements are based on reasonable expectations of our management at the time that they are made, you should not rely on them. We undertake no obligation to revise or update publicly any forward-looking statements for any reason, except as required by applicable law.

The following discussion is based upon our unaudited Condensed Consolidated Financial Statements included in Part 1, Item I, of this Report, which have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). In the course of operating our business, we routinely make decisions as to the timing of the payment of invoices, the collection of receivables, the manufacturing and shipment of products, the fulfillment of orders, the purchase of supplies, and the building of inventory and spare parts, among other matters. Each of these decisions has some impact on the financial results for any given period. In making these decisions, we consider various factors, including contractual obligations, customer satisfaction, competition, internal and external financial targets and expectations, and financial planning objectives.

To aid in understanding our operating results for the periods covered by this Report, we have provided an executive overview and summary of our business and market environment along with a financial results overview. These sections should be read in conjunction with the more detailed discussion and analysis of our condensed consolidated financial condition and results of operations in this Item 2, our "Risk Factors" section included in Item 1A of Part II, and our unaudited Condensed Consolidated Financial Statements and Notes included in Item 1 of Part I of this Report, as well as our audited Consolidated Financial Statements and Notes included in Item 8 of Part II of our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 .

Business and Market Environment

At Juniper Networks, we design, develop, and sell products and services for high-performance networks, which combine scale and performance with agility and efficiency, so customers can build the best networks for their businesses. Our routing, switching, and security products address high-performance networking requirements, which include High-IQ networking and cloud environments for global service providers, enterprises, governments, and research and public sector organizations that view the network as critical to their success. Our silicon, systems, and software represent innovations that transform the economics and experience of networking, helping customers achieve superior performance, greater choice, and flexibility, while reducing overall total cost of ownership.

We do business in three geographic regions: Americas; Europe, Middle East and Africa ("EMEA"); and Asia Pacific ("APAC"). We sell our high-performance network products and service offerings across routing, switching, and security to service provider and enterprise markets.

Integrated Operating Plan

In the first quarter of 2014, we announced an integrated operating plan ("IOP") to refocus our strategy, optimize our structure, and improve operational efficiencies. In connection with the IOP, we realigned our organization into a One-Juniper structure, which included consolidating our R&D and go-to-market functions to reduce complexity, increase clarity of responsibilities, and improve efficiency. As a result of these changes, our consolidated business is considered to be one reportable segment. Future organizational changes, if any, could impact how the chief operating decision maker ("CODM") allocates resources and assesses performance.

During the first quarter of 2014, we also initiated the 2014 Restructuring Plan. Our 2014 Restructuring Plan consists of workforce reductions, facility consolidations or closures, asset write-downs, contract terminations and other charges of which $178.6 million was recorded in the nine months ended September 30, 2014 in cost of sales and restructuring and other (credit) charges. This charge consists of $22.2 million of inventory write-downs, $96.5 million of asset impairment, $12.6 million of facility consolidation and

closures, $45.0 million of severance costs, and $2.3 million of contract terminations. In connection with our 2014 Restructuring Plan, we expect to record aggregate future charges of approximately $7.0 million to $9.0 million related to severance, consolidation and closure of facilities, and contract terminations and other charges.

As part of the IOP and our new cost reduction initiative, we have increased our total annualized operating expense savings commitment to $260.0 million, compared to the fourth quarter of 2013.

On July 22, 2014, we entered into a definitive agreement to sell our Junos ® Pulse product portfolio to an affiliate of Siris Capital, a private equity firm, for approximately $250.0 million , subject to certain working capital adjustments. The sale was completed on October 1, 2014, and we received total consideration of $228.1 million , of which $103.1 million was in cash, net of a $21.9 million working capital adjustment, and $125.0 million was in the form of an 18-month non-contingent interest bearing promissory note. The related assets and liabilities sold have been presented as held for sale in the Condensed Consolidated Balance Sheet as of September 30, 2014. The quarterly revenue impact of the Junos Pulse business is approximately $30.0 million and the impact of the sale of the business on gross margin is not significant.

In addition to our cost reduction activities, we introduced a capital allocation program to return capital to our stockholders through share repurchases and dividends. In the first quarter of 2014, we announced our intention to return $3.0 billion to stockholders over the next three years. In October 2014, our Board of Directors ("Board") authorized a $1.1 billion increase to our previously authorized capital return program of $3.0 billion. This brings our total capital return commitment to stockholders, for the period from February 2014 through 2016, including dividends, to $4.1 billion. In October 2014, we announced our intention to repurchase an additional $1.5 billion shares before the end of the second quarter of 2015 as part of this three year capital return program, as well as a cash dividend of $0.10 per share payable December 23, 2014 to shareholders of record as of the close of business on December 2, 2014.

During the nine months ended September 30, 2014, we completed a $1.2 billion accelerated share repurchase program ("ASR"), repurchased an additional $550.0 million of our common stock subsequent to the ASR, and paid our first ever quarterly cash dividend of $0.10 per share for an aggregate amount of $43.8 million. We also issued $350.0 million aggregate principal amount of 4.50% senior notes due 2024 ("2024 Notes"), which allowed us to partially fund the ASR.

Quarterly Results

The third quarter of 2014 was challenging from a revenue perspective with total revenue for the quarter of $1,125.9 million , down 5% year-over-year primarily due to reduced spending by service providers, particularly in APAC and EMEA. Despite the decline in net revenue this quarter, we believe that the long-term fundamentals for our product portfolio remain intact. In the third quarter of 2014, compared to the same period in 2013, we saw strong revenues from our MX2020 and PTX routers and higher demand from our U.S. federal customers.

We expect the overall revenue environment to be challenging over the next several quarters, as near-term factors are impacting demand from our largest service provider customers. We believe our product gross margins may continue to vary in the future due to competitive pricing pressures, which may be offset by additional cost efficiencies. Nevertheless, we are focused on executing our strategy on high-performance networking. We believe our product portfolio continues to be strong, and we remain focused on innovation and executing to our IOP.

Financial Results and Key Performance Metrics Overview

The following table provides an overview of our key financial metrics (in millions, except per share amounts, percentages, days sales outstanding ("DSO"), and book-to-bill):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2014	2013	$ Change	% Change	2014	2013	$ Change	% Change
Net revenues	$ 1,125.9	$ 1,185.6	$ (59.7)	(5)%	$ 3,525.5	$ 3,395.5	$ 130.0	4 %
Gross Margin	$ 714.8	$ 746.5	$ (31.7)	(4)%	$ 2,183.1	$ 2,137.8	$ 45.3	2 %
Percentage of net revenues	*63.5 %*	*63.0 %*			*61.9 %*	*63.0 %*		
Operating income	$ 172.4	$ 145.0	$ 27.4	19 %	$ 282.1	$ 370.5	$ (88.4)	(24)%
Percentage of net revenues	*15.3 %*	*12.2 %*			*8.0 %*	*10.9 %*		
Net income	$ 103.6	$ 99.1	$ 4.5	5 %	$ 435.3	$ 288.0	$ 147.3	51 %
Percentage of net revenues	*9.2 %*	*8.4 %*			*12.3 %*	*8.5 %*		
Net income per share:								
Basic	$ 0.23	$ 0.20	$ 0.03	15 %	$ 0.93	$ 0.57	$ 0.36	63 %
Diluted	$ 0.23	$ 0.19	$ 0.04	21 %	$ 0.91	$ 0.56	$ 0.35	63 %
Cash dividends declared per common stock	$ 0.10	$ —	$ 0.10	— %	$ 0.10	$ —	$ 0.10	— %
Stock repurchase plan activity	$ 850.0	$ 92.9	$ 757.1	815 %	$ 1,750.0	$ 328.4	$ 1,421.6	433 %
Operating cash flows					$ 472.5	$ 451.9	$ 20.6	5 %
DSO	49	42	7	17 %				
Book-to-bill	1	>1						

	September 30, 2014	December 31, 2013	$ Change	% Change
Deferred revenue	$ 1,074.0	$ 1,069.3	$ 4.7	0.4 %

- *Net Revenues:* During the three months ended September 30, 2014 , compared to the same period in 2013, we experienced a decline in net revenue in the service provider and enterprise market in both APAC and EMEA, partially offset by an increase in the Americas market. The year-over-year decline in our net revenues was primarily due to a decrease in net revenues from our routing and security products, partially offset by an increase in our switching products. During the nine months ended September 30, 2014, compared to the same period in 2013, we experienced strong net revenue growth in the Americas service provider and enterprise market and an increase in EMEA's service provider, partially offset by a decline in APAC's service provider and enterprise market. The increase in net revenues for the nine months ended is primarily due to an increase in sales from our edge routing and switching products, partially offset by a decline in our core routing and security products.

- *Gross Margin:* Our gross margin as a percentage of net revenues increased during the three months ended September 30, 2014 , compared to the same period in 2013, as a result of change in product mix and strong growth in service revenues, partially offset by charges related to an industry-wide memory product quality defect for a component from a third party supplier. Our gross margin as a percentage of net revenues decreased during the nine months ended September 30, 2014 , compared to the same period in 2013, as a result of higher inventory charges driven by product rationalizations in connection with our 2014 Restructuring Plan and charges related to the memory product quality defect discussed above.

- *Operating Income:* During the three months ended September 30, 2014 , compared to the same period in 2013, we experienced an increase in operating income, primarily due to better efficiencies and cost reduction initiatives. Our operating income as a percentage of net revenues decreased during the nine months ended September 30, 2014 , compared

to the same period in 2013, primarily due to restructuring and other (credit) charges of $178.6 million , related to severance, facility consolidations and closures, asset write-offs, and contract terminations in connection with our 2014 Restructuring Plan, as well as a component remediation charge of $20.7 million relating to the memory product quality defect discussed above.

- *Cash Dividends Declared per Common Stock:* On July 22, 2014, we declared a quarterly cash dividend of $0.10 per share payable on September 23, 2014 to stockholders of record on September 2, 2014 in the aggregate amount of $43.8 million.

- *Stock Repurchase Plan Activity:* Pursuant to our $1.2 billion ASR program, we received and retired 33.3 million shares of our common stock during the three months ended March 31, 2014 at a cost of $900.0 million . On July 23, 2014, the ASR was completed, and we received an additional 16.0 million shares from the financial institutions for a total of 49.3 million shares, which resulted in a volume weighted average repurchase price, less an agreed upon discount, of $24.35 per share. The 16.0 million shares received were retired in the third quarter of 2014. Subsequent to the completion of the ASR, we repurchased 23.5 million shares of our common stock in the open market at an average price of $23.44 per share for an aggregate purchase price of $550.0 million during the three months ended September 30, 2014.

- *Operating Cash Flows:* Operating cash flows increased during the nine months ended September 30, 2014 , compared to the same period in 2013, primarily due to higher net income which included the gain on patent litigation settlement, lower taxes paid, partially offset by higher payments related to all restructuring plans, lower cash collections due to the timing of receipts from customers and lower deferred revenue.

- *DSO:* DSO is calculated as the ratio of ending accounts receivable, net of allowances, divided by average daily net sales for the preceding 90 days. DSO for the third quarter of 2014 increased by 7 days, or 17% compared to the same period in 2013 , primarily due to shipment linearity and invoice delays as a result of our enterprise resource planning implementation.

- *Book-to-bill:* Book-to-bill represents the ratio of product orders booked divided by product revenues during the respective period. Book-to-bill was approximately one for the three months ended September 30, 2014 and greater than one for the three months ended September 30, 2013 .

- *Deferred Revenue:* Total deferred revenue increased by $4.7 million to $1,074.0 million as of September 30, 2014 , compared to $1,069.3 million as of December 31, 2013 , primarily due to an increase in deferred service revenue of $27.2 million, driven by the execution of several multi-year support agreements and annual agreement renewals. The increase in deferred service revenue was partially offset by a decrease in deferred product revenue of $22.5 million as a result of timing of future feature releases and to a lesser extent lower distributor inventory.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires us to make judgments, assumptions, and estimates that affect the amounts reported in the condensed consolidated financial statements and the accompanying notes. On an ongoing basis, we evaluate our estimates and assumptions. These estimates and assumptions are based on current facts, historical experience, and various other factors that we believe are reasonable under the circumstances to determine reported amounts of assets, liabilities, revenue and expenses that are not readily apparent from other sources.

An accounting policy is considered to be critical if the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and the effect of the estimates and assumptions on financial condition or operating performance is material. The accounting policies that we believe reflect our more significant estimates, judgments, and assumptions and are most critical to understanding and evaluating our reported financial results are as follows:

- Goodwill;
- Inventory Valuation and Contract Manufacturer Liabilities;
- Revenue Recognition;
- Income Taxes; and
- Loss Contingencies.

During the nine months ended September 30, 2014 , there were no significant changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations contained in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2013.

Recent Accounting Pronouncements

See Note 2, *Summary of Significant Accounting Policies* , in the Notes to Condensed Consolidated Financial Statements in Item 1 of Part I of this Report, for a full description of recent accounting pronouncements, including the actual and expected dates of adoption and estimated effects on our consolidated results of operations and financial condition, which is incorporated herein by reference.

Results of Operations

The following table presents product and service net revenues (in millions, except percentages):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2014	2013	$ Change	% Change	2014	2013	$ Change	% Change
Routing	$ 533.2	$ 609.0	$ (75.8)	(12)%	$ 1,700.8	$ 1,700.2	$ 0.6	— %
Switching	155.0	147.6	7.4	5 %	546.8	439.3	107.5	24 %
Security	121.3	144.2	(22.9)	(16)%	367.1	406.9	(39.8)	(10)%
Total Product	809.5	900.8	(91.3)	(10)%	2,614.7	2,546.4	68.3	3 %
Percentage of net revenues	*71.9 %*	*76.0 %*			*74.2 %*	*75.0 %*		
Total Service	316.4	284.8	31.6	11 %	910.8	849.1	61.7	7 %
Percentage of net revenues	*28.1 %*	*24.0 %*			*25.8 %*	*25.0 %*		
Total net revenues	$ 1,125.9	$ 1,185.6	$ (59.7)	(5)%	$ 3,525.5	$ 3,395.5	$ 130.0	4 %

Three Months Ended September 30, 2014 Compared with the Three Months Ended September 30, 2013

Routing

Routing product net revenues decreased during the three months ended September 30, 2014 , compared to the same period in 2013 , due to lower net revenues from core and edge routing products, primarily driven by lower sales in the service provider market of our T and MX product lines. Despite the decline in MX product revenue, the MX2020 and our PTX product lines showed strong net revenues in the third quarter of 2014, compared to the same period in 2013.

Switching

Switching product net revenues increased during the three months ended September 30, 2014 , compared to the same period in 2013 , primarily due to strong net revenues from QFabric, but partially offset by a decrease in EX. Demand for switching products showed a high demand by service providers, which was primarily a result of strong growth from our service provider customers.

Security

Security product net revenues decreased during the three months ended September 30, 2014 , compared to the same period in 2013 , primarily due to decline in demand for our non-Junos based security products and Pulse products, and a decline for our SRX platform due the timing of large service provider deployments.

Service

The increase in service net revenues during the three months ended September 30, 2014 , compared to the same period in 2013 , was primarily driven by new service contracts and strong contract renewals from our installed base across routing and switching products.

Nine Months Ended September 30, 2014 Compared with the Nine Months Ended September 30, 2013

Routing

Routing product net revenues slightly increased during the nine months ended September 30, 2014 , compared to the same period in 2013, due to higher net revenues from edge routing products, primarily driven by higher sales of our MX products. The increase in edge routing product net revenues was partially offset by a decrease in sales of core routing and older edge routing products.

Switching

Switching product net revenues increased during the nine months ended September 30, 2014 , compared to the same period in 2013, primarily due to higher net revenues from our QFabric and EX products, fueled by strong demand for switching products by our service provider customers and, to a lesser extent, the enterprise market.

Security

Security product net revenues decreased during the nine months ended September 30, 2014 , compared to the same period in 2013, as demand for our non-Junos-based security products declined. This decline was partially offset by an increase in net revenues from our SRX platform and security software.

Service

The increase in service net revenues during the nine months ended September 30, 2014 , compared to the same period in 2013, was primarily driven by new service contracts and strong contract renewals.

Net Revenues by Geographic Region

The following table presents net revenues by geographic region (in millions, except percentages):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2014	2013	$ Change	% Change	2014	2013	$ Change	% Change
Americas:								
United States	$ 621.3	$ 604.6	$ 16.7	3 %	$ 1,905.7	$ 1,761.8	$ 143.9	8 %
Other	57.0	56.7	0.3	1 %	165.1	166.7	(1.6)	(1)%
Total Americas	678.3	661.3	17.0	3 %	2,070.8	1,928.5	142.3	7 %
Percentage of net revenues	*60.2 %*	*55.8 %*			*58.7 %*	*56.8 %*		
EMEA	290.5	306.5	(16.0)	(5)%	911.0	898.0	13.0	1 %
Percentage of net revenues	*25.8 %*	*25.8 %*			*25.8 %*	*26.4 %*		
APAC	157.1	217.8	(60.7)	(28)%	543.7	569.0	(25.3)	(4)%
Percentage of net revenues	*14.0 %*	*18.4 %*			*15.4 %*	*16.8 %*		
Total net revenues	$ 1,125.9	$ 1,185.6	$ (59.7)	(5)%	$ 3,525.5	$ 3,395.5	$ 130.0	4 %

Three Months Ended September 30, 2014 Compared with the Three Months Ended September 30, 2013

Americas

Net revenues in the Americas increased during the three months ended September 30, 2014 , compared to the same period in 2013 , primarily due to an increase in net revenues from both the service provider and the enterprise market. The increase in service provider net revenues was driven primarily by Web 2.0 and cable providers, partially offset by sharp declines with large carriers in the U.S. The increase in the Americas enterprise market was driven by continued strength in the U.S. federal market and traction in financial services, with a slight decline in the broader market.

EMEA

Net revenues in EMEA decreased during the three months ended September 30, 2014 , compared to the same period in 2013 , primarily due to a decline in net revenues from both the service provider and enterprise markets. The decline in the EMEA's service provider market was due to a decline in demand from smaller providers, and a decline in the broader enterprise market. We, however, experienced an increase in service provider demand with large service providers, and greater stability in the enterprise market with smaller sector accounts.

APAC

Net revenues in APAC decreased during the three months ended September 30, 2014 , compared to the same period in 2013 , primarily due to a decline in net revenues from both the service provider and enterprise market.

Nine Months Ended September 30, 2014 Compared with the Nine Months Ended September 30, 2013

Americas

The increase in net revenues in the Americas during the nine months ended September 30, 2014 , compared to the same period in 2013, was primarily due to an increase in net revenues in both the service provider and enterprise markets. The increase in net revenues in the service provider market was primarily due to strong demand from Web 2.0 and cable providers, partially offset by a decrease in demand with carriers. The increase in net revenues in the Americas enterprise market resulted from an improving broad-based market demand, partially offset by a decline in net revenues from Federal customers due to recognition of revenue from a large U.S. federal government contract in 2013.

EMEA

Net revenues in EMEA increased during the nine months ended September 30, 2014 , compared to the same period in 2013, primarily due to stronger demand from larger carriers, partially offset by a decrease in net revenues from the enterprise market.

APAC

Net revenues in APAC decreased during the nine months ended September 30, 2014 , compared to the same period in 2013, primarily due to a decline in net revenues from both the service provider and enterprise market.

Net Revenues by Market and Customer

The following table presents net revenues by market (in millions, except percentages):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2014	2013	$ Change	% Change	2014	2013	$ Change	% Change
Service provider	$ 741.5	$ 788.3	$ (46.8)	(6)%	$ 2,356.0	$ 2,227.2	$ 128.8	6%
Percentage of net revenues	*65.9 %*	*66.5 %*			*66.8 %*	*65.6 %*		
Enterprise	384.4	397.3	(12.9)	(3)%	1,169.5	1,168.3	1.2	—%
Percentage of net revenues	*34.1 %*	*33.5 %*			*33.2 %*	*34.4 %*		
Total net revenues	$ 1,125.9	$ 1,185.6	$ (59.7)	(5)%	$ 3,525.5	$ 3,395.5	$ 130.0	4%

We sell our high-performance network products and service offerings across routing, switching, and security to two primary markets: service provider and enterprise. Determination of which market a particular revenue transaction relates to is based primarily upon the customer's industrial classification code, but may also include subjective factors such as the intended use of the product. The service provider market generally includes wireline and wireless carriers, and cable operators, as well as major Internet content and application providers, including those that provide social networking and search engine services. The enterprise market is generally comprised of businesses; federal, state, and local governments; research and education institutions; and financial services.

Three Months Ended September 30, 2014 Compared with the Three Months Ended September 30, 2013

Service provider

Net revenues from sales to the service provider market decreased during the three months ended September 30, 2014 , compared to the same period in 2013, due to a decline in EMEA and APAC, partially offset by a slight increase in the Americas service provider market. The decline in EMEA was due to a decline in demand with smaller service providers, while the decline in APAC was broader among small and large service providers. The increase in service provider net revenues in the Americas was driven by an increase in sales to Web 2.0 and cable providers, partially offset by declines with large carriers. In addition, service provider demand for switching and data center solutions were strong, while routing and security products declined during the three months ended September 30, 2014 , compared to the same period in 2013.

Enterprise

Net revenues from the enterprise market decreased during the three months ended September 30, 2014 , compared to the same period in 2013, primarily due to a decline in the broader enterprise market in EMEA and APAC, partially offset by an increase in the Americas enterprise. The increase in net revenues in the Americas enterprise was primarily due to stronger U.S. Federal demand, especially for routing products in defense and intelligence applications.

Nine Months Ended September 30, 2014 Compared with the Nine Months Ended September 30, 2013

Service Provider

Net revenues from the service provider market increased during the nine months ended September 30, 2014 , compared to the same period in 2013, with growth in the Americas and EMEA. The increase in service provider net revenues in the Americas was driven by growth with Web 2.0 and cable providers, partially offset by large carriers. The increase in service provider net revenues in EMEA was attributable to growth with large carriers, while in APAC net revenues in the service provider market declined as a result of lower demand with large carriers. In addition, service provider demand for switching products continued to be strong, particularly in the Americas.

Enterprise

Net revenues from the enterprise market increased slightly during the nine months ended September 30, 2014 , compared to the same period in 2013, primarily due to broad-based growth in the Americas, including strong financial services demand for security products. Public sector net revenues grew in APAC, but declined in EMEA.

Customer

No customer accounted for 10% or more of our net revenues during the three and nine months ended September 30, 2014 and September 30, 2013 .

Gross Margins

The following table presents gross margins (in millions, except percentages):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2014	2013	$ Change	% Change	2014	2013	$ Change	% Change
Product gross margin	$ 519.5	$ 575.3	$ (55.8)	(10)%	$ 1,638.8	$ 1,621.4	$ 17.4	1%
Percentage of product revenues	*64.2 %*	*63.9 %*			*62.7 %*	*63.7 %*		
Service gross margin	195.3	171.2	24.1	14 %	544.3	516.4	27.9	5%
Percentage of service revenues	*61.7 %*	*60.1 %*			*59.8 %*	*60.8 %*		
Total gross margin	$ 714.8	$ 746.5	$ (31.7)	(4)%	$ 2,183.1	$ 2,137.8	$ 45.3	2%
Percentage of net revenues	*63.5 %*	*63.0 %*			*61.9 %*	*63.0 %*		

Our gross margins have been and will continue to be affected by a variety of factors, including the mix and average selling prices of our products and services, new product introductions and enhancements, manufacturing costs, expenses for inventory obsolescence and warranty obligations, cost of support and service personnel, and the mix of distribution channels through which our products are sold.

Three Months Ended September 30, 2014 Compared with the Three Months Ended September 30, 2013

Product gross margin in dollars declined during the three months ended September 30, 2014, compared to the same period in 2013, primarily due to the decline in net revenues. Product gross margin increased as a percentage of product net revenues during the three months ended September 30, 2014 , compared to the same period in 2013 , primarily due to a decline in cost of sales, as a result of general cost reductions, offset by an inventory charge of $7.0 million in connection with an industry-wide memory product quality defect in a component from a third-party supplier, resulting in higher product gross margin percentage.

Service gross margin as a percentage of service net revenues increased during the three months ended September 30, 2014 , compared to the same period in 2013 , primarily due to a slower increase in labor and logistics delivery costs to support new contracts and product introductions, partially offset by increased service net revenues.

Nine Months Ended September 30, 2014 Compared with the Nine Months Ended September 30, 2013

Product gross margin decreased as a percentage of product net revenues during the nine months ended September 30, 2014 , compared to the same period in 2013 , primarily due to an increase in cost of revenues. The increase in cost of revenues was primarily due to inventory charges of $22.2 million for product rationalizations in connection with our 2014 Restructuring Plan and $20.7 million in connection with an industry-wide memory product quality defect in a component from a third-party supplier. Excluding the costs of the restructuring and component defect, the product gross margin as a percentage of net revenues improved slightly, primarily due to the impact of a lower margin U.S. government contract and higher discounts offered in the nine months ended September 30, 2013 that were not repeated in the 2014 period, as well as favorability in product mix in the 2014 period. Product gross margin in dollars remained flat during the nine months ended September 30, 2014 , compared to the same period in 2013 .

Service gross margin as a percentage of service net revenues decreased during the nine months ended September 30, 2014 compared to the same period in 2013 , primarily due to an increase in labor and logistics delivery costs to support new contracts and product introductions, offset by increased services net revenues.

Operating Expenses

The following table presents operating expenses (in millions, except percentages):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2014	2013	$ Change	% Change	2014	2013	$ Change	% Change
Research and development	$ 253.2	$ 264.6	$ (11.4)	(4)%	$ 772.7	$ 784.5	$ (11.8)	(2)%
Percentage of net revenues	*22.5 %*	*22.3 %*			*21.9 %*	*23.1 %*		
Sales and marketing	249.2	269.5	(20.3)	(8)%	780.6	792.7	(12.1)	(2)%
Percentage of net revenues	*22.1 %*	*22.7 %*			*22.1 %*	*23.3 %*		
General and administrative	55.0	61.4	(6.4)	(10)%	190.5	169.1	21.4	13 %
Percentage of net revenues	*4.9 %*	*5.2 %*			*5.4 %*	*5.0 %*		
Restructuring and other (credit) charges	(15.0)	6.0	(21.0)	(350)%	157.2	21.0	136.2	649 %
Percentage of net revenues	*(1.3)%*	*0.5 %*			*4.5 %*	*0.6 %*		
Total operating expenses	$ 542.4	$ 601.5	$ (59.1)	(10)%	$ 1,901.0	$ 1,767.3	$ 133.7	8 %
Percentage of net revenues	*48.2 %*	*50.7 %*			*53.9 %*	*52.0 %*		

Our operating expenses have historically been driven in large part by personnel-related costs, including wages, commissions, bonuses, benefits, share-based compensation, and travel, particularly with respect to research and development and sales and marketing activities. Facilities and information technology (“IT”) costs are allocated to each department based on usage and headcount.

Three Months Ended September 30, 2014 Compared with the Three Months Ended September 30, 2013

Research and Development

Research and development expense decreased slightly during the three months ended September 30, 2014 , compared to the same period in 2013 , primarily due to a decrease in personnel-related expenses as a result of headcount reductions.

Sales and Marketing

Sales and marketing expense decreased during the three months ended September 30, 2014 , compared to the same period in 2013, primarily due to lower salaries and lower share-based compensation expense resulting from headcount reductions, and lower commission expense, resulting from a decrease in net revenues.

General and Administrative

General and administrative expense decreased during the three months ended September 30, 2014 , compared to the same period in 2013, primarily due to a decline in legal outside services and to a lesser extent lower personnel-related expenses as a result of headcount reductions.

Restructuring and Other Charges

Restructuring and other (credit) charges decreased during the three months ended September 30, 2014 , compared to the same period in 2013 . We completed the restructuring of our Sunnyvale campus, by assigning certain property leases to a third party. Concurrently with the assignment, we executed a sublease with the assignee for one of the properties, for a period of two years, with a one-time right to extend the term for up to six months. As a result of these arrangements, we recorded a benefit of approximately $25.0 million , which includes a reversal of our previously recorded restructuring liability and additional charges relating to facility consolidation activities in the third quarter of 2014. See Note 10, *Restructuring and Other Charges* , in Notes to Condensed Consolidated Financial Statements in Item 1 Part I of this Report, for further discussion of our restructuring activities.

Nine Months Ended September 30, 2014 Compared with the Nine Months Ended September 30, 2013

Research and Development

Research and development expense decreased during the nine months ended September 30, 2014 , compared to the same period in 2013, due to lower personnel-related expenses and lower depreciation expense attributable to the extended useful lives of computers and equipment adopted in 2013, partially offset by higher share-based compensation expense and engineering program costs.

Sales and Marketing

Sales and marketing expense decreased during the nine months ended September 30, 2014 , compared to the same period in 2013, primarily due to lower personnel-related expenses, lower share-based compensation expense, and lower travel and other discretionary expenses, partially offset by an increase in marketing related expenses.

General and Administrative

General and administrative expense increased by $21.4 million during the nine months ended September 30, 2014 , compared to the same period in 2013, primarily due to higher litigation and investigation related costs incurred in the current period in connection with the investigations into possible violations of the U.S. Foreign Corrupt Practices Act and, to a lesser extent, our patent litigation case with Palo Alto Networks, Inc., as well as other litigation matters.

Restructuring and Other Charges

Restructuring and other (credit) charges increased during the nine months ended September 30, 2014 , compared to the same period in 2013 , primarily due to expenses recorded in connection with our 2014 Restructuring Plan. During the nine months ended September 30, 2014 , we incurred $156.4 million of restructuring and other (credit) charges related to our 2014 Restructuring Plan,

of which $12.6 million was recorded for facility consolidation and closures, $84.7 million was recorded for asset impairment charges related to licensed software, $45.0 million for severance costs, $11.8 million of asset write-downs, and $2.3 million for contract terminations.

We expect to record aggregate future charges of approximately $7.0 million to $9.0 million related to severance, facility consolidations or closures, contract terminations and other charges. See Note 10, *Restructuring and Other Charges* , in Notes to Condensed Consolidated Financial Statements in Item 1 Part I of this Report, for further discussion of our restructuring activities.

Share-Based Compensation

Share-based compensation expense associated with equity incentive awards ("awards"), which include stock options, restricted stock units ("RSUs"), restricted stock awards ("RSAs") and performance share awards ("PSAs"), as well as our Employee Stock Purchase Plan ("ESPP") was recorded in the following cost and expense categories (in millions, except percentages):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2014	2013	$ Change	% Change	2014	2013	$ Change	% Change
Cost of revenues - Product	$ 1.3	$ 1.4	$ (0.1)	(7)%	$ 3.9	$ 3.5	$ 0.4	11 %
Cost of revenues - Service	3.6	3.4	0.2	6 %	10.7	11.5	(0.8)	(7)%
Research and development	37.1	36.6	0.5	1 %	100.8	93.2	7.6	8 %
Sales and marketing	15.9	20.4	(4.5)	(22)%	44.9	53.0	(8.1)	(15)%
General and administrative	7.4	7.5	(0.1)	(1)%	25.1	19.5	5.6	29 %
Total	$ 65.3	$ 69.3	$ (4.0)	(6)%	$ 185.4	$ 180.7	$ 4.7	3 %

Shared-based compensation expense decreased during the three months ended September 30, 2014 , compared to the same period in 2013, primarily due to a decline in shares vested, partially offset by expense related to RSUs, RSAs, and PSAs assumed in connection with our acquisition of WANDL during the first quarter of 2014 as well as expense related to market-based RSUs granted during the first quarter of 2014.

Share-based compensation expense increased during the nine months ended September 30, 2014 , compared to the same periods in 2013 , primarily due to expense related to RSUs, RSAs, and PSAs assumed in connection with our acquisition of WANDL during the first quarter of 2014 as well as expense related to market-based RSUs granted during the first quarter of 2014, partially offset by a decline in shares vested.

Other (Expense) Income, Net and Income Tax Provision

The following table presents other (expense) income, net, and income tax provision (in millions, except percentages):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2014	2013	$ Change	% Change	2014	2013	$ Change	% Change
Interest income	$ 2.7	$ 2.3	$ 0.4	17 %	$ 6.9	$ 6.1	$ 0.8	13%
Interest expense	(16.9)	(14.2)	(2.7)	19 %	(50.2)	(43.4)	(6.8)	16%
Net gain on legal settlement	0.8	—	0.8	— %	196.1	—	196.1	—%
(Loss) gain on investments	(1.9)	4.0	(5.9)	(148)%	165.1	7.8	157.3	2,017%
Other	8.5	0.4	8.1	2,025 %	8.1	(0.7)	8.8	1,257%
Total other (expense) income, net	$ (6.8)	$ (7.5)	$ 0.7	9 %	$ 326.0	$ (30.2)	$ 356.2	1,179%
Percentage of net revenues	*(0.6)%*	*(0.6)%*			*9.2 %*	*(0.9)%*		
Income tax provision	$ 62.0	$ 38.4	$ 23.6	61 %	$ 172.8	$ 52.3	$ 120.5	230%
Effective tax rate	*37.4 %*	*27.9 %*			*28.4 %*	*15.4 %*		

Other (Expense) Income, Net

Interest income primarily includes interest earned from our cash, cash equivalents, and investments. Interest expense primarily includes interest, net of capitalized interest expense, from our long-term debt and customer financing arrangements. Other typically consists of foreign exchange gains and losses and other non-operational income and expense items.

During the nine months ended September 30, 2014 , we entered into a settlement agreement with Palo Alto Networks, Inc. ("PAN") resolving patent litigation, which resulted in a realized gain on legal settlement and subsequent sale of related securities of $196.1 million , net of legal fees. Under the terms of the settlement, PAN made a one-time payment to us of $75.0 million in cash and issued PAN common stock and warrants to the Company. The fair value of the PAN common stock and warrants at the date of receipt was included in the net realized gain. All such PAN securities have been sold in the third quarter of 2014, and we recorded an additional $0.8 million gain during the three months ended September 30, 2014. Other (expense) income, net also includes a gain of $163.0 million , related to the sale of investments which were converted from privately-held investments to publicly-traded equity upon IPO and subsequently sold.

During the three and nine months ended September 30, 2013 , we recognized a net gain on investments of $3.6 million and $4.9 million , respectively, related to the Company's privately-held investments.

Income Tax Provision

The effective tax rate for the three and nine months ended September 30, 2014 , differs from the federal statutory rate of 35% and the effective tax rates for the same periods in 2013, primarily due to the recognition of a discrete tax expense of approximately $9.2 million related to the reversal of restructuring charges in the three months ended September 30, 2014, and the tax on income from equity investments offset by the benefit from the Section 199 deduction for U.S. production activities and earnings in foreign jurisdictions, which are subject to lower tax rates. The effective tax rate for the period does not reflect the benefit of the federal R&D credit, which expired on December 31, 2013.

The effective tax rate for the three and nine months ended September 30, 2013 , differs from the federal statutory rate of 35% primarily due to the benefit from the Section 199 deduction for U.S. production activities, earnings in foreign jurisdictions, which are subject to lower tax rates, the impact of our recognition of tax benefits related to a tax settlement with the Internal Revenue Service (“IRS”) and the reinstatement of the U.S. federal research and development (“R&D”) tax credit on January 2, 2013.

Our effective tax rate could fluctuate significantly on a quarterly basis and could be adversely affected to the extent earnings are lower than anticipated in countries that have lower statutory rates and higher than anticipated in countries that have higher statutory rates. Our effective tax rate could also fluctuate due to changes in the valuation of our deferred tax assets or liabilities, or by changes in tax laws, regulations, or accounting principles, as well as certain discrete items. See Item1A of Part II, "Risk Factors" of this Report for a description of relevant risks which may adversely affect our results.

For further explanation of our income tax provision, see Note 15, *Income Taxes* , in Notes to Condensed Consolidated Financial Statements in Item 1 of Part I of this Report.

Liquidity and Capital Resources

Historically, we have funded our business primarily through cash generated by our operating activities, the issuance of our common stock, and the issuance of our long-term debt. The following table presents our capital resources (in millions, except percentages):

	As of			
	September 30, 2014	December 31, 2013	$ Change	% Change
Working capital	$ 1,614.3	$ 2,262.5	$ (648.2)	(29)%
Cash and cash equivalents	$ 1,615.9	$ 2,284.0	$ (668.1)	(29)%
Short-term investments	299.5	561.9	(262.4)	(47)%
Long-term investments	1,405.6	1,251.9	153.7	12 %
Total cash, cash equivalents, and investments	3,321.0	4,097.8	(776.8)	(19)%
Long-term debt	1,348.9	999.3	349.6	35 %
Net cash, cash equivalents, and investments	$ 1,972.1	$ 3,098.5	$ (1,126.4)	(36)%

The significant components of our working capital are cash and cash equivalents, short-term investments, and accounts receivable, reduced by accounts payable, accrued liabilities, and short-term deferred revenue. Working capital decreased by $648.2 million during the nine months ended September 30, 2014 , primarily due to a decrease in cash and cash equivalents as a result of our stock repurchase activities, tax payments, our first dividend payment, and a lower balance in our short term investments.

Summary of Cash Flows

As of September 30, 2014 , our cash and cash equivalents decreased by $668.1 million primarily due to purchases and retirement of our common stock in connection with our stock repurchase program, capital expenditures, federal estimated tax payment and the dividend payout, partially offset by the cash received from the sale of certain equity investments.

The following table summarizes cash flows from our Condensed Consolidated Statements of Cash Flows (in millions, except percentages):

	Nine Months Ended September 30,			
	2014	2013	$ Change	% Change
Net cash provided by operating activities	$ 472.5	$ 451.9	$ 20.6	5 %
Net cash provided by (used in) investing activities	$ 150.9	$ (421.7)	$ 572.6	136 %
Net cash used in financing activities	$ (1,291.5)	$ (166.5)	$ (1,125.0)	(676)%

Operating Activities

Net cash provided by operations for the nine months ended September 30, 2014 was $472.5 million , compared to net cash provided by operations of $451.9 million for the same period in 2013 . Net cash provided by operations increased during the nine months ended September 30, 2014 , compared to the same period in 2013, as a result of higher net income which included the gain on patent litigation settlement, lower taxes paid, partially offset by higher payments related to all restructuring plans, lower cash collections due to the timing of receipts from customers, and lower deferred revenue.

Investing Activities

For the nine months ended September 30, 2014 , net cash provided by investing activities was $150.9 million , compared to net cash used in investing activities of $421.7 million for the nine months ended September 30, 2013 . The increase in net cash provided by investing activities was primarily due to higher proceeds from the sale of investments and fewer purchases of investments.

Financing Activities

Net cash used in financing activities was $1,291.5 million for the nine months ended September 30, 2014 , compared to $166.5 million for the same period in 2013 . The increase in net cash used in financing activities was primarily due to purchases and retirement of our common stock and payment of cash dividends as described further below, partially offset by the issuance of the 2024 Notes.

Stock Repurchase Activities

In February 2014, our Board of Directors (the "Board") approved a stock repurchase program that authorized us to repurchase up to $2.1 billion of our common stock through the end of the first quarter of 2015, including $1.2 billion through an accelerated share repurchase program ("2014 Stock Repurchase Program"). The $2.1 billion authorization replaced the $1.0 billion authorization approved by our Board in July 2013 ("2013 Stock Repurchase Program").

As part of our 2014 Stock Repurchase Program, we entered into two separate accelerated share repurchase agreements (collectively, the "ASR") with two financial institutions to repurchase $1.2 billion of our common stock. During the first quarter of 2014, we made an up-front payment of $1.2 billion pursuant to the ASR and received and retired an initial 33.3 million shares of our common stock for an aggregate price of $900.0 million based on the market value of our common stock on the date of the transaction. On July 23, 2014, the ASR was completed and an additional 16.0 million shares for the remaining $300.0 million was received for a total of 49.3 million shares of our common stock, which resulted in a volume weighted average repurchase price, less an agreed upon discount of $24.35 per share. The 16.0 million shares received were retired in the third quarter of 2014. Retired shares return to authorized but unissued shares of common stock.

Subsequent to the completion of the ASR, we have repurchased and retired 23.5 million shares of our common stock, for $550.0 million at an average purchase price of $23.44 per share, under the 2014 Stock Repurchase Program. During the three and nine months ended September 30, 2013 , we repurchased and retired approximately 4.4 million and 17.0 million shares of our common stock, respectively, at an average price of $20.92 and $19.32 per share, respectively, for an aggregate purchase price of $92.9 million and $328.4 million , respectively, under our 2013 Stock Repurchase Program.

In October 2014, our Board authorized an additional $1.3 billion increase to the 2014 Stock Repurchase Program. We also announced our intent to repurchase an additional $1.5 billion of our common stock before the end of the second quarter of 2015 as part of our three year capital return program, before the end of the second quarter of 2015. See Note 12, *Equity* , in Notes to Condensed Consolidated Financial Statements in Item 1 of Part I of this Report for further explanation of our 2014 Stock Repurchase Program and Note 18, *Subsequent Events* , for discussion on our stock repurchase activity subsequent to September 30, 2014 .

Dividends

On July 22, 2014, we declared a quarterly cash dividend of $0.10 per share of our common stock, or $43.8 million in the aggregate, to stockholders of record on September 2, 2014 which was paid on September 23, 2014. On October 23, 2014, we declared a cash dividend of $0.10 per share payable on December 23, 2014 to stockholders of record as of the close of business on December 2, 2014. Any future dividends, and the establishment of record and payment dates, are subject to approval by our Board or an authorized committee thereof. See Note 18, *Subsequent Events* , in Notes to Condensed Consolidated Financial Statements in Item 1 of Part I of this Report for further discussion on our dividend declaration subsequent to September 30, 2014 .

Restructuring

As of September 30, 2014 , our restructuring liability was $18.8 million of which $9.5 million is related to severance and other charges, which are expected to be settled by January 2015. The remaining $9.3 million related to facility closures are expected to be paid through March 2018. Further, we expect future cash expenditures of approximately $7.0 million to $9.0 million in connection with our 2014 Restructuring Plan, funded by our cash from operations.

Deferred Revenue

The following table summarizes our deferred product and service revenues (in millions):

	As of	
	September 30, 2014	**December 31, 2013**
Deferred product revenue:		
Undelivered product commitments and other product deferrals	$ 166.5	$ 184.9
Distributor inventory and other sell-through items	113.0	118.7
Deferred gross product revenue	279.5	303.6
Deferred cost of product revenue	(57.0)	(58.6)
Deferred product revenue, net	222.5	245.0
Deferred service revenue	851.5	824.3
Total	$ 1,074.0	$ 1,069.3

As of September 30, 2014 , total deferred revenue increased by $4.7 million compared to December 31, 2013 , due to an increase of deferred service revenue of $27.2 million driven by the execution of several multi-year support agreements and annual agreement renewals, and a decrease in deferred product revenue of $22.5 million compared to December 31, 2013 as a result of timing of future feature releases and to a lesser extent lower distributor inventory.

Off-Balance Sheet Arrangements

As of September 30, 2014 , we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. It is not our business practice to enter into off-balance sheet arrangements. However, in the normal course of business, we enter into contracts consisting of guarantees of product and service performance, guarantees related to third-party customer-financing arrangements, customs and duties guarantees, and standby letters of credit for certain lease facilities. See Note 17, *Commitments and Contingencies* , in Notes to the Condensed Consolidated Financial Statements in Item 1 of Part I of this Report for additional information regarding our guarantees.

Contractual Obligations

As of September 30, 2014 , our principle commitments consist of obligations under operating leases, purchase commitments, debt, and other contractual obligations. There have been no significant changes to these obligations, during the nine months ended September 30, 2014 compared to the contractual obligations disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations, set forth in Part II, Item 7, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 , other than the issuance of the 2024 Notes and related interest as follows (in millions):

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years	Other
Long-term debt	$ 350.0	$ —	$ —	$ —	$ 350.0	$ —
Interest payment on long-term debt	$ 149.0	$ 15.8	$ 31.5	$ 31.5	$ 70.2	$ —

For further explanation of our debt, see Note 11, *Long-Term Debt and Financing* , in Notes to Condensed Consolidated Financial Statements in Item 1 of Part I of this Report.

Revolving Credit Facility

On June 27, 2014, we entered into a Credit Agreement with certain institutional lenders that provides for a five year $500.0 million unsecured revolving credit facility, with an option to increase the amount of the credit facility, no more than once a year, by minimum increments of $200.0 million , up to a maximum credit facility of $700.0 million . Proceeds from borrowing made under the Credit Agreement may be used by us for working capital and general corporate purposes. Revolving loans may be borrowed, repaid and reborrowed until June 27, 2019, at which time all amounts borrowed must be repaid. As of September 30, 2014 , no amounts were outstanding.

The Credit Agreement requires us to maintain a leverage ratio no greater than 3.0 x and an interest coverage ratio no less than 3.0 x during the term of the credit facility. In addition, the Credit Agreement contains customary affirmative and negative covenants, including covenants that limit or restrict the ability of the Company and its subsidiaries to, among other things, grant liens, merge or consolidate, dispose of all or substantially all of its assets, change their accounting or reporting policies, change their business and incur subsidiary indebtedness, in each case subject to customary exceptions for a credit facility of this size and type. As of September 30, 2014 , the Company was in compliance with all covenants in the Credit Agreement, and no amounts were outstanding. See Note 11, *Long-term Debt and Financing* , in Notes to Condensed Consolidated Financial Statements in Item 1 of Part I of this Report.

Guarantees

We have entered into agreements with customers that contain indemnification provisions relating to potential situations where claims could be alleged that our products infringe the intellectual property rights of a third-party. We also have financial guarantees consisting of guarantees of product and service performance, guarantees related to third-party customer-financing arrangements, custom and duty guarantees, and standby letters of credit for certain lease facilities. Under certain third-party customer financing arrangements that contain guarantee provisions, which have terms of up to four years, we are liable for the aggregate unpaid payments to the third-party financing company in the event of customer default. As of September 30, 2014 , we have not made any payments under these arrangements. As of September 30, 2014 and December 31, 2013 , we had $28.3 million and $40.1 million , respectively, in financing guarantees, bank guarantees, and standby letters of credit related to these financial guarantees of which $22.1 million in financing guarantees was recorded in other accrued liabilities and other long-term liabilities in the Condensed Consolidated Balance Sheets as of September 30, 2014 .

Liquidity and Capital Resource

Liquidity and capital resources may be impacted by our operating activities as well as acquisitions and investments in strategic relationships that we have made or we may make in the future. Additionally, to the extent we repurchase additional shares of our common stock under our stock repurchase program or pay cash dividends on our common stock, our liquidity may be impacted. As of September 30, 2014 , 74% of our cash, cash equivalents, and investment balances were held outside of the U.S., which may be subject to U.S. taxes if repatriated.

In August 2013, we filed an automatic shelf registration statement with the SEC enabling us to offer for sale, from time to time, an unspecified amount of securities in one or more offerings and is intended to give us flexibility to take advantage of financing opportunities as needed or deemed desirable in light of market conditions. Our 2024 Notes were issued under the automatic shelf registration statement which was issued pursuant to a prospectus filed with the SEC on February 28, 2014. Any other offerings of securities under the automatic shelf registration statement will be made pursuant to a prospectus. In addition, our new Revolving Credit Facility will also provide additional flexibility for future liquidity needs.

We have been focused on managing our annual equity usage as a percentage of the common stock outstanding to align with peer group competitive levels and have made changes in recent years to reduce the number of shares underlying the equity awards we grant. For fiscal year 2014, we intend to target the number of shares underlying equity awards granted on an annual basis at 2.50% or less of our common stock outstanding on a pure share basis (where each option, RSU, RSA or PSA granted is counted as one share). Based upon shares underlying our grants to date of options, RSUs, RSAs, and PSAs, we believe we are on track with respect to this goal for 2014.

Based on past performance and current expectations, we believe that our existing cash and cash equivalents, short-term, and long-term investments, together with cash generated from operations and access to capital markets and our new Revolving Credit Facility will be sufficient to fund our operations, IOP, planned stock repurchases and dividends, and anticipated growth for at least the next twelve months. We believe our working capital is sufficient to meet our liquidity requirements for capital expenditures, commitments, and other liquidity requirements associated with our existing operations during the same period. However, our future liquidity and capital requirements may vary materially from those now planned depending on many factors, including, but not limited to:

- level and mix of our product, sales, and gross profit margins;
- our business, product, capital expenditures and R&D plans;
- repurchases of our common stock;
- payment of dividends;
- incurrence and repayment of debt and related interest obligations;
- litigation expenses, settlements, and judgments, or similar items related to resolution of tax audits;
- volume price discounts and customer rebates;
- accounts receivable levels that we maintain;
- acquisitions and/or funding of other businesses, assets, products, or technologies;
- changes in our compensation policies;
- capital improvements for new and existing facilities;
- technological advances;
- our competitors' responses to our products and/or pricing;
- our relationships with suppliers, partners, and customers;
- possible future investments in raw material and finished goods inventories;
- expenses related to future restructuring plans;
- tax expense associated with share-based awards;

- issuance of share-based awards and the related payment in cash for withholding taxes in the current year and possibly during future years;
- level of exercises of stock options and stock purchases under our equity incentive plans; and
- general economic conditions and specific conditions in our industry and markets, including the effects of disruptions in global credit and financial markets, international conflicts, and related uncertainties.

Factors That May Affect Future Results

A description of the risk factors associated with our business is included under “Risk Factors” in Item 1A of Part II of this Report.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

Our exposures to market risk have not changed materially since December 31, 2013 . For quantitative and qualitative disclosures about market risk, see Item 7A Quantitative and Qualitative Disclosures About Market Risk, in our Annual Report on Form 10-K for the year ended December 31, 2013 .

Item 4. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

Attached, as exhibits to this report are certifications of our principal executive officer and principal financial officer, which are required in accordance with Rule 13a-14 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). This “Controls and Procedures” section includes information concerning the controls and related evaluations referred to in the certifications and it should be read in conjunction with the certifications for a more complete understanding of the topics presented.

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15 (e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered in this report, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls Over Financial Reporting

During the second quarter of 2014, we implemented the purchasing and disbursements portion of our multi-phase conversion to a new enterprise resource planning ("ERP") system. In the third quarter of 2014, we implemented the manufacturing, fulfillment, and inventory portion of our multi-phase conversion to a new ERP system. Additional interim internal controls were put into operation due to reliance on two ERP systems until completion of the conversion project. We will continue to enhance the design and level of automation of our controls concurrent with system conversion over the next several quarters.

Except as described above, there were no changes in our internal control over financial reporting that occurred during the third quarter of 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. *Legal Proceedings*

The information set forth under the "Legal Proceedings" section in Note 17, *Commitments and Contingencies* , in Notes to Condensed Consolidated Financial Statements in Item 1 of Part I of this Report, is incorporated herein by reference.

Item 1A. *Risk Factors*

Factors That May Affect Future Results

Investments in our securities involve significant risks. Even small changes in investor expectations for our future growth and earnings, whether as a result of actual or rumored financial or operating results, changes in the mix of the products and services sold, acquisitions, industry changes, or other factors, could trigger, and have triggered in the past, significant fluctuations in the market price of our common stock. Investors in our securities should carefully consider all of the relevant factors disclosed by us, including, but not limited to, the following factors, that could affect our business, operating results and stock price.

Our quarterly results are unpredictable and subject to substantial fluctuations; as a result, we may fail to meet the expectations of securities analysts and investors, which could adversely affect the trading price of our common stock.

Our revenues and operating results may vary significantly from quarter-to-quarter due to a number of factors, many of which are outside of our control and any of which may cause our stock price to fluctuate.

The factors that may cause our quarterly results to vary quarter by quarter and be unpredictable include, but are not limited to: limited visibility into customer spending plans, changes in the mix of products and services sold, changes in the mix of geographies in which our products and services are sold, changing market and economic conditions, current and potential customer consolidation, competition, customer concentration, long sales and implementation cycles, unpredictable ordering patterns, changes in the amount and frequency of share repurchases or dividends, regional economic and political conditions, and seasonality. For example, we, and many companies in our industry, experience adverse seasonal fluctuations in customer spending, particularly in the first quarter. Furthermore market trends, competitive pressures, commoditization of products, seasonal rebates, increased component or shipping costs, regulatory impacts and other factors may result in reductions in revenue or pressure on gross margins of certain segments in a given period, which may necessitate adjustments to our operations. Such adjustments may be difficult or impossible to execute in the short or medium term.

As a result of these factors, as well as other variables affecting our operating results, we believe that quarter-to-quarter comparisons of operating results are not necessarily a good indication of what our future performance will be. It is likely that in some quarters, our operating results will be below our guidance, our long-term financial model or the expectations of securities analysts or investors, in which case the price of our common stock may decline. Such a decline could occur, and has occurred in the past, even when we have met our publicly stated revenues and/or earnings guidance.

A limited number of our customers comprise a significant portion of our revenues and there is an ongoing trend toward consolidation in the industry in which our customers and partners operate. Any decrease in revenues from our customers or partners could have an adverse effect on our net revenues and operating results.

A substantial majority of our net revenues depend on sales to a limited number of customers and distribution partners, particularly in our service provider market. Changes in the business requirements, vendor selection, project prioritization, financial prospects, capital resources, and expenditures, or purchasing behavior (including product mix purchased) of our key customers could significantly decrease our sales to such customers or could lead to delays or cancellations of planned purchases of our products or services, which increases the risk of quarterly fluctuations in our revenues and operating results. Any of these factors could adversely affect our business, financial condition, and results of operations.

In addition, in recent years, there has been movement towards consolidation in the telecommunications industry (for example, the acquisition of Global Crossing by Level 3 Communications, Softbank's purchase of a controlling interest in Sprint Nextel and Sprint Nextel's proposed acquisition of TMobile, AT&T's proposed acquisition of DirectTV, and Comcast's proposed acquisition of Time Warner Cable) and that consolidation trend has continued. If our customers or partners are parties to consolidation transactions they may delay, suspend or indefinitely reduce or cancel their purchases of our products or other direct or indirect unforeseen consequences could harm our business, financial condition, and results of operations.

Fluctuating economic conditions make it difficult to predict revenues for a particular period and a shortfall in revenues or increase in costs of production may harm our operating results.

Our revenues and gross margin depend significantly on general economic conditions and the demand for products in the markets in which we compete. Economic weakness, customer financial difficulties, and constrained spending on network expansion and enterprise infrastructure have in the past resulted in, and may in the future result in, decreased revenues and earnings. Such factors could make it difficult to accurately forecast sales and operating results and could negatively affect our ability to provide accurate forecasts to our contract manufacturers and manage our contract manufacturer relationships and other expenses. In addition, economic uncertainty, as well as continued turmoil in the geopolitical environment in many parts of the world, including Ukraine, have, and may continue to, put pressure on global economic conditions, which has led, and could continue to lead, to reduced demand for our products, to delays or reductions in network expansions or infrastructure projects, and/or higher costs of production. Economic weakness may also lead to longer collection cycles for payments due from our customers, an increase in customer bad debt, restructuring initiatives and associated expenses, and impairment of investments. Furthermore, instability in the global credit markets may adversely impact the ability of our customers to adequately fund their expected capital expenditures, which could lead to delays or cancellations of planned purchases of our products or services. Our operating expenses are largely based on anticipated revenue trends and a high percentage of our expenses is, and will continue to be, fixed in the short and medium term. Therefore, fluctuations in revenue could cause significant variations in our operating results and operating margins from quarter to quarter.

Uncertainty about future economic conditions also makes it difficult to forecast operating results and to make decisions about future investments. Future or continued economic weakness, failure of our customers and markets to recover from such weakness, customer financial difficulties, increases in costs of production, and reductions in spending on network maintenance and expansion could have a material adverse effect on demand for our products and consequently on our business, financial condition, and results of operations.

Our success depends upon our ability to effectively plan and manage our resources and restructure our business through rapidly fluctuating economic and market conditions, and such actions may have an adverse effect on our financial and operating results.

Our ability to successfully offer our products and services in a rapidly evolving market requires an effective planning, forecasting, and management process to enable us to effectively scale and adjust our business in response to fluctuating market opportunities and conditions.

In periods of market expansion, we have increased investment in our business by, for example, increasing headcount and increasing our investment in R&D, sales and marketing, and other parts of our business. Conversely, in the first half of 2014, to refocus the Company’s strategy, optimize its structure and improve operational efficiencies in connection with our integrated operating plan, or IOP, we implemented a new strategic focus on High-IQ Networks and best-in-class cloud environments, realigned our organization into a One-Juniper structure, reduced our workforce, consolidated and closed facilities, made changes to enhance efficiency, improved cost management measures and instituted new capital allocation plan. In connection with cost management, we implemented a substantial cost reduction plan accomplished through various restructuring activities across research and development, sales and marketing and general and administrative. Some of our expenses are fixed costs that cannot be rapidly or easily adjusted in response to fluctuations in our business or numbers of employees. Rapid changes in the size, alignment or organization of our workforce, including sales account coverage, could adversely affect our ability to develop and deliver products and services as planned or impair our ability to realize our current or future business and financial objectives. Our ability to achieve the anticipated cost savings and other benefits from our restructuring initiatives within the expected time frame is subject to many estimates and assumptions. These estimates and assumptions are subject to significant economic, competitive and other uncertainties, some of which are beyond our control. If these estimates and assumptions are incorrect, if we are unsuccessful at implementing changes, or if other unforeseen events occur, our business and results of operations could be adversely affected.

The long sales and implementation cycles for our products, as well as our expectation that some customers will sporadically place large orders with short lead times, may cause our revenues and operating results to vary significantly from quarter-to-quarter.

A customer's decision to purchase certain of our products, particularly new products, involves a significant commitment of its resources and a lengthy evaluation and product qualification process. As a result, the sales cycle may be lengthy. In particular, customers making critical decisions regarding the design and implementation of large network deployments may engage in very lengthy procurement processes that may delay or impact expected future orders. Throughout the sales cycle, we may spend considerable time educating and providing information to prospective customers regarding the use and benefits of our products.

Even after making the decision to purchase, customers may deploy our products slowly and deliberately. Timing of deployment can vary widely and depends on the skill set of the customer, the size of the network deployment, the complexity of the customer's network environment, and the degree of hardware and operating system configuration necessary to deploy the products. Customers with large networks usually expand their networks in large increments on a periodic basis. Accordingly, we may receive purchase orders for significant dollar amounts on an irregular basis. These long cycles, as well as our expectation that customers will tend to sporadically place large orders with short lead times, both of which may be exacerbated by the impact of continued global economic weakness, may cause revenues and operating results to vary significantly and unexpectedly from quarter-to-quarter.

We face intense competition that could reduce our revenues and adversely affect our business and financial results.

Competition is intense in the markets that we address. The network equipment market has historically been dominated by Cisco, with competition coming from other companies such as Alcatel-Lucent, Brocade, Extreme Networks, Hewlett Packard Company, and Huawei. In the security market, we face intense competition from these same companies as well as companies such as Check Point, F5 Networks, Fortinet, and Palo Alto Networks. Further, a number of other small public and private companies have products or have announced plans for new products to address the same challenges and markets that our products address.

In addition, actual or speculated consolidation among competitors, or the acquisition of our partners and/or resellers by competitors, can increase the competitive pressures faced by us, as customers may delay spending decisions or not purchase our products at all. For example, in 2013, Oracle acquired Acme Packet, Inc., and Cisco acquired Meraki Networks, Inc. and Sourcefire, Inc., which further consolidated our market. A number of our competitors have substantially greater resources and can offer a wider range of products and services for the overall network equipment market than we do. If we are unable to compete successfully against existing and future competitors on the basis of product offerings or price, we could experience a loss in market share and revenues and/or be required to reduce prices, which could reduce our gross margins, and which could materially and adversely affect our business, financial condition, and results of operations.

We expect our gross margins and operating margins to vary over time, and the level of product gross margins achieved by us in recent years may not be sustainable.

We expect our product gross margins to vary from quarter-to-quarter, and the gross margins we have achieved in recent years may not be sustainable and may be adversely affected in the future by numerous factors, including customer, product and geographic mix shifts, increased price competition in one or more of the markets in which we compete, increases in material, labor, or inventory carrying costs, excess product component or obsolescence charges from our contract manufacturers, increased costs due to changes in component pricing or charges incurred due to component holding periods if we do not accurately forecast product demand, warranty related issues, or our introduction of new products or entry into new markets with different pricing and cost structures. For example, in the third quarter of 2012, our margins declined as a result of an inventory charge resulting from inventory we held in excess of forecasted demand. We determine our operating expenses largely on the basis of anticipated revenues and a high percentage of our expenses are fixed in the short and medium term. As a result, a failure or delay in generating or recognizing revenue could cause significant variations in our operating results and operating margin from quarter-to-quarter. Failure to sustain or improve our gross margins reduces our profitability and may have a material adverse effect on our business and stock price.

Further, in early 2014, we announced our IOP, which in combination with our new cost reduction initiative, announced in October 2014, is intended to reduce our operating expenses and to focus on cost controls. We expect that our margins will, accordingly, vary with our ability to achieve the goals of the IOP as supplemented by the new cost reduction initiative, as well as our ability to maintain or increase our revenues. We can provide no assurance that we will be able to achieve all of the goals of these plans or meet our announced expectations, in whole or in part, or that our plans will have the intended effect of improving our margins on the expected timeline, or at all.

To the extent we receive product orders late in a quarter, we may be unable to recognize revenue for these orders in the same period, which could adversely affect our quarterly revenues.

Generally, our network equipment products are not stocked by distributors or resellers due to their cost and complexity and the custom nature of configurations required by our customers; we generally build such products as orders are received. In recent years, the volume of orders received late in any given fiscal quarter has generally continued to increase but remains unpredictable. If orders for certain products are received late in any quarter, we may not be able to recognize revenue for these orders in the same period, which could adversely affect our ability to meet our expected revenues for such quarter. Additionally, we determine our operating expenses largely on the basis of anticipated revenues and a high percentage of our expenses are fixed in the short and medium term. As a result, a failure or delay in generating or recognizing revenue could cause significant variations in our operating results and operating margin from quarter-to-quarter.

Conversion of key internal systems and processes, particularly our ERP system, and problems with the design or implementation of these systems and processes could interfere with, and therefore harm, our business and operations.

We have underway a multi-phase project to convert certain key internal systems and processes, including our customer relationship management (“CRM”) system and enterprise resource planning ("ERP") system. Since 2012, we have been implementing major changes to our ERP system, which activities we expect to continue into 2015. In the third quarter of 2014, we implemented the manufacturing, fulfillment, and inventory portion of this ERP project and we are now reliant upon dual ERP systems until completion of the conversion. We have invested, and will continue to invest, significant capital and human resources in the design and implementation of these systems and processes. Any problems, disruptions, delays or other issues in the design and implementation of the new systems or processes, particularly any that impact our operations, could adversely affect our ability to process customer orders, ship products, provide service and support to our customers, bill and track our customers, collect cash from our customers, maintain our DSO measure, fulfill contractual obligations, record and transfer information in a timely and accurate manner, recognize revenue, file SEC reports in a timely manner, or otherwise run our business. Even if we do not encounter these adverse effects, the design and implementation of these new systems and processes may be much more costly than we anticipated. If we are unable to successfully design and implement these new systems and processes as planned, or if the implementation of these systems and processes is more lengthy or costly than anticipated, our business, financial condition, and results of operations could be negatively impacted.

We are dependent on sole source and limited source suppliers for several key components, which makes us susceptible to shortages or price fluctuations in our supply chain, and we may face increased challenges in supply chain management in the future.

We rely on single or limited sources of certain of our components. During periods of high demand for electronic products, component shortages are possible, and the predictability of the availability of such components may be limited. Any future growth in our business, IT spending and the economy in general is likely to create greater pressures on us and our suppliers to accurately forecast overall component demand and to establish optimal component inventories. If shortages or delays persist, the price of these components may increase, or the components may not be available at all. We may not be able to secure enough components at reasonable prices or of acceptable quality to build new products in a timely manner, and our revenues and gross margins could suffer until other sources can be developed. For example, from time to time, we have experienced component shortages that resulted in delays of product shipments. We currently purchase numerous key components, including ASICs, from single or limited sources. The development of alternate sources for those components is time-consuming, difficult, and costly. In addition, the lead times associated with certain components are lengthy and preclude rapid changes in quantities and delivery schedules. Also, long-term supply and maintenance obligations to customers increase the duration for which specific components are required, which may further increase the risk of component shortages or the cost of carrying inventory. In the event of a component shortage or supply interruption from these suppliers, we may not be able to develop alternate or second sources in a timely manner. If we are unable to buy these components in quantities sufficient to meet our requirements on a timely basis, we will not be able to deliver products and services to our customers, which would seriously affect present and future sales, which would, in turn, adversely affect our business, financial condition, and results of operations.

In addition, the development, licensing, or acquisition of new products in the future may increase the complexity of supply chain management. Failure to effectively manage the supply of key components and products would adversely affect our business.

We rely on value-added and other resellers, as well as distribution partners, to sell our products, and disruptions to, or our failure to effectively develop and manage, our distribution channel and the processes and procedures that support it could adversely affect our ability to generate revenues from the sale of our products.

Our future success is highly dependent upon establishing and maintaining successful relationships with a variety of value-added and other reseller and distribution partners, including our worldwide strategic partners such as Ericsson, IBM, and NSN. The majority of our revenues are derived through value-added resellers and distributors, most of which also sell our competitors’ products, and some of which sell their own competing products. Our revenues depend in part on the performance of these partners. The loss of or reduction in sales to our resellers or distributors could materially reduce our revenues. For example, in 2011 and 2012, one of our OEM partners, Dell, acquired Force10 and SonicWall, both competitors of ours. As a result, Dell became increasingly competitive in certain areas, their resale of our products declined, and we ultimately terminated our OEM relationship with Dell. Our competitors may in some cases be effective in leveraging their market share positions or in providing incentives to current or potential resellers and distributors to favor their products or to prevent or reduce sales of our products. If we fail to develop and maintain relationships with our partners, fail to develop new relationships with value-added resellers and distributors

in new markets, fail to expand the number of distributors and resellers in existing markets, fail to manage, train or motivate existing value-added resellers and distributors effectively, or if these partners are not successful in their sales efforts, sales of our products may decrease, and our business, financial condition, and results of operations would suffer.

In addition, we recognize a portion of our revenues based on a sell-through model using information provided by our distributors. If those distributors provide us with inaccurate or untimely information, the amount or timing of our revenues could be adversely impacted.

Further, in order to develop and expand our distribution channel, we must continue to offer attractive channel programs to potential partners and scale and improve our processes and procedures that support the channel. As a result, our programs, processes and procedures may become increasingly complex and inherently difficult to manage. We have previously entered into OEM agreements with partners pursuant to which they rebrand and resell our products as part of their product portfolios. These types of relationships are complex and require additional processes and procedures that may be challenging and costly to implement, maintain and manage. Our failure to successfully manage and develop our distribution channel and the programs, processes and procedures that support it could adversely affect our ability to generate revenues from the sale of our products.

Our ability to process orders and ship products in a timely manner is dependent in part on our business systems and performance of the systems and processes of third parties such as our contract manufacturers, suppliers, or other partners, as well as the interfaces between our systems and the systems of such third parties. If our systems, the systems and processes of those third parties, or the interfaces between them experience delays or fail, our business processes and our ability to build and ship products could be impacted, and our financial results could be harmed.

Some of our business processes depend upon our information technology ("IT") systems, the systems and processes of third parties, and the interfaces of our systems with the systems of third parties. For example, our order entry system feeds information into the systems of our contract manufacturers, which enables them to build and ship our products. If those systems fail or are interrupted, our processes may function at a diminished level or not at all. This could negatively impact our ability to ship products or otherwise operate our business, and our financial results could be harmed. For example, although it did not adversely affect our shipments, an earthquake in late December of 2006 disrupted our communications with China, where a significant part of our manufacturing occurs. In addition, as discussed earlier in this "Risk Factors" section, beginning in 2012 and continuing into 2015, we have been implementing major changes to our enterprise resource planning system. Any failure of the new system or interruptions during the transition may impair communications with our manufacturers, and, therefore, adversely affect our ability to build and ship our products.

We also rely upon the performance of the systems and processes of our contract manufacturers to build and ship our products. If those systems and processes experience interruption or delay, our ability to build and ship our products in a timely manner may be harmed. For example, we have experienced instances where our contract manufacturers were not able to ship products in the time periods expected by us, which prevented us from meeting our commitments to our customers. If we are not able to ship our products or if product shipments are delayed, our ability to recognize revenue in a timely manner for those products would be affected and our financial results could be harmed.

Telecommunications and Web 2.0 service provider companies and our other large customers generally require onerous terms and conditions in our contracts with them. As we seek to sell more products to such customers, we may be required to agree to terms and conditions that could have an adverse effect on our business or ability to recognize revenues.

Telecommunications and Web 2.0 service provider companies, which comprise a significant portion of our customer base, and other large companies, generally have greater purchasing power than smaller entities and, accordingly, often request and receive more favorable terms from suppliers. Recently, our customers, France Telecom-Orange and Deutsche Telekom AG have formed a company for the purpose of purchasing products from, and negotiating more favorable contractual terms with, suppliers. As we seek to sell more products to this class of customer, we may be required to agree to such terms and conditions, which may include terms that affect the timing of our ability to recognize revenue and have an adverse effect on our business, financial condition, and results of operations. Consolidation among such large customers can further increase their buying power and ability to require onerous terms.

In addition, service providers have purchased products from other vendors who promised but failed to deliver certain functionality and/or had products that caused problems or outages in the networks of these customers. As a result, these customers may request additional features from us and require substantial penalties for failure to deliver such features or may require substantial penalties

for any network outages that may be caused by our products. These additional requests and penalties, if we are required to agree to them, may require us to defer revenue recognition from such sales, which may negatively affect our business, financial condition, and results of operations.

System security risks, data protection breaches, and cyber-attacks could compromise our proprietary information, disrupt our internal operations and harm public perception of our products, which could cause our business and reputation to suffer and adversely affect our stock price.

In the ordinary course of business, we store sensitive data, including intellectual property, our proprietary business information and that of our customers, suppliers and business partners on our networks. The secure maintenance of this information is critical to our operations and business strategy. Increasingly, companies, including us, are subject to a wide variety of attacks on their networks on an ongoing basis. Despite our security measures, our information technology and infrastructure may be vulnerable to penetration or attacks by computer programmers and hackers, or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise our networks, creating system disruptions or slowdowns and exploiting security vulnerabilities of our products, and the information stored on our networks could be accessed, publicly disclosed, lost or stolen, which could subject us to liability to our customers, suppliers, business partners and others, and cause us reputational and financial harm. In addition, sophisticated hardware and operating system software and applications that we produce or procure from third parties may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with the operation of our networks.

If an actual or perceived breach of network security occurs in our network or in the network of a customer of our products, regardless of whether the breach is attributable to our products, the market perception of the effectiveness of our products could be harmed. Because the techniques used by computer programmers and hackers, many of whom are highly sophisticated and well-funded, to access or sabotage networks change frequently and generally are not recognized until after they are used, we may be unable to anticipate or immediately detect these techniques. This could impede our sales, manufacturing, distribution or other critical functions. In addition, the economic costs to us to eliminate or alleviate cyber or other security problems, bugs, viruses, worms, malicious software systems and security vulnerabilities could be significant and may be difficult to anticipate or measure because the damage may differ based on the identity and motive of the programmer or hacker, which are often difficult to pinpoint.

Regulation of industry in general and the telecommunications industry in particular could harm our operating results and future prospects.

We are subject to laws and regulations affecting the sale of our products in a number of areas. For example, some governments have regulations prohibiting government entities from purchasing security products that do not meet specified indigenous certification criteria, even though those criteria may be in conflict with accepted international standards. Other regulations that may negatively impact our business include country of origin regulations. These types of regulations are in effect or under consideration in several jurisdictions where we do business.

The Dodd-Frank Wall Street Reform and Consumer Protection Act includes disclosure requirements regarding the use of “conflict minerals” mined from the Democratic Republic of Congo and adjoining countries (“DRC”) and procedures regarding a manufacturer's efforts to prevent the sourcing of such “conflict minerals.” These minerals are present in our products. SEC rules implementing these requirements may have the effect of reducing the pool of suppliers who can supply DRC “conflict free” components and parts, and we may not be able to obtain DRC conflict free products or supplies in sufficient quantities for our operations. Since our supply chain is complex, we may face reputational challenges with our customers, stockholders and other stakeholders if we are unable to sufficiently verify the origins for the "conflict minerals” used in our products.

In addition, environmental regulations relevant to electronic equipment manufacturing or operations may impact our business and financial condition adversely. For instance, the European Union and China have adopted WEEE and ROHS regulations, which require producers of electrical and electronic equipment to assume responsibility for collecting, treating, recycling and disposing of products when they have reached the end of their useful life, as well as REACH regulations, which regulate handling of certain chemical substances that may be used in our products.

The traditional telecommunications industry is highly regulated, and our business and financial condition could be adversely affected by changes in regulations relating to the Internet telecommunications industry. Currently, there are few laws or regulations that apply directly to access to or commerce on IP networks, but future regulations could include sales taxes on products sold via the Internet and Internet service provider access charges. We could be adversely affected by regulation of IP networks and commerce in any country where we market equipment and services to service or Web 2.0. Regulations governing the range of services and business models that can be offered by service providers or Web 2.0 could adversely affect those customers' needs for products

designed to enable a wide range of such services or business models. For instance, the U.S. Federal Communications Commission has issued regulations governing aspects of fixed broadband networks and wireless networks; these regulations might impact service provider and Web 2.0 business models and as such, providers' needs for Internet telecommunications equipment and services. Also, many jurisdictions are evaluating or implementing regulations relating to cyber security, supply chain integrity, privacy and data protection, any of which can affect the market and requirements for networking and security equipment.

The adoption and implementation of such regulations could reduce demand for our products, increase the cost of building and selling our products, result in product inventory write-offs, impact our ability to ship products into affected areas and recognize revenue in a timely manner and require us to spend significant time and expense to comply, and we could face fines and civil or criminal sanctions or claims if we were to violate or become liable under such regulations. Any of these impacts could have a material adverse effect on our business, financial condition, and results of operations.

Governmental regulations affecting the import or export of products or affecting products containing encryption capabilities could negatively affect our revenues.

The United States and various foreign governments have imposed controls, export license requirements, and restrictions on the import or export of, among other things, encryption technology. Certain of our products contain or use encryption technology. In addition, from time to time, governmental agencies have proposed additional regulation of encryption technology, such as requiring certification, notifications, review of source code, or the escrow and governmental recovery of private encryption keys. For example, Russia and China recently have implemented new requirements relating to products containing encryption and India has imposed special warranty and other obligations associated with technology deemed critical. Governmental regulation of encryption or IP networking technology and regulation of imports or exports, or our failure to obtain required import or export approval for our products, or export sanctions, including recent restrictions on exports to Russia, could harm our international and domestic sales and adversely affect our revenues. In addition, failure to comply with such regulations could result in harm to our reputation, penalties, costs, and restrictions on import or export privileges or adversely affect sales to government agencies or government-funded projects.

If we do not successfully anticipate technological shifts, market needs and opportunities, and develop products and product enhancements that meet those technological shifts, needs and opportunities, or if those products are not made available in a timely manner or do not gain market acceptance, we may not be able to compete effectively and our ability to generate revenues will suffer.

We cannot guarantee that we will be able to anticipate future technological shifts, market needs and opportunities or be able to develop new products or product enhancements to meet such technological shifts, needs or opportunities in a timely manner or at all. For example, the move from traditional network infrastructures towards software-defined networking, or SDN, has been receiving considerable attention. In our view, it will take several years to see the full impact of SDN, and we believe the successful products and solutions in this market will combine hardware and software elements. If we fail to anticipate market requirements or fail to develop and introduce new products or product enhancements to meet those requirements in a timely manner, it could cause us to lose customers, and such failure could substantially decrease or delay market acceptance and sales of our present and future products, which would significantly harm our business, financial condition, and results of operations. Even if we are able to anticipate, develop, and commercially introduce new products and enhancements, there can be no assurance that new products or enhancements will achieve widespread market acceptance.

In addition, in the past two years, we have announced new products, including the QF5100, T4000 Core Router, EX9200 Ethernet Switch, MX Series Routers, PTX 3000 Packet Transport Router, and Juniper Networks Contrail. If these or other new products do not gain market acceptance at a sufficient rate of growth, our ability to meet future financial targets and aspirations may be adversely affected. In addition, if we fail to deliver new or announced products to the market in a timely manner, it could adversely affect the market acceptance of those products and harm our competitive position and our business and financial results.

Our ability to develop, market, and sell products could be harmed if we are unable to retain or hire key personnel.

Our future success depends upon our ability to recruit and retain the services of executive, engineering, sales and marketing, and support personnel. The supply of highly qualified individuals, in particular engineers in very specialized technical areas, or sales people specializing in the service provider and enterprise markets, is limited and competition for such individuals is intense. None of our officers or key employees is bound by an employment agreement for any specific term. The loss of the services of any of our key employees, the inability to attract or retain personnel in the future or delays in hiring required personnel, engineers and sales people, and the complexity and time involved in replacing or training new employees, could delay the development and introduction of new products, and negatively impact our ability to market, sell, or support our products.

We are a party to lawsuits, investigations, proceedings, and other disputes, which are costly to defend and, if determined adversely to us, could require us to pay fines or damages, undertake remedial measures or prevent us from taking certain actions, any or all of which could harm our business, results of operations, financial condition or cash flows.

We, and certain of our current and former officers and current and former members of our Board of Directors, have been or are subject to various lawsuits. We have been served with lawsuits related to employment matters, commercial transactions and patent infringement, as well as securities laws. A description of the securities lawsuits can be found in Note 17, *Commitments and Contingencies* , in Notes to Consolidated Financial Statements of this Report, under the heading "Legal Proceedings." In addition, as noted under the heading of "Legal Proceedings", the U.S. Securities and Exchange Commission and the U.S. Department of Justice are conducting investigations into possible violations by the Company of the U.S. Foreign Corrupt Practices Act. Gifts, travel, or entertainment offered or provided by our employees or channel partners could give rise to possible violations of the U.S. Foreign Corrupt Practices Act or other applicable laws. Litigation and investigations are inherently uncertain. We therefore cannot predict the duration, scope, outcome or consequences of these matters. There can be no assurance that these or any actions or investigations that have been or may in the future be brought against us, our officers, and our directors will be resolved favorably. In connection with any government investigations, in the event the government takes action against us or the parties enter into an agreement to settle the matter, we may be required to pay substantial fines and/or incur other sanctions. The lawsuits and investigations are expensive and time-consuming to defend, settle, and/or resolve, and may require us to implement certain remedial measures that could prove costly or disruptive to our business and operations. The unfavorable resolution of one or more of these matters could have a material adverse effect on our business, results of operations, financial condition or cash flows.

We are a party to litigation and claims regarding intellectual property rights, resolution of which may be time - consuming and expensive, as well as require a significant amount of resources to prosecute, defend, or make our products non-infringing.

Our industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patent and other intellectual property rights. We expect that infringement claims may increase as the number of products and competitors in our market increases and overlaps occur. Third parties have asserted and may in the future assert claims or initiate litigation related to patent, copyright, trademark, and other intellectual property rights to technologies and related standards that are relevant to our products. The asserted claims and/or initiated litigation may include claims against us or our manufacturers, suppliers, partners, or customers, alleging that our products or services infringe proprietary rights. Regardless of the merit of these claims, they have been and can be time-consuming, result in costly litigation, and may require us to develop non-infringing technologies, enter into license agreements, or cease engaging in certain activities or offering certain products or services. Furthermore, because of the potential for high awards of damages or injunctive relief that are not necessarily predictable, even arguably unmeritorious claims may be settled for significant amounts of money. If any infringement or other intellectual property claim made against us by any third-party is successful, if we are required to settle litigation for significant amounts of money, or if we fail to develop non-infringing technology or license required proprietary rights on commercially reasonable terms and conditions, our business, financial condition, and results of operations could be materially and adversely affected.

Our financial condition and results of operations could suffer if there is an additional impairment of goodwill or other intangible assets with indefinite lives.

We are required to test intangible assets with indefinite lives, including goodwill, annually and on an interim basis if an event occurs or there is a change in circumstance that would more likely than not reduce the fair value of reporting units and intangible assets below their carrying values. As of September 30, 2014 , our goodwill was $3,911.7 million and there were no intangible assets with indefinite lives. When the carrying value of a reporting unit's goodwill exceeds its implied fair value of goodwill, a charge to operations is recorded. If the carrying amount of an intangible asset with an indefinite life exceeds its fair value, a charge to operations is recognized. Either event would result in incremental expenses for that quarter, which would reduce any earnings or increase any loss for the period in which the impairment was determined to have occurred.

In the past, we experienced a reduction of $1,280.0 million to the carrying value of goodwill on our Consolidated Balance Sheet, primarily due to the decline in our market capitalization that occurred over a period of approximately nine months prior to the impairment review and, to a lesser extent, to a decrease in forecasted future cash flows.

In recent years, economic weakness has contributed to extreme price and volume fluctuations in global stock markets that have reduced the market price of many technology company stocks, including ours. Declines in our level of revenues or operating margins, as well as sustained declines in our stock price, increase the risk that goodwill and intangible assets with indefinite lives may become impaired in future periods.

Our goodwill impairment analysis is sensitive to changes in key assumptions used in our analysis, such as expected future cash flows, the degree of volatility in equity and debt markets, and our stock price. If the assumptions used in our analysis are not realized, it is possible that an impairment charge may need to be recorded in the future. We cannot accurately predict the amount and timing of any impairment of goodwill or other intangible assets. However, any such impairment would have an adverse effect on our results of operations.

Changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our results.

Our future effective tax rates could be subject to volatility or adversely affected by the following: earnings being lower than anticipated in countries where we have lower statutory rates and higher than anticipated earnings in countries where we have higher statutory rates; changes in the valuation of our deferred tax assets and liabilities; expiration of, or lapses in, the R&D tax credit laws applicable to us; transfer pricing adjustments related to certain acquisitions, including the license of acquired intangibles under our intercompany R&D cost sharing arrangement; costs related to intercompany restructuring; tax effects of share-based compensation; or changes in tax laws, regulations, accounting principles, or interpretations thereof. The Organisation for Economic Co-operation and Development (OECD), an international association of 34 countries including the U.S., is contemplating changes to numerous long-standing tax principles. These contemplated changes, if finalized and adopted by countries, will increase tax uncertainty and may adversely affect our provision for income taxes. In addition, we are subject to the continuous examination of our income tax returns by the Internal Revenue Service and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. There can be no assurance that the outcomes from these continuous examinations will not have an adverse effect on our business, financial condition, and results of operations.

If we fail to accurately predict our manufacturing requirements, we could incur additional costs or experience manufacturing delays, which would harm our business.

We provide demand forecasts to our contract manufacturers, who order components and plan capacity based on these forecasts. If we overestimate our requirements, our contract manufacturers may assess charges, or we may have liabilities for excess inventory, each of which could negatively affect our gross margins. For example, in the third quarter of 2012, our gross margins were reduced as a result of an inventory charge resulting from inventory we held in excess of forecasted demand. Conversely, because lead times for required materials and components vary significantly and depend on factors such as the specific supplier, contract terms, and the demand for each component at a given time, and because our contract manufacturers are third-party manufacturers for numerous other companies, if we underestimate our requirements, as we did in the third quarter of 2010 with respect to certain components, our contract manufacturers may have inadequate time, materials, and/or components required to produce our products, which could increase costs or delay or interrupt manufacturing of our products resulting in delays in shipments and deferral or loss of revenues.

We are dependent on contract manufacturers with whom we do not have long-term supply contracts, and changes to those relationships, expected or unexpected, may result in delays or disruptions that could cause us to lose revenues and damage our customer relationships.

We depend on independent contract manufacturers (each of which is a third-party manufacturer for numerous companies) to manufacture our products. Although we have contracts with our contract manufacturers, these contracts do not require them to manufacture our products on a long-term basis in any specific quantity or at any specific price. In addition, it is time-consuming and costly to qualify and implement additional contract manufacturer relationships. Therefore, if we fail to effectively manage our contract manufacturer relationships, which includes failing to provide accurate forecasts of our requirements, or if one or more of them experiences delays, disruptions, or quality control problems in our manufacturing operations, or if we had to change or add additional contract manufacturers or contract manufacturing sites, our ability to ship products to our customers could be delayed. Also, the addition of manufacturing locations or contract manufacturers would increase the complexity of our supply chain management. Moreover, an increasing portion of our manufacturing is performed in China and other countries and is therefore subject to risks associated with doing business outside of the United States. Each of these factors could adversely affect our business, financial condition and results of operations.

We may face difficulties enforcing our proprietary rights which could adversely affect our ability to compete.

We generally rely on a combination of patents, copyrights, trademarks, and trade secret laws and contractual restrictions on disclosure of confidential and proprietary information, to establish and maintain proprietary rights in our technology and products. Although we have been issued numerous patents and other patent applications are currently pending, there can be no assurance that any of our patent applications will result in issued patents or that any of our patents or other proprietary rights will not be

challenged, invalidated, infringed or circumvented or that our rights will, in fact, provide competitive advantages to us or protect our technology, any of which could result in costly product redesign efforts, discontinuance of certain product offerings and other competitive harm. Furthermore, the laws of some foreign countries may not protect our proprietary rights to the same extent as do the laws of the United States. The outcome of any actions taken in these foreign countries may be different than if such actions were determined under the laws of the United States. Although we are not dependent on any individual patents or group of patents for particular segments of the business for which we compete, if we are unable to protect our proprietary rights in a market, we may find ourselves at a competitive disadvantage to others who need not incur the substantial expense, time, and effort required to create innovative products that have enabled our success.

We are subject to risks arising from our international operations, which may adversely affect our business, financial condition, and results of operations.

We derive a majority of our revenues from our international operations, and we plan to continue expanding our business in international markets in the future. We conduct significant sales and customer support operations directly and indirectly through our distributors and VARs in countries throughout the world and depend on the operations of our contract manufacturers and suppliers that are located outside of the United States. In addition, a portion of our R&D and our general and administrative operations are conducted outside the United States. In some countries, we may experience reduced intellectual property protection.

As a result of our international operations, we are affected by economic, business, regulatory, social, and political conditions in foreign countries, including the following:

- changes in general IT spending,
- the imposition of government controls, inclusive of critical infrastructure protection;
- changes or limitations in trade protection laws or other regulatory requirements, which may affect our ability to import or export our products from various countries;
- varying and potentially conflicting regulations;
- fluctuations in local economies;
- wage inflation or a tightening of the labor market; and
- the impact of the following on service provider and government spending patterns: political considerations, unfavorable changes in tax treaties or laws, natural disasters, epidemic disease, labor unrest, earnings expatriation restrictions, misappropriation of intellectual property, military actions, acts of terrorism, political and social unrest and difficulties in staffing and managing international operations.

Any or all of these factors could have a material adverse impact on our business, financial condition, and results of operations.

Moreover, local laws and customs in many countries differ significantly from or conflict with those in the United States or in other countries in which we operate. In many foreign countries, particularly in those with developing economies, it is common for others to engage in business practices that are prohibited by our internal policies and procedures or United States regulations applicable to us. There can be no assurance that our employees, contractors, channel partners, and agents will not take actions in violation of our policies and procedures, which are designed to ensure compliance with U.S. and foreign laws and policies. Violations of laws or key control policies by our employees, contractors, channel partners, or agents could result in termination of our relationship, financial reporting problems, fines, and/or penalties for us, or prohibition on the importation or exportation of our products, and could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to fluctuations in currency exchange rates, which could negatively affect our financial condition and results of operations.

Because a majority of our business is conducted outside the United States, we face exposure to adverse movements in non-U.S. currency exchange rates. These exposures may change over time as business practices evolve and could have a material adverse impact on our financial condition and results of operations.

The majority of our revenues and expenses are transacted in U.S. Dollars. We also have some transactions that are denominated in foreign currencies, primarily the British Pound, Euro, Indian Rupee, and Japanese Yen related to our sales and service operations outside of the United States. An increase in the value of the U.S. Dollar could increase the real cost to our customers of our products in those markets outside the United States in which we sell in U.S. Dollars, and a weakened U.S. Dollar could increase the cost of local operating expenses and procurement of raw materials to the extent we must purchase components in foreign currencies.

Currently, we hedge only those currency exposures associated with certain assets and liabilities denominated in nonfunctional currencies and periodically hedge anticipated foreign currency cash flows. The hedging activities undertaken by us are intended to offset the impact of currency fluctuations on certain nonfunctional currency assets and liabilities. However, such attempts to offset the impact of currency fluctuations are costly and no amount of hedging can be effective against all circumstances, including long-term declines in the value of the U.S. Dollar. If our attempts to hedge against these risks are not successful, or if long-term declines in the value of the U.S. Dollar persist, our financial condition and results of operations could be adversely impacted.

Integration of acquisitions could disrupt our business and harm our financial condition and stock price and may dilute the ownership of our stockholders.

We have made, and may continue to make, acquisitions in order to enhance our business. For example, in 2014, we acquired WANDL, Inc. and in 2012, we acquired Contrail Systems Inc. ("Contrail") and Mykonos Software, Inc. ("Mykonos"). Acquisitions involve numerous risks, including problems combining the purchased operations, technologies or products, unanticipated costs and liabilities, diversion of management's attention from our core businesses, adverse effects on existing business relationships with suppliers and customers, risks associated with entering markets in which we have no or limited prior experience, and potential loss of key employees. There can be no assurance that we will be able to integrate successfully any businesses, products, technologies, or personnel that we might acquire. The integration of businesses that we may acquire is likely to be a complex, time-consuming, and expensive process and we may not realize the anticipated revenues or other benefits associated with our acquisitions if we fail to successfully manage and operate the acquired business. If we fail in any acquisition integration efforts and are unable to efficiently operate as a combined organization utilizing common information and communication systems, operating procedures, financial controls, and human resources practices, our business, financial condition, and results of operations may be adversely affected.

In connection with certain acquisitions, we may agree to issue common stock or assume equity awards that dilute the ownership of our current stockholders, use a substantial portion of our cash resources, assume liabilities, record goodwill and amortizable intangible assets that will be subject to impairment testing on a regular basis and potential periodic impairment charges, incur amortization expenses related to certain intangible assets, and incur large and immediate write-offs and restructuring and other related expenses, all of which could harm our financial condition and results of operations.

The divestiture of our Junos ® Pulse product portfolio could disrupt our business and may not yield the intended benefits.

We recently completed the sale of our Junos Pulse product portfolio to an affiliate of Siris Capital, a private equity firm, for total consideration of $228.1 million , of which $103.1 million was in cash, net of a $21.9 million working capital adjustment, and $125.0 million was in the form of an 18-month non-contingent interest bearing promissory note issued to the Company. Since approximately $125.0 million of the transaction consideration is in the form of an 18-month non-contingent seller promissory note, there is also the risk that we may not receive the amount owed to us by the buyer under the note and that instead the Junos Pulse assets will return to us.

If we fail to adequately evolve our financial and managerial control and reporting systems and processes, our ability to manage and grow our business will be negatively affected.

Our ability to successfully offer our products and implement our business plan in a rapidly evolving market depends upon an effective planning and management process. We will need to continue to improve our financial and managerial control and our reporting systems and procedures in order to manage our business effectively in the future. If we fail to effectively implement improved systems and processes, our ability to manage our business, financial condition, and results of operations may be negatively affected.

Our products are highly technical and if they contain undetected defects errors or malware or do not meet customer quality expectations, our business could be adversely affected, and we may be subject to additional costs or lawsuits or be required to pay damages in connection with any alleged or actual failure of our products and services.

Our products are highly technical and complex, are critical to the operation of many networks, and, in the case of our security products, provide and monitor network security and may protect valuable information. Our products have contained and may contain one or more undetected errors, defects, malware, or security vulnerabilities. Some errors in our products may only be discovered after a product has been installed and used by end-customers. Any errors, defects, malware or security vulnerabilities discovered in our products after commercial release could result in monetary penalties, loss of revenues or delay in revenue recognition, loss of customers, loss of future business and reputation, penalties, and increased service and warranty cost, any of which could adversely affect our business, financial condition, and results of operations. In addition, in the event an error, defect, malware, or vulnerability is attributable to a component supplied by a third-party vendor, we may not be able to recover from the vendor all of the costs of remediation that we may incur. In addition, we could face claims for product liability, tort, or breach of warranty or indemnification. Defending a lawsuit, regardless of its merit, is costly and may divert management's attention. If our business liability insurance coverage is inadequate, or future coverage is unavailable on acceptable terms or at all, our financial condition and results of operations could be harmed. Moreover, if our products fail to satisfy our customers' quality expectations for whatever reason, the perception of and the demand for our products could be adversely affected.

If our products do not interoperate with our customers' networks, installations will be delayed or cancelled and could harm our business.

Our products are designed to interface with our customers' existing networks, each of which have different specifications and utilize multiple protocol standards and products from other vendors. Many of our customers' networks contain multiple generations of products that have been added over time as these networks have grown and evolved. Our products must interoperate with many or all of the products within these networks as well as future products in order to meet our customers' requirements. If we find errors in the existing software or defects in the hardware used in our customers' networks, we may need to modify our software or hardware to fix or overcome these errors so that our products will interoperate and scale with the existing software and hardware, which could be costly and could negatively affect our business, financial condition, and results of operations. In addition, if our products do not interoperate with those of our customers' networks, demand for our products could be adversely affected or orders for our products could be cancelled. This could hurt our operating results, damage our reputation, and seriously harm our business and prospects.

Our products incorporate and rely upon licensed third-party technology, and if licenses of third-party technology do not continue to be available to us or are not available on terms acceptable to us, our revenues and ability to develop and introduce new products could be adversely affected.

We integrate licensed third-party technology into certain of our products. From time to time, we may be required to license additional technology from third-parties to develop new products or product enhancements. Third-party licenses may not be available or continue to be available to us on commercially reasonable terms. The failure to comply with the terms of any license, including free open source software, may result in our inability to continue to use such license. Our inability to maintain or re-license any third-party licenses required in our products or our inability to obtain third-party licenses necessary to develop new products and product enhancements, could require us, if possible, to develop substitute technology or obtain substitute technology of lower quality or performance standards or at a greater cost, any of which could delay or prevent product shipment and harm our business, financial condition, and results of operations.

We sell our products to customers that use those products to build networks and IP infrastructure, and if the demand for network and IP systems does not continue to grow, our business, financial condition, and results of operations could be adversely affected.

A substantial portion of our business and revenues depends on the growth of secure IP infrastructure and on the deployment of our products by customers that depend on the continued growth of IP services. As a result of changes in the economy, capital spending or the building of network capacity in excess of demand, all of which have in the past particularly affected telecommunications service providers, spending on IP infrastructure can vary, which could have a material adverse effect on our business, financial condition, and results of operations. In addition, a number of our existing customers are evaluating the build-out of their next generation networks. During the decision-making period when the customers are determining the design of those networks and the selection of the equipment they will use in those networks, such customers may greatly reduce or suspend their

spending on secure IP infrastructure. Such delays in purchases can make it more difficult to predict revenues from such customers can cause fluctuations in the level of spending by these customers and, even where our products are ultimately selected, can have a material adverse effect on our business, financial condition, and results of operations.

We are required to evaluate the effectiveness of our internal control over financial reporting, and any adverse results from such evaluation may adversely affect investor perception, our stock price and cause us to incur additional expense.

Section 404 of the Sarbanes-Oxley Act of 2002 requires our management to report on, and our independent auditors to attest to, the effectiveness of our internal control over financial reporting. We have an ongoing program to perform the system and process evaluation and testing necessary to comply with these requirements. We have and will continue to incur significant expenses and devote management resources to Section 404 compliance on an ongoing basis. In the event that our Chief Executive Officer, Chief Financial Officer, or independent registered public accounting firm determine in the future that, our internal controls over financial reporting are not effective as defined under Section 404, investor perceptions may be adversely affected if our financial statements are not reliable and could cause a decline in the market price of our stock and otherwise negatively affect our liquidity and financial condition.

Failure to maintain our credit ratings could adversely affect our cost of funds and related margins, liquidity, competitive position and access to capital markets.

The major debt rating agencies routinely evaluate our debt. This evaluation is based on a number of factors, which include financial strength as well as transparency with rating agencies and timeliness of financial reporting. There can be no assurance that we will be able to maintain our credit ratings and failure to do so could adversely affect our cost of funds and related margins, liquidity, competitive position and access to capital markets.

We may be unable to generate the cash flow to service our debt obligations, including the Senior Notes and the Revolving Credit Facility.

In February 2014, we issued $350.0 million aggregate principal amount of 4.50% senior unsecured notes due 2024 (the “2024 Notes”) and in March 2011, we issued $1.0 billion aggregate principal amount of senior unsecured notes (the “Senior Notes” and together with the 2024 Notes, the “Notes”), and (see discussion in Note 11, Long-Term Debt and Financing, in the Notes to Consolidated Financial Statements of this Report). As of September 30, 2014 , we had $1,348.9 million in outstanding long-term debt. In June 2014, we entered into a Credit Agreement with certain institutional lenders that provides for a five year $500.0 million unsecured Revolving Credit Facility, with an option to increase the credit facility, up to a maximum of $700.0 million. The Credit Agreement will terminate in June 2019, at which point all amounts borrowed must be repaid. As of September 30, 2014 , no amounts were outstanding under the Credit Agreement.

We may not be able to generate sufficient cash flow to enable us to service our indebtedness, including the Notes and the Revolving Credit Facility (if drawn upon) or to make anticipated capital expenditures. Our ability to pay our expenses and satisfy our debt obligations, refinance our debt obligations and fund planned capital expenditures will depend on our future performance, which will be affected by general economic, financial, competitive, legislative, regulatory and other factors beyond our control. Based upon current levels of operations, we believe cash flow from operations and available cash will be adequate for the foreseeable future to meet our anticipated requirements for working capital, capital expenditures and scheduled payments of principal and interest on our indebtedness, including the Notes and the Revolving Credit Facility (if drawn upon). However, if we are unable to generate sufficient cash flow from operations or to borrow sufficient funds in the future to service our debt, we may be required to sell assets, reduce capital expenditures, refinance all or a portion of our existing debt (including the Notes) or obtain additional financing. There is no assurance that we will be able to refinance our debt, sell assets or borrow more money on terms acceptable to us, or at all.

The indentures that govern the Notes contain various covenants that limit our ability and the ability of our subsidiaries to, among other things:

- incur liens;
- incur sale and leaseback transactions; and
- consolidate or merge with or into, or sell substantially all of our assets to, another person.

The Credit Agreement contains two financial covenants along with customary affirmative and negative covenants that include the following:

- maintenance of a leverage ratio no greater than 3.0x and an interest coverage ratio no less than 3.0x
- covenants that limit or restrict the ability of the Company and its subsidiaries to, among other things, grant liens, merge or consolidate, dispose of all or substantially all of its assets, change their accounting or reporting policies, change their business and incur subsidiary indebtedness, in each case subject to customary exceptions for a credit facility of this size and type.

As a result of these covenants, we are limited in the manner in which we can conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs. Accordingly, these restrictions may limit our ability to successfully operate our business. A failure to comply with these restrictions could lead to an event of default, which could result in an acceleration of the indebtedness. Our future operating results may not be sufficient to enable compliance with these covenants to remedy any such default. In addition, in the event of an acceleration, we may not have or be able to obtain sufficient funds to make any accelerated payments, including those under the Senior Notes, any notes issued in connection with the recently-announced capital return program discussed above and the Revolving Credit Facility (if drawn upon).

Our failure to pay quarterly dividends to our stockholders or the failure to meet our commitments to return capital to our stockholders could have a material adverse effect on our stock price.

In October 2014, we announced a cash dividend of $0.10 per share of common stock payable on December 23, 2014 to stockholders of record as of the close of business on December 2, 2014. Our ability to pay quarterly dividends will be subject to, among other things, our financial position and results of operations, available cash and cash flow, capital requirements and other factors. Any failure to pay or increase future dividends as announced, reduction or discontinuation of quarterly dividends could have a material adverse effect on our stock price.

In addition, our Board of Directors recently authorized a $1.1 billion increase to our current capital return plan, which includes a planned $1.5 billion of share repurchases before the end of the second quarter of 2015. The capital return plan will be funded by a combination of onshore cash, previously issued debt and potentially, additional debt financing, to preserve our financial flexibility to invest in future growth opportunities and maintain our investment grade credit rating. Any failure to meet our commitments to return capital to our shareholders could have a material adverse effect on our stock price.

The investment of our cash balance and our investments in government and corporate debt securities are subject to risks, which may cause losses and affect the liquidity of these investments.

At September 30, 2014 , we had $1,615.9 million in cash and cash equivalents and $1,705.1 million in short- and long-term investments. We have invested these amounts primarily in asset-backed securities, certificates of deposit, commercial paper, corporate debt securities, foreign government debt securities, government- sponsored enterprise obligations, money market funds, mutual funds, publicly-traded equity securities and U.S. government securities. Certain of these investments are subject to general credit, liquidity, market, sovereign debt, and interest rate risks. Our future investment income may fall short of expectations due to changes in interest rates or if the decline in fair value of our publicly traded debt or equity investments is judged to be other-than-temporary. These market risks associated with our investment portfolio may have a material adverse effect on our liquidity, financial condition, and results of operations.

Uninsured losses could harm our operating results.

We self-insure against many business risks and expenses, such as intellectual property litigation and our medical benefit programs, where we believe we can adequately self-insure against the anticipated exposure and risk or where insurance is either not deemed cost-effective or is not available. We also maintain a program of insurance coverage for various types of property, casualty, and other risks. We place our insurance coverage with various carriers in numerous jurisdictions. The types and amounts of insurance that we obtain vary from time to time and from location to location, depending on availability, cost, and our decisions with respect to risk retention. The policies are subject to deductibles, policy limits, and exclusions that result in our retention of a level of risk on a self-insurance basis. Losses not covered by insurance could be substantial and unpredictable and could adversely affect our financial condition and results of operations.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides a summary of stock repurchases during the three months ended September 30, 2014 (in millions, except per share amounts):

Period	Total Number of Shares Purchased [1]	Average Price Paid per Share [1]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [2]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs [2]
July 1 - July 31, 2014	19.3	$ 19.58	19.3	$ 825.0
August 1 - August 31, 2014	20.3	$ 23.47	20.2	$ 350.0
September 1 - September 30, 2014 [3]	—	$ 23.35	—	$ 350.0
Total	39.6	$ 21.57	39.5	

(1) Amounts include repurchases under our stock repurchase programs and repurchases of our common stock for our employees in connection with net issuances of shares to satisfy minimum tax withholding obligations for the vesting of certain stock awards.

(2) Shares were repurchased under our stock repurchase program approved by the Board in February 2014, which authorized us to purchase an aggregate of up to $2.1 billion of our common stock. The $2.1 billion authorization replaced the $1.0 billion authorization approved by the Board in July 2013. In October 2014, the Board approved an increase of $1.3 billion to our 2014 Stock Repurchase Program. Future share repurchases under our capital return plan will be subject to a review of the circumstances in place at that time and will be made from time to time in private transactions or open market purchases as permitted by securities laws and other legal requirements.

(3) The month ended September 30, 2014 includes an immaterial number of shares repurchased associated with minimum tax withholdings.

Item 6. ***Exhibits***

Exhibit Number	Description of Document
10.1	Assignment and Assumption of Lease by and between Juniper Networks, Inc., as Assignor, and Google Inc., as Assignee, dated August 18, 2014 -1194 N. Mathilda Avenue, Sunnyvale, California (Building 1)*
10.2	Assignment and Assumption of Lease by and between Juniper Networks, Inc., as Assignor, and Google Inc., as Assignee, dated August 18, 2014 -1184 N. Mathilda Avenue, Sunnyvale, California (Building 2)*
10.3	Assignment and Assumption of Lease by and between Juniper Networks, Inc., as Assignor, and Google Inc., as Assignee, dated August 18, 2014 -1220 N. Mathilda Avenue, Sunnyvale, California (Building 3)*
10.4	Consent to Assignment and Third Amendment to Lease by and between Juniper Networks, Inc., FSP-Sunnyvale Office Park, LLC and Google Inc., dated August 18, 2014 - 1194 N. Mathilda Avenue, Sunnyvale, California (Building 1)*
10.5	Consent to Assignment and Second Amendment to Lease by and between Juniper Networks, Inc., FSP-Sunnyvale Office Park, LLC and Google Inc., dated August 18, 2014 - 1184 N. Mathilda Avenue, Sunnyvale, California (Building 2)*
10.6	Consent to Assignment and Amendment No. 3 to Lease by and between Juniper Networks, Inc., FSP-Sunnyvale Office Park, LLC and Google Inc., dated August 18, 2014 - 1220 N. Mathilda Avenue, Sunnyvale, California (Building 3)*
10.7	Sublease by and between Juniper Networks, Inc., as Subtenant, and Google Inc., as Sublandlord, dated August 18, 2014 - 1194 N. Mathilda Avenue, Sunnyvale, California (Building 1)*
10.8	Consent to Sublease by and between Juniper Networks, Inc., FSP-Sunnyvale Office Park, LLC and Google Inc., dated August 18, 2014 - 1194 N. Mathilda Avenue, Sunnyvale, California (Building 1)*
10.9	Juniper Networks, Inc. 2006 Equity Incentive Plan, as amended October 2, 2014*
10.10	Form of Severance Agreement for Certain Officers first used in November 2014*
12.1	Computation of Ratio of Earnings to Fixed Charges*
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350*
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350*
101	The following materials from Juniper Network Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Operations (ii) the Condensed Consolidated Statements of Comprehensive Income, (iii) the Condensed Consolidated Balance Sheets, and (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements*
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*

101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*

*Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant had duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

Juniper Networks, Inc.

November 10, 2014 By: /s/ Robyn M. Denholm

Robyn M. Denholm

Executive Vice President, Chief Financial and Operations Officer

(Duly Authorized Officer and Principal Financial Officer)

November 10, 2014 By: /s/ Terrance F. Spidell

Terrance F. Spidell

Vice President, Corporate Controller and Chief Accounting Officer

(Duly Authorized Officer and Principal Accounting Officer)

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101.PRE XBRL Taxonomy Extension Presentation Linkbase Document*

*Filed herewith.

EXHIBIT 10.1

ASSIGNMENT AND ASSUMPTION OF LEASE

By And Between

Juniper Networks, Inc.,
a Delaware corporation

as Assignor

And

Google Inc.,
a Delaware corporation

as Assignee

August 18, 2014

1194 N. Mathilda Avenue, Sunnyvale, California
(Building 1)

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Section 25. Sublease Contingency

ASSIGNMENT AND ASSUMPTION OF LEASE

This Assignment and Assumption of Lease (this "Assignment"), is made as of August 18, 2014, by and between **Juniper Networks, Inc** ., a Delaware corporation ("Assignor"), and **Google Inc** ., a Delaware corporation ("Assignee").

R E C I T A L S

A. Assignor is "Tenant" under that certain Lease dated June 18, 1999, as amended by that certain First Amendment to Lease dated February 28, 2000, as further amended by that certain Lease Commencement Date Certificate dated July 26, 2000, as further amended by that certain Second Amendment to Lease dated October 14, 2009 (collectively the "Lease") with FSP-Sunnyvale Office Park, LLC, a Delaware limited liability company ("Landlord") (as successor-in-interest to, among others, Sunnyvale Office Park, L.P. and Mathilda Associates LLC) for that certain real property consisting of approximately 144,315 rentable square feet of space ("Leased Premises") in the building located at 1194 N. Mathilda Avenue, Sunnyvale, California, 94089 (the "Building"). The Lease is due to expire June 30, 2020. A copy of the Lease is attached hereto as Exhibit A and incorporated herein by this reference.

B. Assignor, as "Tenant" and BANK OF AMERICA, N.A., a national banking association, as Administrative Agent for the holder of certain liens secured by the Building ("Administrative Agent"), entered into that certain subordination, non-disturbance and attornment agreement dated as of August 7, 2013 (the "SNDA"), and recorded in the Official Records of Santa Clara County, California on August 12, 2013 as Document Number 22348106. A copy of the SNDA is attached hereto as Exhibit B and incorporated herein by this reference.

C. Assignor desires to assign its right, title and interest in, to and under the Lease, the Leased Premises and the SNDA to Assignee, and Assignee desires to accept such assignment upon and subject to the terms and conditions hereinafter set forth.

D. Concurrently with the mutual execution of this Assignment, Assignor and Assignee have entered into:

(i) an assignment of that certain lease by and between Landlord (as successor-in-interest to, among others, Sunnyvale Office Park, L.P. and Mathilda Associates LLC), as landlord, and Assignor, as tenant, dated February 28, 2000, as amended by that certain Lease Commencement Date Certificate dated March 20, 2001, as further amended by that certain First Amendment to Lease dated October 14, 2009 (collectively the "Building 2 Lease"), in substantially similar form, for approximately 122,435 rentable square feet of space ("Building 2 Premises") in the building located at 1184 N. Mathilda Avenue, Sunnyvale, California ("Building 2"), which Building 2 Lease is due to expire October 31, 2021, together with that certain subordination, non-disturbance and attornment agreement dated as of August 7, and recorded in the Official Records of Santa Clara County, California on August 12, 2013 as Document Number 22348105; and

(ii) an assignment of that certain lease by and between Landlord (as successor-in-interest to, among others, Sunnyvale Office Park, L.P. and Mathilda Associates II LLC), as landlord, and Assignor, as tenant, dated August 15, 2000, as amended by that certain Amendment No. 1 to Lease dated January 24, 2002, as further amended by that certain Amendment No. 2 to Lease dated October 14, 2009 (collectively the "Building 3 Lease"), in substantially similar form, for approximately 158,075 rentable square feet of space ("Building 3 Premises") in the building located at 1220 N. Mathilda Avenue, Sunnyvale, California ("Building 3"), which Building 3 Lease is due to expire November 30, 2022, together with that certain subordination, non-disturbance and attornment agreement dated as of August 7, and recorded in the Official Records of Santa Clara County, California on August 12, 2013 as Document Number 22348104; and

(iii) a sublease (the "Sublease") between Assignee, as sublandlord, and Assignor, as subtenant, effective upon the Assignment Date (as that term is defined herein) demising the Leased Premises to Assignor as of the Assignment Date on terms and conditions contained therein.

A G R E E M E N T

NOW, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agreed as follows:

1. Assignment and Assumption . Assignor hereby assigns to Assignee as of the Assignment Date (as such term is defined in Section 2 below) all of its right, title and interest in, to and under the Lease, the Leased Premises and the SNDA (including all of Assignor's right, title and interest in and to any rents as already have been paid by Assignor pursuant to the Lease) and Assignee, as of the Assignment Date, hereby accepts such assignment, assumes all of Assignor's obligations under the Lease and the SNDA, agrees to be bound by all of the provisions thereof and to perform all of the obligations of the tenant thereunder, all from and after the Assignment Date. Such assignment and assumption is made upon, and is subject to, all of the terms, conditions and provisions of this Assignment.

2. Effectiveness Contingent Upon Landlord's Consent . Assignor and Assignee expressly acknowledge and agree that this Assignment is subject to, and shall not be effective unless and until the occurrence of, the mutual execution and delivery by Assignor, Assignee, Landlord and the Administrative Agent of that certain Consent To Assignment And Third Amendment to Lease (the "Consent and Amendment") in the form attached hereto as Exhibit C (the date of such mutual execution and delivery of the Consent and Amendment being referred to herein the "Assignment Date").

3. Condition of Leased Premises . The Leased Premises shall be delivered upon the Assignment Date by Assignor to Assignee in their "as is" and "with all faults" condition with all fixtures, equipment and leasehold improvements located thereon. As of the Assignment Date all of such fixtures and equipment owned by Assignor shall be and become the property of Assignee, and Assignor grants, sells, conveys, assigns and transfers to Assignee all of Assignor's right, title and interest in and to such fixtures and equipment owned by Assignor, free of all encumbrances except for such rights as the Landlord may have in the same as provided in the Lease.

4. Security Deposit . Assignor hereby confirms that the terms and conditions of Section 3.7(a) of the original lease have been fully satisfied and performed and that Landlord does not hold any security deposit funds for the benefit of Assignor.

5. Assignment of Tenant Improvements . Assignor hereby assigns to Assignee all of Assignor's right title and interest in the existing cabling and laboratory Alternations (not forming part of the original tenant improvements performed pursuant to Exhibit B work letter of the Lease) together with any surrender obligations with respect to the same.

6. Standards of Landlord's Consent . Assignor and Assignee agree that if Assignor and Assignee desire to assign the Lease, Landlord shall consent or withhold its consent based upon standards then in effect under applicable law. In the event Landlord withholds or conditions its consent and Assignor and Assignee believe that Landlord does so contrary to applicable law, Assignor may prosecute an action for declaratory relief to determine if Landlord properly withheld or conditioned its consent. In any such action, each party shall bear its own attorneys' fees.

7. Further Assurances . Assignor and Assignee hereby covenant that each will, at any time and from time to time upon request by the other, and without the assumption of any additional liability thereby, execute and deliver such further documents and do such further acts as such party may reasonably request in order to fully effect the purpose of this Assignment. Assignor and Assignee each consent to and agree to fully cooperate with the other, Landlord and Administrative Agent, and their respective officers, directors, employees, agents and contractors in the other's efforts, if any, to give effect to the terms of this Assignment.

8. Representation Regarding Execution . Assignor and Assignee each hereby represent to one another as follows: (i) the execution, delivery and performance of this Assignment and any instrument or agreement required by this Assignment are within its powers, have been duly authorized, are not in conflict with the terms of any of its charters, bylaws or other organization papers and are not in conflict with any law or any indenture, agreement or undertaking to which it is a party or by which it is bound or affected, and (ii) there is no litigation, claim, proceeding or dispute pending (or threatened) against or affecting it or its financial condition which would impair its ability to perform the obligations hereunder and which has not already been expressly disclosed in writing to the other party.

9. Liability of Parties . Assignor shall be liable for any and all obligations and liabilities arising or accruing under the Lease and the SNDA up to the date immediately preceding the date of actual assignment of the Lease and the SNDA to Assignee upon the Assignment Date. As of the Assignment Date, Assignee shall be liable for any and all obligations and liabilities that arise or accrue under the Lease and the SNDA for the period commencing upon the Assignment Date

and arising out of Assignee's leasehold interest in the Lease, or growing out of or in connection with the Leased Premises, or Assignee's interest in the SNDA. As of the Assignment Date, Assignor shall not be responsible for any liability arising or accruing out of Assignee's leasehold interest in the Lease, or growing out of or in connection with the Leased Premises, or Assignee's interest in the SNDA.

10. Grant of Indemnity . Assignor hereby agrees to defend, indemnify and hold harmless Assignee from and against any and all claims made by, through or under Assignor, Landlord, Administrative Agent, or others arising out of Assignor's leasehold interest in the Lease, or growing out of or in connection with the Leased Premises, or Assignor's interest in the SNDA, for the period that Assignor is "tenant" under the Lease up to the date that immediately precedes the Assignment Date. Defense of any such claim shall be provided by legal counsel selected by Assignor and reasonably satisfactory to Assignee at Assignor's cost and expense. As of the Assignment Date, Assignee hereby agrees to defend, indemnify and hold harmless Assignor from any and all claims made by, through or under Assignee, Landlord, Administrative Agent, or others arising out of Assignee's leasehold interest in the Lease, or growing out of or in connection with the Leased Premises, or Assignee's interest in the SNDA. Defense of any such claim shall be provided by legal counsel selected by Assignee and reasonably satisfactory to Assignor at Assignee's cost and expense.

11. Enforcement by Landlord . The provisions of this Assignment shall inure to the benefit of and be enforceable by Landlord and Administrative Agent.

12. Successors . The covenants, agreements, representations, warranties and provisions in this Assignment shall be binding upon, and shall inure to the benefit of, each of the parties hereto and to their respective successors, transferees and assigns.

13. Counterparts . This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute but one and the same agreement.

14. Governing Law . This Assignment shall be governed by and construed in accordance with the laws of the State of California.

15. Entire Agreement . This Assignment is the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements between the parties hereto with respect thereto. This Assignment may not be altered, amended, changed, terminated or modified in any respect or particular, unless the same shall be in writing and signed by the party to be charged and unless such amendment has been approved in writing by Landlord and Administrative Agent.

16. Advice of Attorney . Each of the parties hereto expressly declares that it knows and understands the contents of this Assignment and has had an opportunity to consult with an attorney regarding its form and content.

17. Headings . The headings of the paragraphs of this Assignment are inserted solely for convenience of reference and are not a part of and are not intended to govern, limit or aid in the construction of any terms or provision hereof.

18. Severability . If any provision or provisions, or if any portion of any provision or provisions, in this Assignment is found by a court of Law of competent jurisdiction to be in violation of any local State or Federal ordinance, regulation, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of the parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Assignment shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the obligations of Assignor under the remainder of this Assignment shall continue in full force and effect.

19. Notices . Any notice required or permitted to be given under this Assignment shall be in writing and (i) personally delivered, (ii) sent by United States mail, registered or certified mail, postage prepaid, return receipt requested, (iii) sent by Federal Express or similar nationally recognized overnight courier service, or (iv) transmitted by facsimile with a hard copy sent within one (1) business day by any of the foregoing means, and in all cases addressed as follows, and such notice shall be deemed to have been given upon the date of actual receipt or delivery (or refusal to accept delivery) at the address specified below (or such other addresses as may be specified by notice in the foregoing manner) as indicated on the return receipt or air bill:

If to Assignor: Juniper Networks, Inc.
1133 Innovation Way
Building A
Sunnyvale
California 94089
Attention: Sr. Director REWS

With a copy to: Juniper Networks, Inc.
1133 Innovation Way
Building A
Sunnyvale
California 94089
Attention: General Counsel

With a copy of default notices to:

Reed Smith LLP
101 Second Street
Suite 1800
San Francisco
California 94105
Attention: Simon T. Adams Esq.

If to Assignee: Google Inc.
1600 Amphitheatre Parkway
Mountain View
California 94043
Attention: Lease Administration

With a copy to: Google Inc.
1600 Amphitheatre Parkway
Mountain View
California 94043
Attention: Legal Department / RE Matters

With a copy to: Allen Matkins Leck Gamble Mallory & Natsis LLP

Three Embarcadero Center, 12th Floor
San Francisco, California 94111-4074
Attention: Lee A. Edlund, Esq.

Any notice given in accordance with the foregoing shall be deemed received upon actual receipt or refusal to accept delivery.

20. Attorneys' Fees . In the event any party shall bring any action, arbitration proceeding or legal proceeding alleging a breach of any provision of this Assignment, to recover rent, to enforce the terms of this Assignment, or to protect, determine or establish any term or covenant of this Assignment or rights or duties hereunder of either party, the prevailing party shall be entitled to recover from the non-prevailing party as a part of such action or proceeding, or in a separate action for that purpose brought within one year from the determination of such proceeding, reasonable attorneys' fees, expert witness fees, court costs and other reasonable expenses incurred by the prevailing party.

21. Confidentiality . Assignor and Assignee agree that the terms of this Assignment shall be kept strictly confidential. Neither Assignor nor Assignee shall divulge the terms of this Assignment to any person other than such party's officers, directors, employees, attorneys, accountants, consultants and/or real estate brokers, and/or current or prospective assignees, subtenants, master landlords, lenders or purchasers, in each instance who have a need to know any such terms and who agree to keep such information confidential. Notwithstanding the foregoing, the terms of this Assignment may be disclosed, without any liability whatsoever for such disclosures to any government entity, agency or any other person whom disclosure is required by law or by regulatory or judicial process, including in connection with enforcing the terms of this Assignment or disclosures and filings made to the U.S. Securities and Exchange Commission as a publically traded company with stock registered on a nationally recognized stock exchange.

22. Specific Performance . In the event of a breach of the terms and conditions of this Assignment by either Assignor or Assignee, the non-breaching party, in its sole and absolute discretion, may choose, in addition to all of the other remedies available at law or in equity, to pursue an action for specific performance of this Assignment. Assignor and Assignee agree that any such application to a court of competent jurisdiction may be made as a sole remedy or separated from any other remedy sought by the injured party. A successful award of specific performance by a court of competent jurisdiction in favor of a party shall entitle that party to recover its attorney fees as set forth in Section 20 above.

23. CASp Inspection . For purposes of Section 1938 of the California Civil Code, Assignor hereby discloses to Assignee and Assignee hereby acknowledges and agrees that the Leased Premises has not undergone inspection by a Certified Access Specialist ("CASp").

24. Assignor's Cost of Assignment . Assignor agrees to be responsible for (and to reimburse Landlord in a timely manner) the fees due to Landlord pursuant to the terms and conditions of the Lease for consent to this Assignment, including, without limitation, the fees due under the Attachment to the Consent and Amendment.

25. Sublease Contingency . Contemporaneously with this Assignment (and subject to consent of Landlord and Administrative Agent) Assignor and Assignee agree to enter into the Sublease. Assignor and Assignee agree that the effectiveness of this Assignment (including consent from Landlord and Administrative Agent) shall at all times be and remain conditioned upon the Landlord and Administrative Agent consenting to the Sublease.

[Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, Assignor and Assignee have caused their duly authorized representatives to execute this Assignment as of the date first above written.

ASSIGNOR:

Juniper Networks, Inc.,
a Delaware corporation
By: /s/ Mitchell L. Gaynor
Name: Mitchell L. Gaynor
Title: Executive Vice President

By: _____
Name: _____
Title: _____

ASSIGNEE:

Google Inc.,
a Delaware corporation
By: /s/ David Radcliffe
Name: David Radcliffe
Title: V.P. Real Estate

EXHIBIT A

LEASE

[*** Attach copy of Lease (and all amendment forms) Here ***]

EXHIBIT B

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

[* Attach copy of SNDA Here ***]**

EXHIBIT C

CONSENT TO ASSIGNMENT AND SECOND AMENDMENT TO LEASE

[*** Attach copy of Consent and Amendment form Here ***]

EXHIBIT 10.2

ASSIGNMENT AND ASSUMPTION OF LEASE

By And Between

Juniper Networks, Inc.,
a Delaware corporation

as Assignor

And

Google Inc.,
a Delaware corporation

as Assignee

August 18, 2014

1184 N. Mathilda Avenue, Sunnyvale, California
(Building 2)

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ASSIGNMENT AND ASSUMPTION OF LEASE

This Assignment and Assumption of Lease (this "Assignment"), is made as of August 18, 2014, by and between **Juniper Networks, Inc** ., a Delaware corporation ("Assignor"), and **Google Inc** ., a Delaware corporation ("Assignee").

R E C I T A L S

A. Assignor is "Tenant" under that certain Lease dated February 28, 2000, as amended by that certain Lease Commencement Date Certificate dated March 20, 2001, as further amended by that certain First Amendment to Lease dated October 14, 2009 (collectively the "Lease") with FSP-Sunnyvale Office Park, LLC, a Delaware limited liability company ("Landlord") (as successor-in-interest to, among others, Sunnyvale Office Park, L.P. and Mathilda Associates LLC) for that certain real property consisting of approximately 122,435 rentable square feet of space ("Leased Premises") in the building located at 1184 N. Mathilda Avenue, Sunnyvale, California, 94089 (the "Building"). The Lease term is due to expire October 31, 2021. A copy of the Lease is attached hereto as Exhibit A and incorporated herein by this reference.

B. Assignor, as "Tenant" and BANK OF AMERICA, N.A., a national banking association, as Administrative Agent for the holder of certain liens secured by the Building ("Administrative Agent"), entered into that certain subordination, non-disturbance and attornment agreement dated as of August 7, 2013 (the "SNDA"), and recorded in the Official Records of Santa Clara County, California on August 12, 2013 as Document Number 22348105. A copy of the SNDA is attached hereto as Exhibit B and incorporated herein by this reference

C. Assignor desires to assign its right, title and interest in, to and under the Lease, the Leased Premises and the SNDA to Assignee, and Assignee desires to accept such assignment upon and subject to the terms and conditions hereinafter set forth.

D. Concurrently with the mutual execution of this Assignment, Assignor and Assignee have entered into:

(i) an assignment of that certain lease by and between Landlord (as successor-in-interest to, among others, Sunnyvale Office Park, L.P. and Mathilda Associates LLC), as landlord, and Assignor, as tenant, dated June 18, 1999, as amended by that certain First Amendment to Lease dated February 28, 2000, as further amended by that certain Lease Commencement Date Certificate dated July 26, 2000, as further amended by that certain Second Amendment to Lease dated October 14, 2009 (collectively the "Building 1 Lease"), in substantially similar form, for approximately 144,315 rentable square feet of space ("Building 1 Premises") in the building located at 1194 N. Mathilda Avenue, Sunnyvale, California ("Building 1"), which Building 1 Lease is due to expire June 30, 2020, together with that certain subordination, non-disturbance and attornment agreement dated as of August 7, and recorded in the Official Records of Santa Clara County, California on August 12, 2013 as Document Number 22348106; and

(ii) an assignment of that certain lease by and between Landlord (as successor-in-interest to, among others, Sunnyvale Office Park, L.P. and Mathilda Associates II LLC), as landlord, and Assignor, as tenant, dated August 15, 2000, as amended by that certain Amendment No. 1 to Lease dated January 24, 2002, as further amended by that certain Amendment No. 2 to Lease dated October 14, 2009 (collectively the "Building 3 Lease"), in substantially similar form, for approximately 158,075 rentable square feet of space ("Building 3 Premises") in the building located at 1220 N. Mathilda Avenue, Sunnyvale, California ("Building 3"), which Building 3 Lease is due to expire November 30, 2022, together with that certain subordination, non-disturbance and attornment agreement dated as of August 7, and recorded in the Official Records of Santa Clara County, California on August 12, 2013 as Document Number 22348104.

A G R E E M E N T

NOW, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agreed as follows:

1. Assignment and Assumption . Assignor hereby assigns to Assignee as of the Assignment Date (as such term is defined in Section 2 below) all of its right, title and interest in, to and under the Lease, the Leased Premises and the SNDA (including all of Assignor's right, title and interest in and to any rents as already have been paid by Assignor pursuant to the Lease) and Assignee, as of the Assignment Date, hereby accepts such assignment, assumes all of Assignor's obligations under the Lease and the SNDA, agrees to be bound by all of the provisions thereof and to perform all of the obligations of the tenant thereunder, all from and after the Assignment Date. Such assignment and assumption is made upon, and is subject to, all of the terms, conditions and provisions of this Assignment.

2. Effectiveness Contingent Upon Landlord's Consent . Assignor and Assignee expressly acknowledge and agree that this Assignment is subject to, and shall not be effective unless and until the occurrence of, the mutual execution and delivery by Assignor, Assignee, Landlord and Administrative Agent of that certain Consent To Assignment And Second Amendment to Lease (the "Consent and Amendment") in the form attached hereto as Exhibit C (the date of such mutual execution and delivery of the Consent and Amendment being referred to herein the "Assignment Date").

3. Condition of Leased Premises . The Leased Premises shall be delivered upon the Assignment Date by Assignor to Assignee in their "as is" and "with all faults" condition with all fixtures, equipment and leasehold improvements located thereon. As of the Assignment Date, all of such fixtures and equipment owned by Assignor shall be and become the property of Assignee, and Assignor grants, sells, conveys, assigns and transfers to Assignee all of Assignor's right, title and interest in and to such fixtures and equipment owned by Assignor, free of all encumbrances except for such rights as the Landlord may have in the same as provided in the Lease.

4. Security Deposit . Assignor hereby confirms that the terms and conditions of Section 3.7(a) of the original lease have been fully satisfied and performed and that Landlord does not hold any security deposit funds for the benefit of Assignor.

5. Assignment of Tenant Improvements . Assignor hereby assigns to Assignee all of Assignor's right title and interest in the existing cabling and laboratory Alternations (not forming part of the original tenant improvements performed pursuant to Exhibit B work letter of the Lease) together with any surrender obligations with respect to the same.

6. Standards of Landlord's Consent . Assignor and Assignee agree that if Assignor and Assignee desire to assign the Lease, Landlord shall consent or withhold its consent based upon standards then in effect under applicable law. In the event Landlord withholds or conditions its consent and Assignor and Assignee believe that Landlord does so contrary to applicable law, Assignor may prosecute an action for declaratory relief to determine if Landlord properly withheld or conditioned its consent. In any such action, each party shall bear its own attorneys' fees.

7. Further Assurances . Assignor and Assignee hereby covenant that each will, at any time and from time to time upon request by the other, and without the assumption of any additional liability thereby, execute and deliver such further documents and do such further acts as such party may reasonably request in order to fully effect the purpose of this Assignment. Assignor and Assignee each consent to and agree to fully cooperate with the other, Landlord and Administrative Agent, and their respective officers, directors, employees, agents and contractors in the other's efforts, if any, to give effect to the terms of this Assignment.

8. Representation Regarding Execution . Assignor and Assignee each hereby represent to one another as follows: (i) the execution, delivery and performance of this Assignment and any instrument or agreement required by this Assignment are within its powers, have been duly authorized, are not in conflict with the terms of any of its charters, bylaws or other organization papers and are not in conflict with any law or any indenture, agreement or undertaking to which it is a party or by which it is bound or affected, and (ii) there is no litigation, claim, proceeding

or dispute pending (or threatened) against or affecting it or its financial condition which would impair its ability to perform the obligations hereunder and which has not already been expressly disclosed in writing to the other party.

9. Liability of Parties . Assignor shall be liable for any and all obligations and liabilities arising or accruing under the Lease and the SNDA up to the date immediately preceding the date of actual assignment of the Lease and the SNDA to Assignee upon the Assignment Date. As of the Assignment Date, Assignee shall be liable for any and all obligations and liabilities that arise or accrue under the Lease and the SNDA for the period commencing upon the Assignment Date and arising out of Assignee's leasehold interest in the Lease, or growing out of or in connection with the Leased Premises, or Assignee's interest in the SNDA. As of the Assignment Date, Assignor shall not be responsible for any liability arising or accruing out of Assignee's leasehold interest in the Lease, or growing out of or in connection with the Leased Premises, or Assignee's interest in the SNDA.

10. Grant of Indemnity . Assignor hereby agrees to defend, indemnify and hold harmless Assignee from and against any and all claims made by, through or under Assignor, Landlord, Administrative Agent, or others arising out of Assignor's leasehold interest in the Lease, or growing out of or in connection with the Leased Premises, or Assignor's interest in the SNDA, for the period that Assignor is "tenant" under the Lease up to the date that immediately precedes the Assignment Date. Defense of any such claim shall be provided by legal counsel selected by Assignor and reasonably satisfactory to Assignee at Assignor's cost and expense. As of the Assignment Date, Assignee hereby agrees to defend, indemnify and hold harmless Assignor from any and all claims made by, through or under Assignee, Landlord, Administrative Agent, or others arising out of Assignee's leasehold interest in the Lease, or growing out of or in connection with the Leased Premises, or Assignee's interest in the SNDA. Defense of any such claim shall be provided by legal counsel selected by Assignee and reasonably satisfactory to Assignor at Assignee's cost and expense.

11. Enforcement by Landlord . The provisions of this Assignment shall inure to the benefit of and be enforceable by Landlord and Administrative Agent.

12. Successors . The covenants, agreements, representations, warranties and provisions in this Assignment shall be binding upon, and shall inure to the benefit of, each of the parties hereto and to their respective successors, transferees and assigns.

13. Counterparts . This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute but one and the same agreement.

14. Governing Law . This Assignment shall be governed by and construed in accordance with the laws of the State of California.

15. Entire Agreement . This Assignment is the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements between the parties hereto with respect thereto. This Assignment may not be altered, amended, changed, terminated or modified in any respect or particular, unless the same shall be in writing and signed by the party to be charged and unless such amendment has been approved in writing by Landlord and Administrative Agent.

16. Advice of Attorney . Each of the parties hereto expressly declares that it knows and understands the contents of this Assignment and has had an opportunity to consult with an attorney regarding its form and content.

17. Headings . The headings of the paragraphs of this Assignment are inserted solely for convenience of reference and are not a part of and are not intended to govern, limit or aid in the construction of any terms or provision hereof.

18. Severability . If any provision or provisions, or if any portion of any provision or provisions, in this Assignment is found by a court of Law of competent jurisdiction to be in violation of any local State or Federal ordinance, regulation, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of the parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that they are

legal, valid and enforceable, that the remainder of this Assignment shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the obligations of Assignor under the remainder of this Assignment shall continue in full force and effect.

19. Notices . Any notice required or permitted to be given under this Assignment shall be in writing and (i) personally delivered, (ii) sent by United States mail, registered or certified mail, postage prepaid, return receipt requested, (iii) sent by Federal Express or similar nationally recognized overnight courier service, or (iv) transmitted by facsimile with a hard copy sent within one (1) business day by any of the foregoing means, and in all cases addressed as follows, and such notice shall be deemed to have been given upon the date of actual receipt or delivery (or refusal to accept delivery) at the address specified below (or such other addresses as may be specified by notice in the foregoing manner) as indicated on the return receipt or air bill:

If to Assignor :
Juniper Networks, Inc.
1133 Innovation Way
Building A
Sunnyvale
California 94089
Attention: Sr. Director REWS

With a copy to:
Juniper Networks, Inc.
1133 Innovation Way
Building A
Sunnyvale
California 94089
Attention: General Counsel

With a copy of default notices to:

Reed Smith LLP
101 Second Street
Suite 1800
San Francisco
California 94105
Attention: Simon T. Adams Esq.

If to Assignee :
Google Inc.
1600 Amphitheatre Parkway
Mountain View
California 94043
Attention: Lease Administration

With a copy to:
Google Inc.
1600 Amphitheatre Parkway
Mountain View
California 94043
Attention: Legal Department / RE Matters

With a copy to:
Allen Matkins Leck Gamble Mallory & Natsis LLP

Three Embarcadero Center, 12 th Floor
San Francisco, California 94111-4074
Attention: Lee A. Edlund, Esq.

Any notice given in accordance with the foregoing shall be deemed received upon actual receipt or refusal to accept delivery.

20. Attorneys' Fees . In the event any party shall bring any action, arbitration proceeding or legal proceeding alleging a breach of any provision of this Assignment, to recover rent, to enforce the terms of this Assignment, or to protect, determine or establish any term or covenant of this Assignment or rights or duties hereunder of either party, the prevailing party shall be entitled to recover from the non-prevailing party as a part of such action or proceeding, or in a separate action for that purpose brought within one year from the determination of such proceeding, reasonable attorneys' fees, expert witness fees, court costs and other reasonable expenses incurred by the prevailing party.

21. Confidentiality . Assignor and Assignee agree that the terms of this Assignment shall be kept strictly confidential. Neither Assignor nor Assignee shall divulge the terms of this Assignment to any person other than such party's officers, directors, employees, attorneys, accountants, consultants and/or real estate brokers, and/or current or prospective assignees, subtenants, master landlords, lenders or purchasers, in each instance who have a need to know any such terms and who agree to keep such information confidential. Notwithstanding the foregoing, the terms of this Assignment may be disclosed, without any liability whatsoever for such disclosures to any government entity, agency or any other person whom disclosure is required by law or by regulatory or judicial process, including in connection with enforcing the terms of this Assignment or disclosures and filings made to the U.S. Securities and Exchange Commission as a publically traded company with stock registered on a nationally recognized stock exchange.

22. Specific Performance . In the event of a breach of the terms and conditions of this Assignment by either Assignor or Assignee, the non-breaching party, in its sole and absolute discretion, may choose, in addition to all of the other remedies available at law or in equity, to pursue an action for specific performance of this Assignment. Assignor and Assignee agree that any such application to a court of competent jurisdiction may be made as a sole remedy or separated from any other remedy sought by the injured party. A successful award of specific performance by a court of competent jurisdiction in favor of a party shall entitle that party to recover its attorney fees as set forth in Section 20 above.

23. CASp Inspection . For purposes of Section 1938 of the California Civil Code, Assignor hereby discloses to Assignee and Assignee hereby acknowledges and agrees that the Leased Premises has not undergone inspection by a Certified Access Specialist ("CASp").

24. Assignor's Cost of Assignment . Assignor agrees to be responsible for (and to reimburse Landlord in a timely manner) the fees due to Landlord pursuant to the terms and conditions of the Lease for consent to this Assignment, including, without limitation, the fees due under the Attachment to the Consent and Amendment.

[Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, Assignor and Assignee have caused their duly authorized representatives to execute this Assignment as of the date first above written.

ASSIGNOR:

Juniper Networks, Inc.,
a Delaware corporation
By: /s/ Mitchell L. Gaynor
Name: Mitchell L. Gaynor
Title: Executive Vice President

By: _____
Name: _____
Title: _____

ASSIGNEE:

Google Inc.,
a Delaware corporation
By: /s/ David Radcliffe
Name: David Radcliffe
Title: V.P. Real Estate

EXHIBIT A

LEASE

[*** Attach copy of Lease (and all amendment forms) Here ***]

EXHIBIT B

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

[*** Attach copy of SNDA Here ***]

EXHIBIT C

CONSENT TO ASSIGNMENT AND SECOND AMENDMENT TO LEASE

[*** Attach copy of Consent and Amendment form Here ***]

EXHIBIT 10.3

ASSIGNMENT AND ASSUMPTION OF LEASE

By And Between

Juniper Networks, Inc.,
a Delaware corporation

as Assignor

And

Google Inc.,
a Delaware corporation

as Assignee

August 18, 2014

1220 N. Mathilda Avenue, Sunnyvale, California
(Building 3)

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ASSIGNMENT AND ASSUMPTION OF LEASE

This Assignment and Assumption of Lease (this "Assignment"), is made as of August 18, 2014, by and between **Juniper Networks, Inc** ., a Delaware corporation ("Assignor"), and **Google Inc** ., a Delaware corporation ("Assignee").

R E C I T A L S

A. Assignor is "Tenant" under that certain Lease dated August 15, 2000, as amended by that certain Amendment No. 1 to Lease dated January 24, 2002, as further amended by that certain Amendment No. 2 to Lease dated October 14, 2009 (collectively the "Lease") with FSP-Sunnyvale Office Park, LLC, a Delaware limited liability company ("Landlord") (as successor-in-interest to, among others, Sunnyvale Office Park, L.P. and Mathilda Associates II LLC) for that certain real property consisting of approximately 158,075 rentable square feet of space ("Leased Premises") in the building located at 1220 N. Mathilda Avenue, Sunnyvale, California, 94089 (the "Building"). The Lease term is due to expire November 30, 2022. A copy of the Lease is attached hereto as Exhibit A and incorporated herein by this reference.

B. Assignor, as "Tenant" and BANK OF AMERICA, N.A., a national banking association, as Administrative Agent for the holder of certain liens secured by the Building ("Administrative Agent"), entered into that certain subordination, non-disturbance and attornment agreement dated as of August 7, 2013 (the "SNDA"), and recorded in the Official Records of Santa Clara County, California on August 12, 2013 as Document Number 22348104. A copy of the SNDA is attached hereto as Exhibit B and incorporated herein by this reference.

C. Assignor desires to assign its right, title and interest in, to and under the Lease and the Leased Premises and the SNDA to Assignee, and Assignee desires to accept such assignment upon and subject to the terms and conditions hereinafter set forth.

D. Concurrently with the mutual execution of this Assignment, Assignor and Assignee have entered into:

(i) an assignment of that certain lease by and between Landlord (as successor-in-interest to, among others, Sunnyvale Office Park, L.P. and Mathilda Associates LLC), as landlord, and Assignor, as tenant, dated June 18, 1999, as amended by that certain First Amendment to Lease dated February 28, 2000, as further amended by that certain Lease Commencement Date Certificate dated July 26, 2000, as further amended by that certain Second Amendment to Lease dated October 14, 2009 (collectively the "Building 1 Lease"), in substantially similar form, for approximately 144,315 rentable square feet of space ("Building 1 Premises") in the building located at 1194 N. Mathilda Avenue, Sunnyvale, California ("Building 1"), which Building 1 Lease is due to expire June 30, 2020, together with that certain subordination, non-disturbance and attornment agreement dated as of August 7, and recorded in the Official Records of Santa Clara County, California on August 12, 2013 as Document Number 22348106; and

(ii) an assignment of that certain lease by and between Landlord (as successor-in-interest to, among others, Sunnyvale Office Park, L.P. and Mathilda Associates LLC), as landlord, and Assignor, as tenant, dated February 28, 2000, as amended by that certain Lease Commencement Date Certificate dated March 20, 2001, as further amended by that certain First Amendment to Lease dated October 14, 2009 (collectively the "Building 2 Lease"), in substantially similar form, for approximately 122,435 rentable square feet of space ("Building 2 Premises") in the building located at 1184 N. Mathilda Avenue, Sunnyvale, California ("Building 2"), which Building 2 Lease is due to expire October 31, 2021, together with that certain subordination, non-disturbance and attornment agreement dated as of August 7, and recorded in the Official Records of Santa Clara County, California on August 12, 2013 as Document Number 22348105.

A G R E E M E N T

NOW, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agreed as follows:

1. Assignment and Assumption . Assignor hereby assigns to Assignee as of the Assignment Date (as such term is defined in Section 2 below) all of its right, title and interest in, to and under the Lease, the Leased Premises and the SNDA (including all of Assignor's right, title and interest in and to any rents as already have been paid by Assignor pursuant to the Lease) and Assignee, as of the Assignment Date, hereby accepts such assignment, assumes all of Assignor's obligations under the Lease and the SNDA, agrees to be bound by all of the provisions thereof and to perform all of the obligations of the tenant thereunder, all from and after the Assignment Date. Such assignment and assumption is made upon, and is subject to, all of the terms, conditions and provisions of this Assignment.

2. Effectiveness Contingent Upon Landlord's Consent . Assignor and Assignee expressly acknowledge and agree that this Assignment is subject to, and shall not be effective unless and until the occurrence of, the mutual execution and delivery by Assignor, Assignee, Landlord and Administrative Agent of that certain Consent To Assignment And Amendment No. 3 to Lease (the "Consent and Amendment") in the form attached hereto as Exhibit C (the date of such mutual execution and delivery of the Consent and Amendment being referred to herein the "Assignment Date").

3. Condition of Leased Premises . The Leased Premises shall be delivered upon the Assignment Date by Assignor to Assignee in their "as is" and "with all faults" condition with all fixtures, equipment and leasehold improvements located thereon. As of the Assignment Date, all of such fixtures and equipment owned by Assignor shall be and become the property of Assignee, and Assignor grants, sells, conveys, assigns and transfers to Assignee all of Assignor's right, title, and interest in and to such fixtures and equipment owned by Assignor, free of all encumbrances except for such rights as the Landlord may have in the same as provided in the Lease.

4. Security Deposit . Assignor hereby confirms that the terms and conditions of Section 3.7(a) of the original lease have been fully satisfied and performed and that Landlord does not hold any security deposit funds for the benefit of Assignor.

5. Assignment of Tenant Improvements . Assignor hereby assigns to Assignee all of Assignor's right title and interest in the existing cabling and laboratory Alternations (not forming part of the original tenant improvements performed pursuant to Exhibit B work letter of the Lease) together with any surrender obligations with respect to the same.

6. Standards of Landlord's Consent . Assignor and Assignee agree that if Assignor and Assignee desire to assign the Lease, Landlord shall consent or withhold its consent based upon standards then in effect under applicable law. In the event Landlord withholds or conditions its consent and Assignor and Assignee believe that Landlord does so contrary to applicable law, Assignor may prosecute an action for declaratory relief to determine if Landlord properly withheld or conditioned its consent. In any such action, each party shall bear its own attorneys' fees.

7. Further Assurances . Assignor and Assignee hereby covenant that each will, at any time and from time to time upon request by the other, and without the assumption of any additional liability thereby, execute and deliver such further documents and do such further acts as such party may reasonably request in order to fully effect the purpose of this Assignment. Assignor and Assignee each consent to and agree to fully cooperate with the other, Landlord, Administrative Agent, and their respective officers, directors, employees, agents and contractors in the other's efforts, if any, to give effect to the terms of this Assignment.

8. Representation Regarding Execution . Assignor and Assignee each hereby represent to one another as follows: (i) the execution, delivery and performance of this Assignment and any instrument or agreement required by this Assignment are within its powers, have been duly authorized, are not in conflict with the terms of any of its charters, bylaws or other organization papers and are not in conflict with any law or any indenture, agreement or undertaking to which it is a party or by which it is bound or affected, and (ii) there is no litigation, claim, proceeding

or dispute pending (or threatened) against or affecting it or its financial condition which would impair its ability to perform the obligations hereunder and which has not already been expressly disclosed in writing to the other party.

9. Liability of Parties . Assignor shall be liable for any and all obligations and liabilities arising or accruing under the Lease and the SNDA up to the date immediately preceding the date of actual assignment of the Lease and the SNDA to Assignee upon the Assignment Date. As of the Assignment Date, Assignee shall be liable for any and all obligations and liabilities that arise or accrue under the Lease and the SNDA for the period commencing upon the Assignment Date and arising out of Assignee's leasehold interest in the Lease, or growing out of or in connection with the Leased Premises, or Assignee's interest in the SNDA. As of the Assignment Date, Assignor shall not be responsible for any liability arising or accruing out of Assignee's leasehold interest in the Lease, or growing out of or in connection with the Leased Premises, or Assignee's interest in the SNDA.

10. Grant of Indemnity . Assignor hereby agrees to defend, indemnify and hold harmless Assignee from and against any and all claims made by, through or under Assignor, Landlord, Administrative Agent, or others arising out of Assignor's leasehold interest in the Lease, or growing out of or in connection with the Leased Premises, or Assignor's interest in the SNDA, for the period that Assignor is "tenant" under the Lease up to the date that immediately precedes the Assignment Date. Defense of any such claim shall be provided by legal counsel selected by Assignor and reasonably satisfactory to Assignee at Assignor's cost and expense. As of the Assignment Date, Assignee hereby agrees to defend, indemnify and hold harmless Assignor from any and all claims made by, through or under Assignee, Landlord, Administrative Agent, or others arising out of Assignee's leasehold interest in the Lease, or growing out of or in connection with the Leased Premises, or Assignee's interest in the SNDA. Defense of any such claim shall be provided by legal counsel selected by Assignee and reasonably satisfactory to Assignor at Assignee's cost and expense.

11. Enforcement by Landlord . The provisions of this Assignment shall inure to the benefit of and be enforceable by Landlord and Administrative Agent.

12. Successors . The covenants, agreements, representations, warranties and provisions in this Assignment shall be binding upon, and shall inure to the benefit of, each of the parties hereto and to their respective successors, transferees and assigns.

13. Counterparts . This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute but one and the same agreement.

14. Governing Law . This Assignment shall be governed by and construed in accordance with the laws of the State of California.

15. Entire Agreement . This Assignment is the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements between the parties hereto with respect thereto. This Assignment may not be altered, amended, changed, terminated or modified in any respect or particular, unless the same shall be in writing and signed by the party to be charged and unless such amendment has been approved in writing by Landlord and Administrative Agent.

16. Advice of Attorney . Each of the parties hereto expressly declares that it knows and understands the contents of this Assignment and has had an opportunity to consult with an attorney regarding its form and content.

17. Headings . The headings of the paragraphs of this Assignment are inserted solely for convenience of reference and are not a part of and are not intended to govern, limit or aid in the construction of any terms or provision hereof.

18. Severability . If any provision or provisions, or if any portion of any provision or provisions, in this Assignment is found by a court of Law of competent jurisdiction to be in violation of any local State or Federal ordinance, regulation, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of the parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that they are

legal, valid and enforceable, that the remainder of this Assignment shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the obligations of Assignor under the remainder of this Assignment shall continue in full force and effect.

19. Notices . Any notice required or permitted to be given under this Assignment shall be in writing and (i) personally delivered, (ii) sent by United States mail, registered or certified mail, postage prepaid, return receipt requested, (iii) sent by Federal Express or similar nationally recognized overnight courier service, or (iv) transmitted by facsimile with a hard copy sent within one (1) business day by any of the foregoing means, and in all cases addressed as follows, and such notice shall be deemed to have been given upon the date of actual receipt or delivery (or refusal to accept delivery) at the address specified below (or such other addresses as may be specified by notice in the foregoing manner) as indicated on the return receipt or air bill:

If to Assignor :
Juniper Networks, Inc.
1133 Innovation Way
Building A
Sunnyvale
California 94089
Attention: Sr. Director REWS

With a copy to:
Juniper Networks, Inc.
1133 Innovation Way
Building A
Sunnyvale
California 94089
Attention: General Counsel

With a copy of default notices to:

Reed Smith LLP
101 Second Street
Suite 1800
San Francisco
California 94105
Attention: Simon T. Adams Esq.

If to Assignee :
Google Inc.
1600 Amphitheatre Parkway
Mountain View
California 94043
Attention: Lease Administration

With a copy to:
Google Inc.
1600 Amphitheatre Parkway
Mountain View
California 94043
Attention: Legal Department / RE Matters

With a copy to:
Allen Matkins Leck Gamble Mallory & Natsis LLP

Three Embarcadero Center, 12 th Floor
San Francisco, California 94111-4074
Attention: Lee A. Edlund, Esq.

Any notice given in accordance with the foregoing shall be deemed received upon actual receipt or refusal to accept delivery.

20. Attorneys' Fees . In the event any party shall bring any action, arbitration proceeding or legal proceeding alleging a breach of any provision of this Assignment, to recover rent, to enforce the terms of this Assignment, or to protect, determine or establish any term or covenant of this Assignment or rights or duties hereunder of either party, the prevailing party shall be entitled to recover from the non-prevailing party as a part of such action or proceeding, or in a separate action for that purpose brought within one year from the determination of such proceeding, reasonable attorneys' fees, expert witness fees, court costs and other reasonable expenses incurred by the prevailing party.

21. Confidentiality . Assignor and Assignee agree that the terms of this Assignment shall be kept strictly confidential. Neither Assignor nor Assignee shall divulge the terms of this Assignment to any person other than such party's officers, directors, employees, attorneys, accountants, consultants and/or real estate brokers, and/or current or prospective assignees, subtenants, master landlords, lenders or purchasers, in each instance who have a need to know any such terms and who agree to keep such information confidential. Notwithstanding the foregoing, the terms of this Assignment may be disclosed, without any liability whatsoever for such disclosures to any government entity, agency or any other person whom disclosure is required by law or by regulatory or judicial process, including in connection with enforcing the terms of this Assignment or disclosures and filings made to the U.S. Securities and Exchange Commission as a publically traded company with stock registered on a nationally recognized stock exchange.

22. Specific Performance . In the event of a breach of the terms and conditions of this Assignment by either Assignor or Assignee, the non-breaching party, in its sole and absolute discretion, may choose, in addition to all of the other remedies available at law or in equity, to pursue an action for specific performance of this Assignment. Assignor and Assignee agree that any such application to a court of competent jurisdiction may be made as a sole remedy or separated from any other remedy sought by the injured party. A successful award of specific performance by a court of competent jurisdiction in favor of a party shall entitle that party to recover its attorney fees as set forth in Section 20 above.

23. CASp Inspection . For purposes of Section 1938 of the California Civil Code, Assignor hereby discloses to Assignee and Assignee hereby acknowledges and agrees that the Leased Premises has not undergone inspection by a Certified Access Specialist ("CASp").

24. Assignor's Cost of Assignment . Assignor agrees to be responsible for (and to reimburse Landlord in a timely manner) the fees due to Landlord pursuant to the terms and conditions of the Lease for consent to this Assignment, including, without limitation, the fees due under the Attachment to the Consent and Amendment.

[Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, Assignor and Assignee have caused their duly authorized representatives to execute this Assignment as of the date first above written.

ASSIGNOR:

Juniper Networks, Inc.,
a Delaware corporation
By: /s/ Mitchell L. Gaynor
Name: Mitchell L. Gaynor
Title: Executive Vice President

By: _____
Name: _____
Title: _____

ASSIGNEE:

Google Inc.,
a Delaware corporation
By: /s/ David Radcliffe
Name: David Radcliffe
Title: V.P. Real Estate

EXHIBIT A

LEASE

[*** Attach copy of Lease (and all amendment forms) Here ***]

EXHIBIT B

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

[*** Attach copy of SNDA Here ***]

EXHIBIT C

[CONSENT TO ASSIGNMENT AND AMENDMENT NO. 3 TO LEASE]

[*** Attach copy of Consent and Amendment form Here ***]

EXHIBIT 10.4

CONSENT TO ASSIGNMENT AND THIRD AMENDMENT TO LEASE

(Building 1)

This Consent to Assignment and Third Amendment to Lease (this " **Consent and Amendment** ") is executed as of August 18, 2014, by and between **FSP-SUNNYVALE OFFICE PARK, LLC** , a Delaware limited liability company (" **Landlord** "), **JUNIPER NETWORKS, INC.** , a Delaware corporation (" **Assignor** "), and **GOOGLE INC.** , a Delaware corporation (" **Assignee** ").

RECITALS:

A. Assignor, as "Tenant" and Landlord's predecessor-in-interest, Mathilda Associates LLC, entered into that certain Lease dated as of June 18, 1999 (the " **Original Lease** "), as amended by that certain First Amendment to Lease dated February 28, 2000 (the " **First Amendment** "), as further amended by that certain Lease Commencement Date Certificate dated July 26, 2000 (the " **Commencement Certificate** "), and as further amended by that certain Second Amendment to Lease dated as of October 14, 2009 (the " **Second Amendment** ") (the Original Lease, the First Amendment, the Commencement Certificate, and the Second Amendment are collectively known as the " **Existing Lease** "), under which Landlord is leasing to Assignor the entire office building, consisting of 144,315 rentable square feet of space (the " **Leased Premises** "), located at 1194 Mathilda Avenue, Sunnyvale, California 94089 and commonly known as 1194 Mathilda (the " **Building** "). The Existing Lease, as amended by this Consent and Amendment, is herein referred to as the " **Lease** ". Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Existing Lease.

B. Assignor, as "Tenant" and **BANK OF AMERICA, N.A.** , a national banking association, as Administrative Agent for the holder of certain liens secured by the Building (" **Administrative Agent** "), entered into that certain subordination, non-disturbance and attornment agreement dated as of August 7, 2013 (the " **SNDA** "), and recorded in the Official Records of Santa Clara County, California on August 12, 2013 as Document Number 22348106.

C. Landlord, Assignor and Assignee desire to make certain modifications to the Existing Lease as provided in this Consent and Amendment, following which Assignor desires to assign the Lease to Assignee, all on the terms and conditions contained herein.

AGREEMENTS:

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Consent** . Subject to the terms and conditions contained in this Consent and Amendment, Landlord hereby consents to the assignment of the Lease and the SNDA to Assignee pursuant to that certain Assignment and Assumption of Lease Agreement dated August 18, 2014 between Assignor and Assignee, the exact form of which is attached hereto as Exhibit A (the " **Assignment** "). Landlord's consent contained herein shall not waive its rights as to any subsequent assignment, sublease or other transfer and shall not be construed as a consent to any amendments or modifications of the terms, covenants and conditions of the Lease contained in the Assignment unless such amendments or modifications are expressly set forth in this Consent and Amendment. Any further assignment of the Lease or subletting of the Leased Premises shall be governed in accordance with Article 7 of the Original Lease.

2. **Assumption of Liabilities** . Assignee shall be liable to Landlord for all of the obligations of the "Tenant" under the Lease (including, without limitation, Assignor's indemnification obligations) first arising or accruing on or after the "Assignment Date," as that term is defined in the Assignment, and Landlord may enforce the same directly against Assignee. Assignee shall be liable to the Administrative Agent for all of the obligations of the "Tenant" under the SNDA first arising on or after the Assignment Date, and the Administrative Agent may enforce the same directly against the Assignee.

3. **No Obligations Created** . Each of the parties to this Consent and Amendment agrees and acknowledges that Landlord shall have no obligation or liability under the terms of the Assignment. Without limiting the generality of the foregoing, Landlord shall have no liability under (and shall not be bound by) any modifications, deletions or waivers of any provision of the Lease which Landlord has not agreed to specifically in writing in this Consent and Amendment. Additionally, as of the "Assignment Date", as that term is defined in the Assignment, (a) Landlord shall have no obligation to give notice of any default under the Lease except to Assignee (and only to the extent required under the Lease) and shall have no obligation to deal with any party other than Assignee with respect to the Lease or the Leased Premises, and (b) the Administrative Agent shall have no obligation to give notice under the SNDA except to Assignee (and only to the extent required under the SNDA) and shall have no obligation to deal with any party other than Assignee with respect to the SNDA; and, notwithstanding anything to the contrary contained in the SNDA, Administrative Agent, by consenting to this Consent and Amendment, acknowledges and agrees that Assignee's addresses for notices under the SNDA are as set forth in Section 15 below (provided that Assignee may change its addresses from time to time by giving notice thereof to Administrative Agent). Notwithstanding the foregoing, Landlord reserves the right to address any outstanding accounting issues with Assignor arising prior to the "Assignment Date", as such term is defined in the Assignment, including, without limitation, all amounts payable pursuant to the "Attachment," as defined in Section 13.1 below, which accounting issues survive the Assignment (e.g., reconciliation of estimated and actual Property Operating Expenses and Real Property Taxes) upon commercially reasonably terms and pursuant to the terms, covenants and conditions of the Lease; provided, however, Landlord shall have no right to terminate the Lease on account of, and Assignee shall have no liability with respect to, such outstanding accounting issues.

4. **Expiration of Assignor's Liability** . Provided that no event of default by Assignor exists under the Lease beyond any applicable notice and cure periods, upon the Assignment Date, Assignor shall have no further obligations under the Lease for matters first arising from and after the Assignment Date as if the Assignment Date were the natural expiration of the Lease. For the avoidance of doubt, nothing in the preceding sentence shall affect those obligations that expressly survive the expiration or termination of the Lease (including, without limitation, all obligations with respect to Hazardous Materials existing at the Premises on or before the Assignment Date to the extent provided in the Lease); and, without limiting the generality of the foregoing, Assignor shall remain responsible for any increases in Real Property Taxes to the extent such Real Property Taxes were incurred during, and the increases thereto apply to, periods of time during which Assignor was "Tenant" under the Lease prior to the "Assignment Date", as that term is defined in the Assignment, regardless of when the taxing authority bills such increases (which increases, notwithstanding anything to the contrary contained in the Lease, Assignor covenants to pay to Landlord within 30 days following Landlord's delivery to Assignor of an invoice therefor). Notwithstanding the foregoing, Landlord shall have no right to terminate the Lease on account of, and Assignee shall have no liability with respect to, such surviving obligations of Assignor.

5. **Condition of Leased Premises** . Landlord makes no representations or warranties, express or implied, concerning the condition of the Leased Premises and Assignee accepts the Leased Premises in their " **AS-IS** " condition as of the date hereof.

6. **Subordination** . Assignor hereby subordinates to the interest of Landlord any statutory lien, contractual lien, security interest or other rights which Assignor may claim with respect to any property of Assignee.

7. **Surrender of Leased Premises Obligations; Environmental Protection** . Landlord hereby confirms that, upon the expiration or earlier termination of the Lease, (a) no replacement of floor coverings will be required, and (b) except as provided in Exhibit B hereto, no alterations, betterments or other improvements existing in the Leased Premises as of the date of this Consent and Amendment shall be required by Landlord to be removed from the Leased Premises. Notwithstanding anything to the contrary contained in Section 2.6 of the Original Lease, the condition in which Tenant shall surrender the Leased Premises, the Outside Areas and the Property to Landlord at the expiration or upon the sooner termination of the Lease shall be the same condition, broom clean, as existed at the Assignment Date. Tenant's indemnification obligation pursuant to the last sentence of Section 2.6 of the Original Lease shall be subject to the terms of Section 13.2 of the Original Lease, as revised by Section 10.14 of this Consent and Amendment. Under no circumstances shall Assignee be liable or responsible for any Hazardous Materials located in, on or about the Leased Premises, the Building and/or the Property as of the Assignment Date.

8. **Permitted Occupants** .

8.1 Notwithstanding anything in Article 7 of the Original Lease to the contrary, Assignee may permit its clients, contractors, consultants, customers, auditors, strategic partners or other entities with whom Assignee has or is then establishing a bona fide business relationship (each a " **Permitted Occupant** ") to occupy and use up to 20% of the Leased Premises without the written consent of Landlord, subject to the following conditions: (a) the Permitted Occupant is of character, is engaged in a business, uses the Leased Premises in keeping with Assignee and the Permitted Use, (b) the use and occupancy by the Permitted Occupant is expressly subject to, and does not modify, the terms, covenants, conditions and obligations on Assignee's part to be observed and performed under the Lease, as amended by this Consent and Amendment, (c) any violation of any provision of the Lease, as amended by this Consent and Amendment, by the Permitted Occupant shall be deemed to be a default by Assignee under such provision, (d) the space occupied by the Permitted Occupant shall not be separately demised by walls from the Leased Premises, (e) the Permitted Occupant shall have no recourse against Landlord whatsoever on account of any failure by Landlord to perform any of its obligations under the Lease or on account of any other matter, (f) all notices required of Landlord under the Lease shall be forwarded only to Assignee in accordance with the terms of the Lease and in no event shall Landlord be required to send any notices to any Permitted Occupant, (g) in no event shall any use or occupancy of any portion of the Leased Premises by any Permitted Occupant release or relieve Assignee from any of its obligations under the Lease, (h) each such Permitted Occupant shall be deemed an invitee of Assignee, and Assignee shall be fully and primarily liable for all acts and omissions of such Permitted Occupant as fully and completely as if such Permitted Occupant was an employee of Assignee; (i) in no event shall the occupancy of any portion of the Leased Premises by any Permitted Occupant be deemed to create a landlord/tenant relationship between Landlord and such Permitted Occupant or be deemed to vest in Permitted Occupant any right or interest in the Leased Premises or the Lease, and, in all instances, Assignee shall be considered the sole tenant under the Lease notwithstanding the occupancy of any portion of the Leased Premises by any Permitted Occupant; and (j) Assignee shall receive no rent, payment or other consideration in connection with such occupancy and use other than nominal rent payments, which in no event may be greater per rentable square foot occupied and used by such Permitted Occupant than the base rent and additional rent amounts (per rentable square foot in the Leased Premises) payable by Assignee under the Lease. No occupancy by a Permitted Occupant shall be considered an assignment or sublease for any purposes under Article 7 of the Original Lease.

8.2 Assignee shall provide to Landlord promptly after request a written list of the names and contact information of all Permitted Occupants then being allowed access to the Leased Premises by Assignee.

8.3 Any equipment or other property of a Permitted Occupant in the Leased Premises or at the Property shall be subject to Section 13.1 of the Original Lease (relating to personal property taxes) and Section 2.6 of the Original Lease (relating to surrender of possession). However, nothing in this Section 8.3 shall diminish Landlord's rights under the Lease or imply that Landlord has any duties to any Permitted Occupant. Assignee acknowledges that Landlord shall have no responsibility or liability for the allocation or use of the Leased Premises between Assignee and any Permitted Occupant. No disputes among Assignee and any Permitted Occupant shall in any way affect the obligations of Assignee under the Lease.

8.4 In addition to all other indemnity obligations of Assignee under the Lease and this Consent and Amendment, Assignee shall defend, indemnify and hold harmless Landlord, any Landlord's mortgagee and their respective representatives and agents from and against all losses arising from all claims made by, attributable to, or otherwise relating to, any Permitted Occupant.

9. **Permitted Dogs** . Provided that no event of default by Assignee exists beyond any applicable notice and cure period, Assignee shall be permitted to bring domesticated pet dogs (" **Permitted Dogs** ") and no other animal whatsoever on to the Leased Premises, the Building and the Outside Areas subject to the terms and conditions of this Section 9. Nothing in this Section 9 shall be deemed to restrict the use of service animals used to aid the disabled. At all times during the Lease Term, Landlord reserves the right to revoke this permission as to a designated Permitted Dog upon the showing of damage if the owner of any such Permitted Dog fails to comply with the requirements of this

Section 9. Assignee agrees to promptly comply with any Landlord revocation permitted by the immediately preceding sentence as to any designated Permitted Dog which shall be communicated to Assignee in writing and shall inform Assignee of the withdrawal of the rights provided to Assignee and Assignee's employee as set forth in this Section 9.

9.1 **Permitted Dog Damages** . Assignee shall be responsible for any additional cleaning and deodorizing costs and all other costs which may arise from the dogs' presence in the Building in excess of the costs that would have been incurred had dogs not been allowed in or around the Building. Assignee acknowledges and agrees that Assignee shall at its sole cost and expense be solely liable for any and all damages to the Leased Premises, Building and Outside Areas caused by Permitted Dogs and shall be responsible at all times during the Lease Term for any cleaning, defleaing and deodorizing required because of Permitted Dogs. Damage to or degradation of the Leased Premises, Building or Outside Areas of any kind due to Permitted Dogs is not considered reasonable wear and tear for the purposes of the Lease or in regards to Assignee's surrender obligations under the Lease.

9.2 **Permitted Dog Release And Indemnification** . Landlord shall not be liable to Assignee for, and Assignee on behalf of itself and its employees hereby releases Landlord and its partners, principals, members, officers, employees, attorneys, agents and consultants from, any and all liability, whether in contract, tort or on any other basis, for any injury to or any damage sustained by Assignee, Assignee's employees, agents, contractors, licensees or invitees, any damage to any third party due to bodily injury or death, any damage to Assignee's property, or any loss to Assignee's business, loss of Assignee's profits or other financial loss of Assignee resulting from or attributable to Permitted Dogs. Assignee shall defend with competent counsel satisfactory to Landlord any claims made or legal actions filed or threatened against Landlord with respect to the violation of any law, or the death, bodily injury, personal injury or property damage suffered by any party resulting from Permitted Dogs. Assignee shall indemnify, defend and hold Landlord and its partners, principals, members, employees, attorneys, agents and contractors harmless from any loss, damage (including death, personal injury or property damage), liability, penalties, or expense whatsoever resulting from Permitted Dogs or from any action or inaction on the part of the Permitted Dogs owners with respect to the Permitted Dogs. Assignee's obligations under this Section 9 shall survive the expiration or sooner termination of the Lease. Landlord reserves the right to request from Assignee and Assignee agrees to use commercially reasonably efforts to obtain and deliver to Landlord copies of certificates of owner Permitted Dogs vaccination records and to deliver the same within ten (10) business days of request therefor. Any failure by Assignee to indemnify Landlord as required above shall be deemed a breach of the Lease.

9.3 **Permitted Dog Rules** . Assignee shall impose and enforce the Permitted Dogs rules listed below on Assignee's employees and Assignee shall require any Permitted Dogs in violation of said rules to be immediately removed from the Property.

(i) Permitted Dogs shall not disturb the health, safety and rights of others.

(ii) Permitted Dogs shall comply with all local, county or state statutes and ordinances regarding licensing, vaccinating, leashing and pet waste pick-up and disposal.

(iii) The Leased Premises, Building and Outside Areas shall remain free of pet waste and Assignee's employees shall immediately clean up and dispose of pet waste when walking Permitted Dogs in the Outside Areas.

(iv) Permitted Dogs shall be under the reasonable control of a responsible human companion at all times and in no event shall Permitted Dogs be left unattended or boarded in the Building, in the Outside Areas, or elsewhere at the Property.

9.4 **Landlord Reserved Rights** . If at any time the Building becomes a multi-tenant building, Landlord expressly reserves the right to amend this Section 9, in Landlord's reasonable discretion, including, but not limited to, (a) restricting the ingress and egress points for bringing Permitted Dogs into and out of the Building (provided that at least one point of ingress and egress for Permitted Dogs is provided), and (b) limiting

the total number of dogs permitted at any time within the Leased Premises. In addition, if at any time the campus of which the Building is a part becomes a multi-tenant campus (provided that Assignor's continued occupancy of the Building after the Assignment Date shall not constitute the campus becoming a multi-tenant campus), then Landlord expressly reserves its right to amend this Section 9, in Landlord's reasonable discretion, to impose additional reasonable rules with respect to the Outside Areas only, including, but not limited to, where Permitted Dogs may be present in the Outside Areas.

9.5 **Rights Personal to Google Inc** . The rights granted to Assignee under this Section 9 are personal to Google Inc., and may not be assigned to any other party other than a Permitted Assignee; provided, however, Landlord acknowledges and agrees that Permitted Occupants and other Tenant Parties of Google Inc. shall have the right to bring Permitted Dogs on to the Leased Premises, the Building and the Outside Areas subject to and in accordance with the terms and conditions of this Section 9.

10. **Amendments to Lease** . The following provisions shall hereby amend the terms of the Lease:

10.1 **Base Monthly Rent** . Section 2.3 of the Second Amendment is hereby modified and amended such that the 'Base Monthly Rent' table shall, effective as of the Assignment Date, be revised as follows:

Time Periods	Base Monthly Rent
Assignment Date* - 6/30/15	$416,369.75
7/1/15 – 6/30/16	$428,990.39
7/1/16 - 6/30/17	$421,399.80
7/1/17 - 6/30/18	$434,041.79
7/1/18 - 6/30/19	$447,063.05
7/1/19 - 6/30/20	$460,474.94**
* as defined in the Assignment ** subject to abatement rights set forth in this Section 10.1 below.	

Landlord agrees that, so long as Tenant is not in default of the terms, covenants and conditions of the Lease beyond any applicable notice and cure period, then Tenant shall be entitled during the last applicable month of the Lease Term to abate up to a maximum amount of Base Monthly Rent equal to the amount of the last month of Base Monthly Rent for the Leased Premises. Tenant acknowledges and agrees that all Base Monthly Rent abated by the Landlord shall be provided only where Tenant fully performs all of its obligations and liabilities under the Lease and accordingly any default (beyond applicable notice and cure period) of the Lease terms, covenants or conditions by Tenant during any rental abatement period shall entitle Landlord to immediately terminate any further Tenant right to abatement of Base Monthly Rent and to seek recovery from Tenant of all abated Base Monthly Rent during such rental abatement period provided to date by way of increased rental rates for the remainder of the Lease Term, as the same may have been extended pursuant to this Lease, or if the Lease has expired or terminated then upon payment by Tenant within thirty (30) days of receipt of demand from Landlord. The abatement rights contained herein may not be assigned to any other party other than a Permitted Assignee.

10.2 **Liability Insurance Requirements** . Section 9.1(a)(i) of the Original Lease is hereby revised to change the term "endorsement" to "coverage".

10.3 **Property Insurance Form Requirements** . Section 9.1(a)(ii) of the Original Lease is hereby revised to add the clause "or all risk" after the clause "fire and extended coverage".

10.4 **Curtain Wall Insurance; Maintenance** . Section 9.1(a)(iii) of the Original Lease, pertaining to plate glass insurance, is hereby deleted in its entirety, and Landlord shall be responsible for insuring the exterior glass curtain walls of the Building; provided, however, that notwithstanding anything in the Lease to the contrary, 100% of the costs of such insurance (including any deductibles associated therewith and actually paid by Landlord) shall be included in Landlord's Insurance Costs, without any exclusions thereto. All costs incurred by Landlord to maintain, repair or replace, as necessary, the exterior glass curtain walls shall not be included in Operating Expenses, but shall be reimbursed by Tenant within thirty (30) days following Landlord's delivery to Tenant of an invoice therefor. For clarity, Landlord shall not be required to insure or maintain, and Tenant shall be solely responsible for insuring and maintaining, any property of Tenant located on the Building, e.g., signage, rooftop equipment, etc., or in the Outside Areas or elsewhere at the Property, e.g., signage, flagpoles, generators and other auxiliary equipment, etc.

10.5 **Construction Insurance** . Section 9.1(a)(vi) of the Original Lease is hereby revised to delete the clause "contingent liability and" from such provision, and only builder's risk insurance shall be required thereunder.

10.6 **Automobile Insurance** . The following provision is added as Section 9.1(a)(vii) to the Original Lease:

(vii) Commercial auto liability insurance (if applicable) covering automobiles owned, hired or used by Tenant in carrying on its business with limits not less than $1,000,000 combined single limit for each accident, insuring Tenant (and naming as additional insureds the California Public Employees' Retirement System, Landlord, Landlord's property management company, Landlord's asset management company, Landlord's current mortgagee (the Administrative Agent) and, if requested in writing by Landlord, any future Landlord's mortgagee [collectively, " **Landlord Insured Parties** "]).

10.7 **Policy Requirements** . The first sentence of Section 9.1(b) of the Original Lease is hereby revised to: (1) change the A. M. Best rating requirement in clause (iv) to A-:VII; (2) delete clause (v) altogether; and (3) revise clause (vi) to read "shall contain so-called "severability" or "cross liability" coverage, and Tenant shall notify Landlord promptly upon the event of any cancellation, lapse or change in coverage." The second sentence of Section 9.1(b) of the Original Lease is hereby revised to (A) delete clause (i) altogether: and (B) add the following at the end of said sentence, "and Tenant shall notify Landlord promptly upon the event of any cancellation, lapse or change in coverage."

10.8 **Proof of Insurance Requirements** . Section 9.1(c) of the Original Lease is hereby deleted in its entirety and replaced with the following:

(c) Prior to the time Tenant or any of its contractors enters the Leased Premises, Tenant shall deliver to Landlord, with respect to each policy of insurance required to be carried by Tenant pursuant to this Article, a copy of such policy (appropriately authenticated by the insurer as having been issued) or a certificate of the insurer certifying in form satisfactory to Landlord that a policy has been issued, providing the coverage required by this Paragraph and containing the provisions specified herein. With respect to each renewal or replacement of any such insurance, the requirements of this Paragraph must be complied with (i.e., a copy of such policy or certificate shall be delivered to Landlord) within ten (10) days after the renewal or replacement of the applicable policies, but in no event shall Tenant allow such coverage to lapse. If Landlord reasonably determines at any time that the amount of insurance coverage or limits required of Tenant pursuant to this Article is not adequate, then Tenant shall promptly upon notice increase the amount of coverage or limits as Landlord may reasonably require.

10.9 **Right to Self-Insure** . The following is added as a new Section 9.1(d) to the Original Lease:

(d) Provided that Tenant maintains a Tangible Net Worth (as hereinafter defined) exceeding $500,000,000 (the " **Minimum Self-Insurance Net Worth** "), Tenant may self-insure its insurance requirements under the Lease (which, for purposes hereof, may include carrying such deductibles as Tenant may elect in its sole and absolute discretion, but need not include insuring insurance requirements using a captive insurance company) (such self-insurance of any of Tenant's insurance requirements being referred to herein as the " **Self-Insurance Plan** "). The Self-Insurance Plan shall (a) comply with all laws, and (b) be deemed to include the waivers of subrogation and the additional insured status mentioned in Sections 9.1 and 9.3 of the Original Lease. Tenant shall notify Landlord in writing ten (10) business days prior to any cancellation or material adverse change to the Self-Insurance Plan. If Tenant self-insures for commercial general liability insurance (" **CGLI** ") under this Section 9.1(d) and any third party claim arises against Landlord which Landlord would be customarily defended as an additional insured party had Tenant procured the CGLI coverage under the provisions of Section 9.1 of the Original Lease rather than self-insured, and Landlord reasonably determines that a conflict of interest exists, then Tenant shall engage separate counsel reasonably selected by Tenant for Landlord's defense at Tenant's expense, and Tenant shall pay, as incurred from time to time, such reasonable attorneys' fees and expenses (including, without limitation, expert witness fees) relating to Landlord's defense. If Tenant fails to comply with any requirement of this Section 9.1(d), and such failure continues for more than 20 business days following Landlord's written notice to Tenant thereof; Landlord, in addition to any other remedy available pursuant to the Lease, the Assignment or otherwise, may, but shall not be obligated to, obtain the applicable insurance required under Section 9.1 of the Original Lease, and Tenant shall pay to Landlord immediately on demand the premium cost thereof. Notwithstanding the foregoing, Tenant acknowledges and agrees that (A) the provisions of this Section 9.1(d) shall in no way relieve, limit or reduce Tenant's indemnification obligations under this Lease (and Tenant shall remain obligated under such indemnification obligations as if the CGLI required under Section 9.1 was obtained from a third-party provider meeting the requirements of such Section 9.1) or Tenant's legal obligations under any law, and (B) Tenant's right to provide self-insurance under this Section 9.1(d) shall terminate if Tenant fails to maintain the Minimum Self-Insurance Net Worth.

10.10 **Mutual Waiver of Subrogation** . Section 9.3 of the Original Lease (entitled "Mutual Waiver of Subrogation") is hereby deleted and replaced with the following:

Mutual Waiver of Subrogation . Landlord hereby releases Tenant, its partners, principals, members, shareholders, officers, directors, employees, agents, servants, and attorneys, and Tenant hereby releases Landlord and its respective partners, principals, members, shareholders, officers, directors, employees, agents, servants, and attorneys from any and all liability for loss, damage, or injury to the property of the other in or about the Leased Premises or the Property which is caused by or results from a peril or event or happening which is covered by any insurance actually carried and in force at the time of the loss by the party sustaining such loss, required to be carried by the party sustaining such loss, or permitted to be self-insured for such loss.

10.11 **Landlord Parties** . Any requirement under the Lease for Tenant to insure in favor of Landlord or to indemnify Landlord shall also be deemed to mean all Landlord Insured Parties.

10.12 **Options to Extend** . Assignee shall have the right to renew the Lease on the terms and conditions of Exhibit C hereto. Any other rights to extend the Lease Term (including, without limitation, Article 15 of the Original Lease) are hereby deleted.

10.13 **Expansion Options** . Article 16 of the Original Lease (entitled First Expansion Option) and Article 17 of the Original Lease (entitled Second Expansion Option) are hereby deleted in their entirety.

10.14 **Holding Over** . Section 13.2 of the Original Lease is hereby revised to provide that Tenant shall not be liable for any damages whatsoever (other than rental amounts, including Base Monthly Rent at 150% of the that payable during the last full month for which Tenant is obligated to pay Base Monthly Rent), including, without limitation, indemnification obligations, claims for lost profits, or other consequential damages resulting from Tenant or any subtenant holding over in the Leased Premises unless such holding over exceeds 30 days.

10.15 **Cross Default** . The following is added as new Section 13.16 of the Original Lease:

13.16 **Cross Default** . A default or event of default (beyond any applicable notice, grace and cure periods) under any other written agreement between Landlord and Tenant shall constitute an event of default under the Lease, and any event of default under the Lease shall constitute a default or event of default under such other written agreement between Landlord and Tenant (without any obligation to give Tenant any additional notice or opportunity to cure period thereunder).

10.16 **Estoppel Certificates** . The second sentence of Section 13.6 of the Original Lease is hereby deleted in its entirety and replaced with the following:

Tenant's failure to execute and deliver such estoppel certificate within ten (10) days after Landlord's request therefor, which failure continues for five (5) business days after Tenant's receipt of a notice of such failure from Landlord, shall be a material default by Tenant under this Lease, and Landlord shall have all of the rights and remedies available to Landlord as Landlord would otherwise have in the case of any other material default by Tenant, including the right to terminate this Lease and sue for damages proximately caused thereby, it being agreed and understood by Tenant that Tenant's failure to so deliver such estoppel certificate in a timely manner could result in Landlord being unable to perform committed obligations to other third parties which were made by Landlord in reliance upon this covenant of Tenant.

In addition, Section 13.6 of the Original Lease is hereby revised to add the following sentence at the end:

From time to time, Landlord shall furnish to any party designated by Tenant, within 15 business days after Tenant has made a request therefor, a certificate signed by Landlord certifying whether or not the Lease is in full force and effect and whether Base Monthly Rent is more than 30 days past due.

10.17 **No Security Deposit** . Notwithstanding anything to the contrary contained in the Lease, Assignee shall not be required to deposit any Security Deposit with Landlord.

10.18 **Thirty Days to Make Payments** . Notwithstanding anything to the contrary contained in the Lease (including, without limitation, Sections 2.6 and 3.3 of the Original Lease), Assignee shall have thirty (30) days following receipt of an invoice to make any non-recurring payment required to be made by Tenant under the Lease. For clarity, non-recurring payments shall not include Base Monthly Rent or monthly installments of Additional Rent.

10.19 **Assignment by Assignee** . Item (c) of Section 7.1 of the Original Lease is hereby deleted in its entirety and replaced with the following:

(c) in Landlord's reasonable judgment, either (i) the financial net worth of the proposed assignee (after deducting all contingent and off-balance sheet liabilities) is less than $1,000,000,000.00 or (ii) the proposed assignee does not meet the credit standards applied by Landlord at the time of the proposed assignment, provided that Landlord shall not apply such financial net worth test in clause (i) above to the proposed assignee if Tenant has a financial net worth (after deducting all contingent and off-balance sheet liabilities) of not less than $1,000,000,000.00 and will not be released of its obligations under the Lease;

In addition, the last three (3) sentences of Section 7.2 of the Original Lease are hereby deleted in their entirety and replaced with the following:

> Notwithstanding the foregoing, Tenant (or any Permitted Assignee, as defined herein) may, without Landlord's prior written consent and without being subject to any of the provisions of this Article 7, including without limitation, Landlord's right to recapture any portion of the Leased Premises, sublet the Leased Premises or assign this Lease to (individually, a " **Permitted Assignee** ," collectively, " **Permitted Assignees** "): (i) a subsidiary, affiliate, division, corporation at joint venture controlling, controlled by or under common control with Tenant; or (ii) a successor corporation related to Tenant by merger, consolidation, nonbankruptcy reorganization, or government action; or (iii) a purchaser of all or substantially all of the assets of Tenant; provided that the proposed Permitted Assignee under (i), (ii) or (iii) above has a net worth (after deducting all contingent and off-balance sheet liabilities) equal to or greater than $1,000,000,000.00. However, Landlord shall not apply such financial net worth test in the preceding sentence to the proposed Permitted Assignee (and the proposed Permitted Assignee shall not be required to satisfy the net worth test) if Tenant has a financial net worth (after deducting all contingent and off-balance sheet liabilities) of not less than $1,000,000,000.00 and will not be released of its obligations under the Lease. In the event any proposed assignee or subtenant under (i), (ii) or (iii) above does not qualify as a Permitted Assignee because the net worth test is required pursuant to the provisions above but is not satisfied, Landlord's consent (pursuant to Section 7.1 above) shall be required and all of the terms and conditions of this Article 7 shall apply, except that Landlord shall not be entitled to terminate this Lease pursuant to Section 7.3, and Landlord shall not be entitled to any assignment consideration or excess rentals pursuant to Section 7.5 of this Lease. If any proposed assignee or subtenant under (i), (ii) or (iii) above does not qualify as a Permitted Assignee because the net worth test is required pursuant to the provisions above but is not satisfied, then in the event Landlord nevertheless consents (pursuant to the provisions of Section 7.1 above) to such proposed assignee or subtenant, such proposed assignee or subtenant shall constitute a Permitted Assignee under this Lease. For the avoidance of doubt, no assignment, subletting or other transfer shall release Tenant from its obligations under this Lease, but rather Tenant and its transferee (other than a subtenant) shall be jointly and severally liable therefor.

11. **Exculpation** .

11.1 **CalPERS Exculpation** . Notwithstanding any provision of the Lease or this Consent and Amendment to the contrary, the liabilities and obligations of Landlord hereunder and under the Lease shall be the liabilities of Landlord only, and shall not be the liabilities or obligations of, the California Public Employees' Retirement System, an agency of the State of California (" **CalPERS** "), CommonWealth Partners, LLC, CommonWealth Pacific LLC, CWP Capital Management, LLC, any Affiliate of any of such parties, or any present or future officer, director, employee, trustee, member, retirant, beneficiary, internal investment contractor, manager, investment manager or agent of any of the same (collectively, the " **Other Landlord Partie** s"), and in no event shall Landlord, Other Landlord Parties or CalPERS be liable for lost profits or other consequential damages. Any recourse by Assignee for any breach or default of Landlord under the Lease or this Consent and Amendment or with respect to any liability or obligation related thereto (or related to the Leased Premises or the Building in any way) shall be solely against Landlord and the assets of Landlord and, there shall be no recourse on account of any such breach or default (or with respect to any such liability or obligation) against any of the Other Landlord Parties. For purposes of this Section 11.1, " **Affiliate** " shall mean any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with CalPERS or any of CommonWealth Pacific, LLC or CWP Capital Management, LLC, as the case may be. For the purposes of this definition, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have the meanings correlative to the foregoing. The limitations of liability provided in this Section 11.1 are in addition to, and not in limitation of, any limitation of liability applicable to Landlord or CalPERS provided by law or in any other contract, agreement or instrument. Such exculpation of liability shall be

absolute and without any exception whatsoever. The provisions of this Section 11.1 shall survive the termination of the Lease or this Consent and Amendment.

11.2 **Tenant Exculpation** . Notwithstanding any provision of the Lease (including, without limitation, Section 12.2 of the Original Lease) or this Consent and Amendment to the contrary, the liabilities and obligations of Assignee hereunder and under the Lease shall be the liabilities of the Tenant under the Lease only, and shall not be the liabilities or obligations of any Affiliate of Tenant or Assignee, or any present or future officer, director, employee, trustee, member, retirant, beneficiary, internal investment contractor, manager, investment manager or agent of Tenant or Assignee or any Affiliate of the same (collectively, the " **Other Tenant Parties** "), and in no event shall Assignee, Tenant or Other Tenant Parties be liable for lost profits or other consequential damages, except in connection with a holding over by Tenant (in which event, the terms and conditions of Section 13.2 of the Original Lease, as revised by Section 10.14 of this Consent and Amendment, shall govern). Any recourse by Landlord for any breach or default of Tenant under the Lease or this Consent and Amendment or with respect to any liability or obligation related thereto (or related to the Leased Premises or the Building in any way) shall be solely against Tenant and the assets of Tenant and, there shall be no recourse on account of any such breach or default (or with respect to any such liability or obligation) against any of the Other Tenant Parties. For purposes of this Section 11.2, " **Affiliate** " shall mean any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with Google Inc. or the then Tenant under the Lease, as the case may be. For the purposes of this definition, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have the meanings correlative to the foregoing. The limitations of liability provided in this Section 11.2 are in addition to, and not in limitation of, any limitation of liability applicable to Tenant or Assignee provided by law or in any other contract, agreement or instrument. Such exculpation of liability shall be absolute and without any exception whatsoever, except as otherwise expressly provided in this Section 11.2. The provisions of this Section 11.2 shall survive the termination of the Lease or this Consent and Amendment.

12. **CASp Inspection** . For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Assignor and Assignee, and Assignor and Assignee hereby acknowledge, that the Leased Premises has not undergone inspection by a Certified Access Specialist (" **CASp** ").

13. **Conditions Precedent** . Assignor's delivery to Landlord of the following items shall be conditions precedent to Landlord's consent as provided in Section 1 and the effectiveness of this Consent and Amendment:

13.1 Landlord and Assignor agreement upon the terms of payments by Assignor to Landlord, including without limitation, the "Accelerated Rental Payment", as that term is defined in the Attachment To Consent To Assignment And Amendment To Lease (" **Attachment** "), which agreed copy of the Attachment is set forth as Exhibit D and incorporated herein by this reference;

13.2 certificate(s) of insurance from Assignee satisfying all the requirements of the Lease (as amended hereby); and

13.3 a photocopy of the original executed Assignment.

Further, Assignee shall deliver to Landlord a new certificate of occupancy for the Leased Premises to the extent required from the applicable governmental authority, which new certificate of occupancy will be delivered no later than thirty (30) days following Assignee's receipt of the same. To the extent required from the applicable governmental authority, Assignee shall use diligent, good-faith efforts to obtain and deliver the new certificate of occupancy to Landlord as promptly as is reasonably possible.

14. **Brokerage** . Neither Assignor nor Assignee has dealt with any broker or agent in connection with the negotiation or execution of this Consent and Amendment or the Assignment, other than Jones Lang LaSalle Americas, Inc. and CBRE, Inc. Assignor assumes all obligations and responsibility with respect to payment of Jones Lang LaSalle

America, Inc. commission to be paid by Assignor pursuant to a separate written agreement. Assignee assumes all obligations and responsibility with respect to payment of CBRE, Inc. commission to be paid by Assignee pursuant to a separate written agreement. Assignor will indemnify, defend with competent counsel, and hold Assignee harmless from any liability for the payment of any real estate brokerage commissions, leasing commissions or finder's fees claimed by any other real estate broker(s), leasing agent(s), finder(s), or salesmen to be earned or due and payable by reason of Assignor's agreement or promise (implied or otherwise) to pay such commission by reason of its entering in to this Consent and Amendment or the Assignment. Assignee will indemnify, defend with competent counsel, and hold Assignor harmless from any liability for the payment of any real estate brokerage commissions, leasing commissions or finder's fees claimed by any other real estate broker(s), leasing agent (s), finder(s), or salesmen to be earned or due and payable by reason of Assignor's agreement or promise (implied or otherwise) to pay such commission by reason of its entering in to this Consent and Amendment or the Assignment. In no event shall Landlord be liable for any leasing or brokerage commission with respect to the negotiation and execution of the Assignment or this Consent and Amendment. Assignor and Assignee shall each jointly and severally indemnify, defend and hold Landlord harmless from and against all costs, expenses, attorneys' fees and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through or under the indemnifying party with respect to the Assignment or this Consent and Amendment.

15. **Notices** . All notices and other communications given pursuant to the Lease shall be in writing and shall be (a) mailed by first class, United States mail, postage prepaid, certified, with return receipt requested, and addressed to the parties hereto at the address listed below, (b) hand delivered to the intended addressee, or (c) sent by nationally recognized overnight courier. Notice sent by certified mail, postage prepaid, shall be effective three business days after being deposited in the United States mail; all other notices shall be effective upon delivery to the address of the addressee (even if such addressee refuses delivery thereof). The parties hereto may change their addresses by giving notice thereof to the other in conformity with this provision. The addresses for notice set forth below shall supersede and replace any addresses for notice set forth in the Lease.

Landlord :	FSP-Sunnyvale Office Park, LLC c/o CommonWealth Partners, LLC 515 Flower St., 32nd Floor Los Angeles, CA 90071 Attention: Asset Manager – 1194 Mathilda-Sunnyvale
With a copy of default notices to:	Vinson & Elkins L.L.P. 2001 Ross Ave., Suite 3700 Dallas, TX 75201 Attention: Paul A. Martin Re: Juniper Networks Lease Agreement-Sunnyvale, CA
With a copy to (for all rent and other payments by check):	FSP-Sunnyvale Office Park, LLC Lockbox # 074621 P.O. Box 844621 Los Angeles, CA 90084-4621
And a copy to (for all rent and other payments by wire/ACH):	Wells Fargo Bank, NA 420 Montgomery Street San Francisco, CA 94104 Acct#: 498-4656009 ABA#: 121000248
Assignor :	Juniper Networks, Inc. 1133 Innovation Way, Building A

	Sunnyvale, CA 94089 Attention: Sr. Director REWS
With a copy to:	Juniper Networks, Inc. 1133 Innovation Way, Building A Sunnyvale, CA 94089 Attention: General Counsel
With a copy of default notices to:	Reed Smith LLP 101 Second Street, Suite 1800 San Francisco, CA 94105 Attention: Simon T. Adams Re: Juniper Networks Lease Agreement-Sunnyvale, CA
Assignee :	Google Inc. 1600 Amphitheatre Parkway Mountain View, CA 94043 Attention: Lease Administration
With a copy to:	Google Inc. 1600 Amphitheatre Parkway Mountain View, CA 94043 Attention: Legal Department / RE Matters
With a copy of all default notices to:	Allen Matkins Leck Gamble Mallory & Natsis LLP Three Embarcadero Center, 12th Floor San Francisco, CA 94111-4074 Attention: Lee A. Edlund Re: Google Inc. Lease Agreement-Sunnyvale, CA

16. **Amendments; No Electronic Records** . The Assignment may not be amended or modified except by an instrument in writing signed by all the parties hereto; provided, however, the foregoing shall not be deemed to require Assignor's consent to any further amendment or modification to the Lease. Landlord and Assignee hereby agree not to conduct the transactions or communications contemplated by the Lease by electronic means except for electronic signatures as specifically set forth in Section 23; nor shall the use of the phrase "in writing" or the word "written" be construed to include electronic communications except for electronic signatures as specifically set forth in Section 23.

17. **Waiver of Jury Trial . TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO, AND ALL PARTIES CLAIMING BY, THROUGH OR UNDER THE PARTIES HERETO (INCLUDING THEIR RESPECTIVE SUCCESSORS, ASSIGNS AND SUBTENANTS), AFTER CONSULTATION WITH COUNSEL, KNOWINGLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF OR WITH RESPECT TO THE LEASE, THE ASSIGNMENT, THIS CONSENT AND AMENDMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.**

18. **Ratification** . Assignee hereby ratifies and confirms its obligations under the Lease, and represents and warrants to Landlord that, as of the date hereof, it has no defenses thereto. Additionally, Assignor and Assignee further confirm and ratify that, as of the date hereof, (a) the Lease is and remains in good standing and in full force and effect, (b) neither of such parties has any claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord, Assignor or Assignee, and (c) all tenant finish-work allowances provided to Assignor under the Lease or otherwise, if any, have been paid in full by Landlord to Assignor, and Landlord has no further obligations with respect thereto.

19. **Prohibited Persons and Transactions**. Landlord, Assignor and Assignee each represents and warrants that neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Assets Control (" **OFAC** ") of the Department of the Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not assign or otherwise transfer the Lease to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

20. **Binding Effect; Governing Law**. Except as modified hereby, the Lease shall remain in full effect and this Consent and Amendment shall be binding upon Landlord, Assignor, and Assignee and their respective successors and assigns. If any inconsistency exists or arises between the terms of this Consent and Amendment and the terms of the Lease, the terms of this Consent and Amendment shall prevail. This Consent and Amendment shall be governed by the laws of the state in which the Leased Premises are located.

21. **Confidentiality**. Landlord, Assignor and Assignee agree that the terms of the Lease, as amended by this Consent and Amendment, shall be kept strictly confidential. Landlord, Assignor and Assignee shall not divulge the terms of the Lease, as amended by this Consent and Amendment, to any person other than such party's officers, directors, employees, attorneys, accountants, consultants and/or real estate brokers, and/or current or prospective assignees, subtenants, master landlords, lenders or purchasers, in each instance who have a need to know any such terms and who agree to keep such information confidential. Notwithstanding the foregoing, the terms of the Lease, as amended by this Consent and Amendment, may be disclosed, without any liability whatsoever for such disclosures to any government entity, agency or any other person whom disclosure is required by law or by regulatory or judicial process, including in connection with enforcing the terms of the Lease, the Assignment or this Consent and Amendment, or in connection with disclosures and filings made to the U.S. Securities and Exchange Commission as a publically traded company with stock registered on a nationally recognized stock exchange.

22. **Entire Agreement**. This Consent and Amendment and the Assignment contain all of the agreements, understandings, representations and warranties of the parties with respect to the subject matter thereof.

23. **Counterparts**. This Consent and Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one document. To facilitate execution of this Consent and Amendment, the parties may execute and exchange by electronic mail PDF counterparts of the signature pages. Signature pages may be detached from the counterparts and attached to a single copy of this Consent and Amendment to physically form one document.

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EXECUTED as of the date first written above.

LANDLORD: **FSP-SUNNYVALE OFFICE PARK, LLC** , a Delaware limited liability company

By: /s/ Joseph A. Corrente

Name: Joseph A. Corrente

Title: Executive Vice President

ASSIGNOR: **JUNIPER NETWORKS, INC.** , a Delaware corporation

By: /s/ Mitchell L. Gaynor

Name: Mitchell L. Gaynor

Title: Executive Vice President

ASSIGNEE: **GOOGLE INC.** , a Delaware corporation

By: /s/ David Radcliffe

Name: David Radcliffe

Title: V.P. Real Estate

CONSENT OF LENDER

Bank of America, N.A., a national banking association, as Administrative Agent for the holder of certain liens secured by the Building, joins in the execution of this Consent and Amendment for the purpose of consenting to the terms contained herein and acknowledges that the existing SNDA shall remain in full force and effect and shall be enforceable by Google Inc., as the successor and assign of Juniper Networks, Inc.

BANK OF AMERICA, N.A. , a national banking association,
as Administrative Agent

By: /s/ Julia Elterman

Name: Julia Elterman

Title: SVP

EXHIBIT A

ASSIGNMENT

EXHIBIT B

LIST OF ALTERATIONS AND IMPROVEMENTS TO BE REMOVED UPON EXPIRATION OF TERM

All data and voice cabling from the buildings risers, communication closets, ceiling plenums, within building walls and beneath the floor.

All units supplying supplemental climate control and HVAC services to the Labs, Computer Rooms, Data Rooms, IDF Rooms, and Phone Closets.

EXHIBIT C

OPTIONS TO EXTEND

1. **Options to Extend** . So long as Google Inc. (hereinafter "Tenant") or its Permitted Assignee is leasing the entire Leased Premises under the Lease, and subject to the condition set forth in clause (b) below, Tenant shall have two options to extend the Lease Term with respect to the Leased Premises, the first for a period of five (5) years from the expiration of the last year of the Lease Term (the " **First Extension Period** "), and the second for a period of five (5) years from the expiration of the First Extension Period (the " **Second Extension Period** "), subject to the following conditions:

(a) Each option to extend shall be exercised, if at all, by written notice of exercise given to Landlord (the " **Extension Exercise Notice** ") not more than twelve (12) months nor less than nine (9) months prior to the expiration of the last year of the Lease Term or the expiration of the First Extension Period, as applicable;

(b) Anything herein to the contrary notwithstanding, if Tenant is in default under any of the material terms, covenants or conditions of the Lease, either at the time Tenant exercises either extension option or on the commencement date of the First Extension Period or the Second Extension Period, as applicable, Landlord shall have, in addition to all of Landlord's other rights and remedies provided in the Lease, the right to terminate such option(s) to extend upon notice to Tenant; and

(c) Tenant's right to exercise any such option to extend Lease Term for the Leased Premises shall be expressly conditioned upon the Tenant having a Lease of all of the Leased Premises in full force and effect upon the date of exercise of any such option and the date of commencement of any option period.

2. **Timely Exercise** . In the event the applicable option is exercised in a timely fashion, the Lease shall be extended for the term of the applicable extension period upon all of the terms and conditions of the Lease, provided that, the Base Monthly Rent for each extension period with respect to the Lease shall be one hundred percent (100%) of the "Fair Market Rent" (defined below) for the Leased Premises, determined as set forth below, with annual increases as determined as part of the process set forth below.

3. **Fair Market Rent** . Approximately thirty (30) days after receipt of Tenant's Extension Exercise Notice, Landlord shall notify Tenant in writing of Landlord's estimate of the Base Monthly Rent for the first year of the applicable extension period, and the estimate of annual increases based upon the Landlord's determination of the same. For purposes hereof, " **Fair Market Rent** " shall mean collectively, (1) Base Monthly Rent for the first year of the applicable extension period, which shall reflect the then-current rate for renewals of space in comparable Class A buildings (including the Building) in the Sunnyvale, Santa Clara and Mountain View, California submarket (" **Comparable Buildings** ") in direct transactions with owners of Comparable Buildings (thus excluding any subleases or other indirect transactions), and (2) the annual increases determined at the time Base Monthly Rent for the first year is determined. Within thirty (30) days after receipt of such notice from Landlord, Tenant shall have the right either to (i) accept Landlord's estimate of Fair Market Rent or (ii) elect to arbitrate the Fair Market Rent against Landlord, such arbitration to be conducted pursuant to the provisions hereof. Failure on the part of Tenant to require arbitration of Fair Market Rent within such thirty (30) day period shall constitute acceptance of the Fair Market Rent for the applicable extension period. If Tenant elects to compel arbitration, the parties agree to use good faith efforts to have the arbitration concluded within ninety (90) days after the date of Tenant's election, subject to extension for an additional period if a third arbitrator is required and does not act in a timely manner. To the extent that arbitration has not been completed prior to the expiration of any preceding period for which Base Monthly Rent has been determined, Tenant shall pay Base Monthly Rent at the rate calculated by Landlord, with the potential for an adjustment to be made once Fair Market Rent is ultimately determined by arbitration.

4. **Dispute Resolution** . In the event of arbitration, the judgment or the award rendered in any such arbitration may be entered in any court having jurisdiction and shall be final and binding upon the parties and shall be accepted by the Tenant as the Lease rental rates. The arbitration shall be conducted and determined in the City and County of San Francisco in accordance with the then prevailing rules of the American Arbitration Association or its

successor for arbitration of commercial disputes except to the extent that the procedures mandated by such rules shall be modified as follows:

(a) Tenant shall make demand to compel Landlord's participation in arbitration in writing within thirty (30) days after service of Landlord's determination of Fair Market Rent given under Section 3 above, specifying therein the name and address of the person to act as the arbitrator on behalf of Tenant. The arbitrator shall be qualified as a commercial real estate broker having at least fifteen (15) years' experience leasing space in Comparable Buildings. Failure on the part of Tenant to make a proper demand in a timely manner for such arbitration shall constitute a waiver of the right thereto. Within fifteen (15) days after the service of the demand for arbitration by Tenant, Landlord shall give notice to Tenant specifying the name and address of the person designated by Landlord to act as arbitrator on its behalf who shall be similarly qualified.

(b) In the event that two arbitrators are chosen, the arbitrators so chosen shall, within fifteen (15) days after the second arbitrator is appointed determine the Fair Market Rent. If the two arbitrators shall be unable to agree upon a determination of Fair Market Rent within such period, they, themselves, shall appoint a third arbitrator, who shall be a competent and impartial person with qualifications similar to those required of the first two arbitrators. In the event they are unable to agree upon such appointment within the period set forth within the Lease, the third arbitrator shall be selected by the parties themselves (i.e., Tenant and Landlord). If the parties do not so agree, then either party, on behalf of both, may request appointment of such a qualified person by the then Chief Judge of the United States District Court having jurisdiction over the County of Santa Clara, acting in his private and not in his official capacity, and the other party shall not raise any question as to such Judge's full power and jurisdiction to entertain the application for and make the appointment; however, if such Chief Judge refuses to act, then either party, on behalf of both, may request appointment of such a qualified person by any court of competent jurisdiction. The three arbitrators shall decide the dispute if it has not previously been resolved by substantially following the procedure set forth below.

(c) Where an issue cannot be resolved by agreement between the two arbitrators selected by Tenant and Landlord or settlement between the parties during the course of arbitration, the issue shall be resolved by the three arbitrators approximately within fifteen (15) days of the appointment of the third arbitrator in accordance with the following procedure. The arbitrator selected by each of the parties shall state in writing his determination of the Fair Market Rent supported by the reasons therefor with counterpart copies to each party. The arbitrators shall arrange for a simultaneous exchange of such proposed resolutions. The role of the third arbitrator shall be to select which of the two proposed resolutions most closely approximates his determination of Fair Market Rent. The third arbitrator shall have no right to propose a middle ground or any modification of either of the two proposed resolutions. The resolution he chooses as most closely approximating his determination shall constitute the decision of the arbitrators and be final and binding upon the Landlord and Tenant.

(d) In the event of a failure, refusal or inability of any arbitrator to act, his successor shall be appointed by him, but in the case of the third arbitrator, his successor shall be appointed in the same manner as provided for appointment of the third arbitrator. The arbitrators shall decide the issue within approximately fifteen (15) days after the appointment of the third arbitrator. Any decision in which the arbitrator appointed by Tenant and the arbitrator appointed by Landlord concur shall be binding and conclusive upon the Landlord and Tenant. Each party shall pay the fee and expenses of its respective arbitrator and both shall share the fee and expenses of the third arbitrator, if any, and the attorneys' fees and expenses of counsel for the respective parties and of witnesses shall be paid by the respective party engaging such counsel or calling such witnesses.

(e) The arbitrators shall have the right to consult experts and competent authorities to obtain factual information or evidence pertaining to a determination of Fair Market Rent, but any such consultation shall be made in the presence of both parties with full right on their part to cross-examine. The arbitrators shall render their decision and award in writing with counterpart copies to each party. The arbitrators shall have no power to modify the provisions of the Lease.

EXHIBIT D

ATTACHMENT TO CONSENT TO ASSIGNMENT AND THIRD AMENDMENT TO LEASE
(Building 1)

Reference is made herein to that certain Consent to Assignment and Third Amendment to Lease (" **Consent and Amendment** ") dated as of August 18, 2014, by and among **FSP-SUNNYVALE OFFICE PARK, LLC** , a Delaware limited liability company (" **Landlord** "), **JUNIPER NETWORKS, INC.** , a Delaware corporation (" **Assignor** "), and **GOOGLE INC.** , a Delaware corporation (" **Assignee** "), pursuant to which Assignor transfers by way of an assignment the Lease (defined therein) to Assignee, and with Landlord's agreement certain amendments and modifications are made to the Lease (defined therein) under which Landlord will continue to lease to Assignee the entire office building, consisting of 144,315 rentable square feet of space (the " **Leased Premises** "), located at 1194 Mathilda Avenue, Sunnyvale, California 94089 (the " **Building** "). Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Lease.

1. Pursuant to Section 10 of the Consent and Amendment, the Lease Base Monthly Rent will, upon the "Assignment Date", adjust as described therein.

2. Pursuant to Section 13 of the Consent and Amendment, the Assignor is to satisfy certain conditions precedent in order for the Consent and Amendment to be effective. Landlord and Assignor agree that the following shall fully satisfy the monetary obligations of such conditions precedent and effectiveness of the Consent and Amendment as follows:

2.1 The Landlord's attorneys' fees incurred in connection with the preparation, negotiation, execution and delivery of the Consent and Amendment, and the associated Consent to Sublease of even date herewith (approving Assignee's subletting of the Leased Premises back to Assignor), shall be paid by Assignor as follows: Landlord's counsel Vinson & Elkins L.L.P. will as soon as reasonably practicable deliver to Landlord an invoice of all such legal services to be charged to Landlord, and deliver a summary of the total fees to Assignor. Assignor shall confirm approval of the summary, not to be unreasonably withheld, conditioned or delayed, and Landlord shall include such charges due from Assignor as additional rent in Landlord's final reconciliation statement of additional rental charges due from Assignor for the Lease obligations up to the Assignment Date.

2.2 The Assignor shall pay to Landlord (by wire transfer to the same account customarily paid by Assignor as "Tenant" for rent) (i) the "Accelerated Rental Payment", as such term is defined herein, and (ii) the "Real Estate Tax Payment", as such term is defined herein, within two (2) business days of the fully executed delivery of the Consent and Assignment by all parties and Landlord's notice to Assignor and Assignee confirming lender consent to the Lease transfer to Assignee upon the terms and conditions of the Consent and Amendment.

2.3 Assignor shall continue to pay all Base Monthly Rent payments monthly in advance through the last day of the lease month in which the Assignment Date occurs. Assignee's obligations to pay Base Monthly Rent shall commence on the first day of the lease month following the month in which the Assignment Date occurs.

2.4 Any other consideration due to Landlord from Assignor payable under the terms and conditions of the Lease shall be paid to Landlord as additional rent next due as described in Section 2.1 above.

2.5 The term " **Accelerated Rental Payment** " shall mean the amount of One Million One Hundred Fifty Seven Thousand Five Hundred Eighty and 69/100ths Dollars ($1,157,580.69) payable in readily available United States dollars.

2.6 The term " **Real Estate Tax Payment** " shall mean a payment to Landlord calculated on a daily rate in the amount of No Dollars ($0.00) calculated from July 1, 2014 through and including the date immediately prior to the Assignment Date, which Real Estate Tax Payment will be credited by the Landlord towards the Assignor's obligations for the same pursuant to the terms and conditions of the Lease for the period prior to the actual Assignment Date, reserving to Landlord the rights of reconciliation as set forth in the Lease.

2.7 Where the Assignment Date occurs on a date following September 1, 2014 there shall be an equitable adjustment to the Accelerated Rental Payment to account for the period between September 1, 2014 and the actual Assignment Date. Landlord and Assignor shall work in good faith to timely reconcile their calculations in accordance with the formula the parties used to generate the above Accelerated Rental Payment for an anticipated assignment on September 1, 2014. By way of example only, an Assignment Date of September 5th would cause the Accelerated Rental Payment amount to reduce by a small adjustment amount.

3. In no event shall Landlord make any payment or provide any credit for any leasing or brokerage commission with respect to the negotiation and execution of the Assignment or the Consent and Amendment.

EXHIBIT 10.5

CONSENT TO ASSIGNMENT AND SECOND AMENDMENT TO LEASE

(Building 2)

This Consent to Assignment and Second Amendment to Lease (this " **Consent and Amendment** ") is executed as of August 18, 2014, by and between **FSP-SUNNYVALE OFFICE PARK, LLC** , a Delaware limited liability company (" **Landlord** "), **JUNIPER NETWORKS, INC.** , a Delaware corporation (" **Assignor** "), and **GOOGLE INC.** , a Delaware corporation (" **Assignee** ").

RECITALS:

A. Assignor, as "Tenant" and Landlord's predecessor-in-interest, Mathilda Associates LLC, entered into that certain Lease dated as of February 28, 2000 (the " **Original Lease** "), as amended by that certain Lease Commencement Date Certificate dated March 20, 2001 (the " **Commencement Certificate** "), and as further amended by that certain First Amendment to Lease dated October 14, 2009 (the " **First Amendment** ") (the Original Lease, the Commencement Date Certificate and the First Amendment are collectively known as the " **Existing Lease** "), under which Landlord is leasing to Assignor the entire office building, consisting of 122,435 rentable square feet of space (the " **Leased Premises** "), located at 1184 Mathilda Avenue, Sunnyvale, California 94089 and commonly known as 1184 Mathilda (the " **Building** "). The Existing Lease, as amended by this Consent and Amendment, is herein referred to as the " **Lease** ". Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Existing Lease.

B. Assignor, as "Tenant" and **BANK OF AMERICA, N.A.** , a national banking association, as Administrative Agent for the holder of certain liens secured by the Building (" **Administrative Agent** "), entered into that certain subordination, non-disturbance and attornment agreement dated as of August 7, 2013 (the " **SNDA** "), and recorded in the Official Records of Santa Clara County, California on August 12, 2013 as Document Number 22348105.

C. Landlord, Assignor and Assignee desire to make certain modifications to the Existing Lease as provided in this Consent and Amendment, following which Assignor desires to assign the Lease to Assignee, all on the terms and conditions contained herein.

AGREEMENTS:

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Consent** . Subject to the terms and conditions contained in this Consent and Amendment, Landlord hereby consents to the assignment of the Lease and the SNDA to Assignee pursuant to that certain Assignment and Assumption of Lease Agreement dated August 18, 2014 between Assignor and Assignee, the exact form of which is attached hereto as Exhibit A (the " **Assignment** "). Landlord's consent contained herein shall not waive its rights as to any subsequent assignment, sublease or other transfer and shall not be construed as a consent to any amendments or modifications of the terms, covenants and conditions of the Lease contained in the Assignment unless such amendments or modifications are expressly set forth in this Consent and Amendment. Any further assignment of the Lease or subletting of the Leased Premises shall be governed in accordance with Article 7 of the Original Lease.

2. **Assumption of Liabilities** . Assignee shall be liable to Landlord for all of the obligations of the "Tenant" under the Lease (including, without limitation, Assignor's indemnification obligations) first arising or accruing on or after the "Assignment Date," as that term is defined in the Assignment, and Landlord may enforce the same directly against Assignee. Assignee shall be liable to the Administrative Agent for all of the obligations of the "Tenant" under the SNDA first arising on or after the Assignment Date, and the Administrative Agent may enforce the same directly against the Assignee.

3. **No Obligations Created** . Each of the parties to this Consent and Amendment agrees and acknowledges that Landlord shall have no obligation or liability under the terms of the Assignment. Without limiting the generality of the foregoing, Landlord shall have no liability under (and shall not be bound by) any modifications, deletions or waivers of any provision of the Lease which Landlord has not agreed to specifically in writing in this Consent and Amendment. Additionally, as of the "Assignment Date", as that term is defined in the Assignment, (a) Landlord shall have no obligation to give notice of any default under the Lease except to Assignee (and only to the extent required under the Lease) and shall have no obligation to deal with any party other than Assignee with respect to the Lease or the Leased Premises, and (b) the Administrative Agent shall have no obligation to give notice under the SNDA except to Assignee (and only to the extent required under the SNDA) and shall have no obligation to deal with any party other than Assignee with respect to the SNDA; and, notwithstanding anything to the contrary contained in the SNDA, Administrative Agent, by consenting to this Consent and Amendment, acknowledges and agrees that Assignee's addresses for notices under the SNDA are as set forth in Section 15 below (provided that Assignee may change its addresses from time to time by giving notice thereof to Administrative Agent). Notwithstanding the foregoing, Landlord reserves the right to address any outstanding accounting issues with Assignor arising prior to the "Assignment Date", as such term is defined in the Assignment, including, without limitation, all amounts payable pursuant to the "Attachment," as defined in Section 13.1 below, which accounting issues survive the Assignment (e.g., reconciliation of estimated and actual Property Operating Expenses and Real Property Taxes) upon commercially reasonably terms and pursuant to the terms, covenants and conditions of the Lease; provided, however, Landlord shall have no right to terminate the Lease on account of, and Assignee shall have no liability with respect to, such outstanding accounting issues.

4. **Expiration of Assignor's Liability** . Provided that no event of default by Assignor exists under the Lease beyond any applicable notice and cure periods, upon the Assignment Date, Assignor shall have no further obligations under the Lease for matters first arising from and after the Assignment Date as if the Assignment Date were the natural expiration of the Lease. For the avoidance of doubt, nothing in the preceding sentence shall affect those obligations that expressly survive the expiration or termination of the Lease (including, without limitation, all obligations with respect to Hazardous Materials existing at the Premises on or before the Assignment Date to the extent provided in the Lease); and, without limiting the generality of the foregoing, Assignor shall remain responsible for any increases in Real Property Taxes to the extent such Real Property Taxes were incurred during, and the increases thereto apply to, periods of time during which Assignor was "Tenant" under the Lease prior to the "Assignment Date", as that term is defined in the Assignment, regardless of when the taxing authority bills such increases (which increases, notwithstanding anything to the contrary contained in the Lease, Assignor covenants to pay to Landlord within 30 days following Landlord's delivery to Assignor of an invoice therefor). Notwithstanding the foregoing, Landlord shall have no right to terminate the Lease on account of, and Assignee shall have no liability with respect to, such surviving obligations of Assignor.

5. **Condition of Leased Premises** . Landlord makes no representations or warranties, express or implied, concerning the condition of the Leased Premises and Assignee accepts the Leased Premises in their " **AS-IS** " condition as of the date hereof.

6. **Subordination** . Assignor hereby subordinates to the interest of Landlord any statutory lien, contractual lien, security interest or other rights which Assignor may claim with respect to any property of Assignee.

7. **Surrender of Leased Premises Obligations; Environmental Protection** . Landlord hereby confirms that, upon the expiration or earlier termination of the Lease, (a) no replacement of floor coverings will be required, and (b) except as provided in Exhibit B hereto, no alterations, betterments or other improvements existing in the Leased Premises as of the date of this Consent and Amendment shall be required by Landlord to be removed from the Leased Premises. Notwithstanding anything to the contrary contained in Section 2.6 of the Original Lease, the condition in which Tenant shall surrender the Leased Premises, the Outside Areas and the Property to Landlord at the expiration or upon the sooner termination of the Lease shall be the same condition, broom clean, as existed at the Assignment Date. Tenant's indemnification obligation pursuant to the last sentence of Section 2.6 of the Original Lease shall be subject to the terms of Section 13.2 of the Original Lease, as revised by Section 10.13 of this Consent and Amendment. Under no circumstances shall Assignee be liable or responsible for any Hazardous Materials located in, on or about the Leased Premises, the Building and/or the Property as of the Assignment Date.

8. **Permitted Occupants** .

8.1 Notwithstanding anything in Article 7 of the Original Lease to the contrary, Assignee may permit its clients, contractors, consultants, customers, auditors, strategic partners or other entities with whom Assignee has or is then establishing a bona fide business relationship (each a " **Permitted Occupant** ") to occupy and use up to 20% of the Leased Premises without the written consent of Landlord, subject to the following conditions: (a) the Permitted Occupant is of character, is engaged in a business, uses the Leased Premises in keeping with Assignee and the Permitted Use, (b) the use and occupancy by the Permitted Occupant is expressly subject to, and does not modify, the terms, covenants, conditions and obligations on Assignee's part to be observed and performed under the Lease, as amended by this Consent and Amendment, (c) any violation of any provision of the Lease, as amended by this Consent and Amendment, by the Permitted Occupant shall be deemed to be a default by Assignee under such provision, (d) the space occupied by the Permitted Occupant shall not be separately demised by walls from the Leased Premises, (e) the Permitted Occupant shall have no recourse against Landlord whatsoever on account of any failure by Landlord to perform any of its obligations under the Lease or on account of any other matter, (f) all notices required of Landlord under the Lease shall be forwarded only to Assignee in accordance with the terms of the Lease and in no event shall Landlord be required to send any notices to any Permitted Occupant, (g) in no event shall any use or occupancy of any portion of the Leased Premises by any Permitted Occupant release or relieve Assignee from any of its obligations under the Lease, (h) each such Permitted Occupant shall be deemed an invitee of Assignee, and Assignee shall be fully and primarily liable for all acts and omissions of such Permitted Occupant as fully and completely as if such Permitted Occupant was an employee of Assignee; (i) in no event shall the occupancy of any portion of the Leased Premises by any Permitted Occupant be deemed to create a landlord/tenant relationship between Landlord and such Permitted Occupant or be deemed to vest in Permitted Occupant any right or interest in the Leased Premises or the Lease, and, in all instances, Assignee shall be considered the sole tenant under the Lease notwithstanding the occupancy of any portion of the Leased Premises by any Permitted Occupant; and (j) Assignee shall receive no rent, payment or other consideration in connection with such occupancy and use other than nominal rent payments, which in no event may be greater per rentable square foot occupied and used by such Permitted Occupant than the base rent and additional rent amounts (per rentable square foot in the Leased Premises) payable by Assignee under the Lease. No occupancy by a Permitted Occupant shall be considered an assignment or sublease for any purposes under Article 7 of the Original Lease.

8.2 Assignee shall provide to Landlord promptly after request a written list of the names and contact information of all Permitted Occupants then being allowed access to the Leased Premises by Assignee.

8.3 Any equipment or other property of a Permitted Occupant in the Leased Premises or at the Property shall be subject to Section 13.1 of the Original Lease (relating to personal property taxes) and Section 2.6 of the Original Lease (relating to surrender of possession). However, nothing in this Section 8.3 shall diminish Landlord's rights under the Lease or imply that Landlord has any duties to any Permitted Occupant. Assignee acknowledges that Landlord shall have no responsibility or liability for the allocation or use of the Leased Premises between Assignee and any Permitted Occupant. No disputes among Assignee and any Permitted Occupant shall in any way affect the obligations of Assignee under the Lease.

8.4 In addition to all other indemnity obligations of Assignee under the Lease and this Consent and Amendment, Assignee shall defend, indemnify and hold harmless Landlord, any Landlord's mortgagee and their respective representatives and agents from and against all losses arising from all claims made by, attributable to, or otherwise relating to, any Permitted Occupant.

9. **Permitted Dogs** . Provided that no event of default by Assignee exists beyond any applicable notice and cure period, Assignee shall be permitted to bring domesticated pet dogs (" **Permitted Dogs** ") and no other animal whatsoever on to the Leased Premises, the Building and the Outside Areas subject to the terms and conditions of this Section 9. Nothing in this Section 9 shall be deemed to restrict the use of service animals used to aid the disabled. At all times during the Lease Term, Landlord reserves the right to revoke this permission as to a designated Permitted Dog upon the showing of damage if the owner of any such Permitted Dog fails to comply with the requirements of this

Section 9. Assignee agrees to promptly comply with any Landlord revocation permitted by the immediately preceding sentence as to any designated Permitted Dog which shall be communicated to Assignee in writing and shall inform Assignee of the withdrawal of the rights provided to Assignee and Assignee's employee as set forth in this Section 9.

9.1 **Permitted Dog Damages** . Assignee shall be responsible for any additional cleaning and deodorizing costs and all other costs which may arise from the dogs' presence in the Building in excess of the costs that would have been incurred had dogs not been allowed in or around the Building. Assignee acknowledges and agrees that Assignee shall at its sole cost and expense be solely liable for any and all damages to the Leased Premises, Building and Outside Areas caused by Permitted Dogs and shall be responsible at all times during the Lease Term for any cleaning, defleaing and deodorizing required because of Permitted Dogs. Damage to or degradation of the Leased Premises, Building or Outside Areas of any kind due to Permitted Dogs is not considered reasonable wear and tear for the purposes of the Lease or in regards to Assignee's surrender obligations under the Lease.

9.2 **Permitted Dog Release And Indemnification** . Landlord shall not be liable to Assignee for, and Assignee on behalf of itself and its employees hereby releases Landlord and its partners, principals, members, officers, employees, attorneys, agents and consultants from, any and all liability, whether in contract, tort or on any other basis, for any injury to or any damage sustained by Assignee, Assignee's employees, agents, contractors, licensees or invitees, any damage to any third party due to bodily injury or death, any damage to Assignee's property, or any loss to Assignee's business, loss of Assignee's profits or other financial loss of Assignee resulting from or attributable to Permitted Dogs. Assignee shall defend with competent counsel satisfactory to Landlord any claims made or legal actions filed or threatened against Landlord with respect to the violation of any law, or the death, bodily injury, personal injury or property damage suffered by any party resulting from Permitted Dogs. Assignee shall indemnify, defend and hold Landlord and its partners, principals, members, employees, attorneys, agents and contractors harmless from any loss, damage (including death, personal injury or property damage), liability, penalties, or expense whatsoever resulting from Permitted Dogs or from any action or inaction on the part of the Permitted Dogs owners with respect to the Permitted Dogs. Assignee's obligations under this Section 9 shall survive the expiration or sooner termination of the Lease. Landlord reserves the right to request from Assignee and Assignee agrees to use commercially reasonably efforts to obtain and deliver to Landlord copies of certificates of owner Permitted Dogs vaccination records and to deliver the same within ten (10) business days of request therefor. Any failure by Assignee to indemnify Landlord as required above shall be deemed a breach of the Lease.

9.3 **Permitted Dog Rules** . Assignee shall impose and enforce the Permitted Dogs rules listed below on Assignee's employees and Assignee shall require any Permitted Dogs in violation of said rules to be immediately removed from the Property.

(i) Permitted Dogs shall not disturb the health, safety and rights of others.

(ii) Permitted Dogs shall comply with all local, county or state statutes and ordinances regarding licensing, vaccinating, leashing and pet waste pick-up and disposal.

(iii) The Leased Premises, Building and Outside Areas shall remain free of pet waste and Assignee's employees shall immediately clean up and dispose of pet waste when walking Permitted Dogs in the Outside Areas.

(iv) Permitted Dogs shall be under the reasonable control of a responsible human companion at all times and in no event shall Permitted Dogs be left unattended or boarded in the Building, in the Outside Areas, or elsewhere at the Property.

9.4 **Landlord Reserved Rights** . If at any time the Building becomes a multi-tenant building, Landlord expressly reserves the right to amend this Section 9, in Landlord's reasonable discretion, including, but not limited to, (a) restricting the ingress and egress points for bringing Permitted Dogs into and out of the Building (provided that at least one point of ingress and egress for Permitted Dogs is provided), and (b) limiting

the total number of dogs permitted at any time within the Leased Premises. In addition, if at any time the campus of which the Building is a part becomes a multi-tenant campus (provided that Assignor's continued occupancy of the building located at 1194 Mathilda Avenue after the Assignment Date shall not constitute the campus becoming a multi-tenant campus), then Landlord expressly reserves its right to amend this Section 9, in Landlord's reasonable discretion, to impose additional reasonable rules with respect to the Outside Areas only, including, but not limited to, where Permitted Dogs may be present in the Outside Areas.

9.5 **Rights Personal to Google Inc** . The rights granted to Assignee under this Section 9 are personal to Google Inc., and may not be assigned to any other party other than a Permitted Assignee; provided, however, Landlord acknowledges and agrees that Permitted Occupants and other Tenant Parties of Google Inc. shall have the right to bring Permitted Dogs on to the Leased Premises, the Building and the Outside Areas subject to and in accordance with the terms and conditions of this Section 9.

10. **Amendments to Lease** . The following provisions shall hereby amend the terms of the Lease:

10.1 **Base Monthly Rent** . Section 2.3 of the First Amendment is hereby modified and amended such that the 'Base Monthly Rent' table shall, effective as of the Assignment Date, be revised as follows:

Time Periods	Base Monthly Rent
Assignment Date* - 6/30/15	$336,696.25**
7/1/15 – 6/30/16	$346,491.05
7/1/16 - 6/30/17	$357,510.20
7/1/17 - 6/30/18	$368,235.51
7/1/18 - 6/30/19	$379,282.57
7/1/19 - 6/30/20	390.661.05
7/1/20 - 6/30/21	$402,380.88
7/1/21 - 10/31/21	$414,452.31**
* as defined in the Assignment ** subject to abatement rights set forth in this Section 10.1 below.	

Landlord agrees that so long as Tenant is not in default of the terms, covenants and conditions of the Lease beyond any applicable notice and cure period the Tenant shall be entitled to abate the Base Monthly Rent for the Leased Premises for the first three (3) months of the Lease Term immediately following the actual Assignment Date for the Leased Premises, e.g., if the Assignment Date is August 25, 2014, Base Monthly Rent shall be abated through and including November 24, 2014, and commencing on the first day following the expiration of such abatement period (which would be November 25, 2014 in the foregoing example), Tenant shall make Base Monthly Rent Payments as otherwise provided in the Lease (prorated for any partial month). Landlord further agrees that, so long as Tenant is not in default of the terms, covenants and conditions of the Lease beyond any applicable notice and cure period, then Tenant shall be entitled during the last applicable month of the Lease Term to abate up to a maximum amount of Base Monthly Rent equal to the amount of the last month of Base Monthly Rent for the Leased Premises. Tenant acknowledges and agrees that all Base Monthly Rent abated by the Landlord shall be provided only where Tenant fully performs all of its obligations and liabilities under the Lease and accordingly any default (beyond applicable notice and cure period) of the Lease terms, covenants or conditions by Tenant during any rental abatement period shall entitle Landlord to

immediately terminate any further Tenant right to abatement of Base Monthly Rent and to seek recovery from Tenant of all abated Base Monthly Rent during such rental abatement period provided to date by way of increased rental rates for the remainder of the Lease Term, as the same may have been extended pursuant to this Lease, or if the Lease has expired or terminated then upon payment by Tenant within thirty (30) days of receipt of demand from Landlord. The abatement rights contained herein may not be assigned to any other party other than a Permitted Assignee.

10.2 **Liability Insurance Requirements** . Section 9.1(a)(i) of the Original Lease is hereby revised to change the term "endorsement" to "coverage".

10.3 **Property Insurance Form Requirements** . Section 9.1(a)(ii) of the Original Lease is hereby revised to add the clause "or all risk" after the clause "fire and extended coverage".

10.4 **Curtain Wall Insurance; Maintenance** . Section 9.1(a)(iii) of the Original Lease, pertaining to plate glass insurance, is hereby deleted in its entirety, and Landlord shall be responsible for insuring the exterior glass curtain walls of the Building; provided, however, that notwithstanding anything in the Lease to the contrary, 100% of the costs of such insurance (including any deductibles associated therewith and actually paid by Landlord) shall be included in Landlord's Insurance Costs, without any exclusions thereto. All costs incurred by Landlord to maintain, repair or replace, as necessary, the exterior glass curtain walls shall not be included in Operating Expenses, but shall be reimbursed by Tenant within thirty (30) days following Landlord's delivery to Tenant of an invoice therefor. For clarity, Landlord shall not be required to insure or maintain, and Tenant shall be solely responsible for insuring and maintaining, any property of Tenant located on the Building, e.g., signage, rooftop equipment, etc., or in the Outside Areas or elsewhere at the Property, e.g., signage, flagpoles, generators and other auxiliary equipment, etc.

10.5 **Construction Insurance** . Section 9.1(a)(vi) of the Original Lease is hereby revised to delete the clause "contingent liability and" from such provision, and only builder's risk insurance shall be required thereunder.

10.6 **Automobile Insurance** . The following provision is added as Section 9.1(a)(vii) to the Original Lease:

(vii) Commercial auto liability insurance (if applicable) covering automobiles owned, hired or used by Tenant in carrying on its business with limits not less than $1,000,000 combined single limit for each accident, insuring Tenant (and naming as additional insureds the California Public Employees' Retirement System, Landlord, Landlord's property management company, Landlord's asset management company, Landlord's current mortgagee (the Administrative Agent) and, if requested in writing by Landlord, any future Landlord's mortgagee [collectively, " **Landlord Insured Parties** "]).

10.7 **Policy Requirements** . The first sentence of Section 9.1(b) of the Original Lease is hereby revised to: (1) change the A. M. Best rating requirement in clause (iv) to A-:VII; (2) delete clause (v) altogether; and (3) revise clause (vi) to read "shall contain so-called "severability" or "cross liability" coverage, and Tenant shall notify Landlord promptly upon the event of any cancellation, lapse or change in coverage." The second sentence of Section 9.1(b) of the Original Lease is hereby revised to (A) delete clause (i) altogether: and (B) add the following at the end of said sentence, "and Tenant shall notify Landlord promptly upon the event of any cancellation, lapse or change in coverage."

10.8 **Proof of Insurance Requirements** . Section 9.1(c) of the Original Lease is hereby deleted in its entirety and replaced with the following:

(c) Prior to the time Tenant or any of its contractors enters the Leased Premises, Tenant shall deliver to Landlord, with respect to each policy of insurance required to be carried by Tenant pursuant to this Article, a copy of such policy (appropriately authenticated by the insurer as having been issued) or

a certificate of the insurer certifying in form satisfactory to Landlord that a policy has been issued, providing the coverage required by this Paragraph and containing the provisions specified herein. With respect to each renewal or replacement of any such insurance, the requirements of this Paragraph must be complied with (i.e., a copy of such policy or certificate shall be delivered to Landlord) within ten (10) days after the renewal or replacement of the applicable policies, but in no event shall Tenant allow such coverage to lapse. If Landlord reasonably determines at any time that the amount of insurance coverage or limits required of Tenant pursuant to this Article is not adequate, then Tenant shall promptly upon notice increase the amount of coverage or limits as Landlord may reasonably require.

10.9 **Right to Self-Insure** . The following is added as a new Section 9.1(d) to the Original Lease:

(d) Provided that Tenant maintains a Tangible Net Worth (as hereinafter defined) exceeding $500,000,000 (the " **Minimum Self-Insurance Net Worth** "), Tenant may self-insure its insurance requirements under the Lease (which, for purposes hereof, may include carrying such deductibles as Tenant may elect in its sole and absolute discretion, but need not include insuring insurance requirements using a captive insurance company) (such self-insurance of any of Tenant's insurance requirements being referred to herein as the " **Self-Insurance Plan** "). The Self-Insurance Plan shall (a) comply with all laws, and (b) be deemed to include the waivers of subrogation and the additional insured status mentioned in Sections 9.1 and 9.3 of the Original Lease. Tenant shall notify Landlord in writing ten (10) business days prior to any cancellation or material adverse change to the Self-Insurance Plan. If Tenant self-insures for commercial general liability insurance (" **CGLI** ") under this Section 9.1(d) and any third party claim arises against Landlord which Landlord would be customarily defended as an additional insured party had Tenant procured the CGLI coverage under the provisions of Section 9.1 of the Original Lease rather than self-insured, and Landlord reasonably determines that a conflict of interest exists, then Tenant shall engage separate counsel reasonably selected by Tenant for Landlord's defense at Tenant's expense, and Tenant shall pay, as incurred from time to time, such reasonable attorneys' fees and expenses (including, without limitation, expert witness fees) relating to Landlord's defense. If Tenant fails to comply with any requirement of this Section 9.1(d), and such failure continues for more than 20 business days following Landlord's written notice to Tenant thereof; Landlord, in addition to any other remedy available pursuant to the Lease, the Assignment or otherwise, may, but shall not be obligated to, obtain the applicable insurance required under Section 9.1 of the Original Lease, and Tenant shall pay to Landlord immediately on demand the premium cost thereof. Notwithstanding the foregoing, Tenant acknowledges and agrees that (A) the provisions of this Section 9.1(d) shall in no way relieve, limit or reduce Tenant's indemnification obligations under this Lease (and Tenant shall remain obligated under such indemnification obligations as if the CGLI required under Section 9.1 was obtained from a third-party provider meeting the requirements of such Section 9.1) or Tenant's legal obligations under any law, and (B) Tenant's right to provide self-insurance under this Section 9.1(d) shall terminate if Tenant fails to maintain the Minimum Self-Insurance Net Worth.

10.10 **Mutual Waiver of Subrogation** . Section 9.3 of the Original Lease (entitled "Mutual Waiver of Subrogation") is hereby deleted and replaced with the following:

Mutual Waiver of Subrogation . Landlord hereby releases Tenant, its partners, principals, members, shareholders, officers, directors, employees, agents, servants, and attorneys, and Tenant hereby releases Landlord and its respective partners, principals, members, shareholders, officers, directors, employees, agents, servants, and attorneys from any and all liability for loss, damage, or injury to the property of the other in or about the Leased Premises or the Property which is caused by or results from a peril or event or happening which is covered by any insurance actually carried and in force at the time of the loss by the party sustaining such loss, required to be carried by the party sustaining such loss, or permitted to be self-insured for such loss.

10.11 **Landlord Parties** . Any requirement under the Lease for Tenant to insure in favor of Landlord or to indemnify Landlord shall also be deemed to mean all Landlord Insured Parties.

10.12 **Options to Extend** . Assignee shall have the right to renew the Lease on the terms and conditions of Exhibit C hereto. Any other rights to extend the Lease Term (including, without limitation, Article 15 of the Original Lease) are hereby deleted.

10.13 **Holding Over** . Section 13.2 of the Original Lease is hereby revised to provide that Tenant shall not be liable for any damages whatsoever (other than rental amounts, including Base Monthly Rent at 150% of the that payable during the last full month for which Tenant is obligated to pay Base Monthly Rent), including, without limitation, indemnification obligations, claims for lost profits, or other consequential damages resulting from Tenant or any subtenant holding over in the Leased Premises unless such holding over exceeds 30 days.

10.14 **Cross Default** . The following is added as new Section 13.16 of the Original Lease:

13.16 **Cross Default** . A default or event of default (beyond any applicable notice, grace and cure periods) under any other written agreement between Landlord and Tenant shall constitute an event of default under the Lease, and any event of default under the Lease shall constitute a default or event of default under such other written agreement between Landlord and Tenant (without any obligation to give Tenant any additional notice or opportunity to cure period thereunder).

10.15 **Estoppel Certificates** . The second sentence of Section 13.6 of the Original Lease is hereby deleted in its entirety and replaced with the following:

Tenant's failure to execute and deliver such estoppel certificate within ten (10) days after Landlord's request therefor, which failure continues for five (5) business days after Tenant's receipt of a notice of such failure from Landlord, shall be a material default by Tenant under this Lease, and Landlord shall have all of the rights and remedies available to Landlord as Landlord would otherwise have in the case of any other material default by Tenant, including the right to terminate this Lease and sue for damages proximately caused thereby, it being agreed and understood by Tenant that Tenant's failure to so deliver such estoppel certificate in a timely manner could result in Landlord being unable to perform committed obligations to other third parties which were made by Landlord in reliance upon this covenant of Tenant.

In addition, Section 13.6 of the Original Lease is hereby revised to add the following sentence at the end:

From time to time, Landlord shall furnish to any party designated by Tenant, within 15 business days after Tenant has made a request therefor, a certificate signed by Landlord certifying whether or not the Lease is in full force and effect and whether Base Monthly Rent is more than 30 days past due.

10.16 **No Security Deposit** . Notwithstanding anything to the contrary contained in the Lease, Assignee shall not be required to deposit any Security Deposit with Landlord.

10.17 **Thirty Days to Make Payments** . Notwithstanding anything to the contrary contained in the Lease (including, without limitation, Sections 2.6 and 3.3 of the Original Lease), Assignee shall have thirty (30) days following receipt of an invoice to make any non-recurring payment required to be made by Tenant under the Lease. For clarity, non-recurring payments shall not include Base Monthly Rent or monthly installments of Additional Rent.

10.18 **Assignment by Assignee** . Item (c) of Section 7.1 of the Original Lease is hereby deleted in its entirety and replaced with the following:

(c) in Landlord's reasonable judgment, either (i) the financial net worth of the proposed assignee (after deducting all contingent and off-balance sheet liabilities) is less than $1,000,000,000.00 or (ii) the proposed assignee does not meet the credit standards applied by Landlord at the time of the proposed assignment, provided that Landlord shall not apply such financial net worth test in clause (i) above to the proposed assignee if Tenant has a financial net worth (after deducting all contingent and off-balance sheet liabilities) of not less than $1,000,000,000.00 and will not be released of its obligations under the Lease;

In addition, the last three (3) sentences of Section 7.2 of the Original Lease are hereby deleted in their entirety and replaced with the following:

Notwithstanding the foregoing, Tenant (or any Permitted Assignee, as defined herein) may, without Landlord's prior written consent and without being subject to any of the provisions of this Article 7, including without limitation, Landlord's right to recapture any portion of the Leased Premises, sublet the Leased Premises or assign this Lease to (individually, a " **Permitted Assignee** ," collectively, " **Permitted Assignees** "): (i) a subsidiary, affiliate, division, corporation at joint venture controlling, controlled by or under common control with Tenant; or (ii) a successor corporation related to Tenant by merger, consolidation, nonbankruptcy reorganization, or government action; or (iii) a purchaser of all or substantially all of the assets of Tenant; provided that the proposed Permitted Assignee under (i), (ii) or (iii) above has a net worth (after deducting all contingent and off-balance sheet liabilities) equal to or greater than $1,000,000,000.00. However, Landlord shall not apply such financial net worth test in the preceding sentence to the proposed Permitted Assignee (and the proposed Permitted Assignee shall not be required to satisfy the net worth test) if Tenant has a financial net worth (after deducting all contingent and off-balance sheet liabilities) of not less than $1,000,000,000.00 and will not be released of its obligations under the Lease. In the event any proposed assignee or subtenant under (i), (ii) or (iii) above does not qualify as a Permitted Assignee because the net worth test is required pursuant to the provisions above but is not satisfied, Landlord's consent (pursuant to Section 7.1 above) shall be required and all of the terms and conditions of this Article 7 shall apply, except that Landlord shall not be entitled to terminate this Lease pursuant to Section 7.3, and Landlord shall not be entitled to any assignment consideration or excess rentals pursuant to Section 7.5 of this Lease. If any proposed assignee or subtenant under (i), (ii) or (iii) above does not qualify as a Permitted Assignee because the net worth test is required pursuant to the provisions above but is not satisfied, then in the event Landlord nevertheless consents (pursuant to the provisions of Section 7.1 above) to such proposed assignee or subtenant, such proposed assignee or subtenant shall constitute a Permitted Assignee under this Lease. For the avoidance of doubt, no assignment, subletting or other transfer shall release Tenant from its obligations under this Lease, but rather Tenant and its transferee (other than a subtenant) shall be jointly and severally liable therefor.

11. **Exculpation** .

11.1 **CalPERS Exculpation** . Notwithstanding any provision of the Lease or this Consent and Amendment to the contrary, the liabilities and obligations of Landlord hereunder and under the Lease shall be the liabilities of Landlord only, and shall not be the liabilities or obligations of, the California Public Employees' Retirement System, an agency of the State of California (" **CalPERS** "), CommonWealth Partners, LLC, CommonWealth Pacific LLC, CWP Capital Management, LLC, any Affiliate of any of such parties, or any present or future officer, director, employee, trustee, member, retirant, beneficiary, internal investment contractor, manager, investment manager or agent of any of the same (collectively, the " **Other Landlord Partie** s"), and in no event shall Landlord, Other Landlord Parties or CalPERS be liable for lost profits or other consequential damages. Any recourse by Assignee for any breach or default of Landlord under the Lease or this Consent and Amendment or with respect to any liability or obligation related thereto (or related to the Leased Premises or the Building in any way) shall be solely against Landlord and the assets of Landlord and, there shall be no recourse on account of any such breach or default (or with respect to any such liability or obligation) against any of the Other Landlord Parties. For purposes of this Section 11.1, " **Affiliate** " shall mean any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled

by, or is under common control with CalPERS or any of CommonWealth Pacific, LLC or CWP Capital Management, LLC, as the case may be. For the purposes of this definition, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have the meanings correlative to the foregoing. The limitations of liability provided in this Section 11.1 are in addition to, and not in limitation of, any limitation of liability applicable to Landlord or CalPERS provided by law or in any other contract, agreement or instrument. Such exculpation of liability shall be absolute and without any exception whatsoever. The provisions of this Section 11.1 shall survive the termination of the Lease or this Consent and Amendment.

11.2 **Tenant Exculpation** . Notwithstanding any provision of the Lease (including, without limitation, Section 12.2 of the Original Lease) or this Consent and Amendment to the contrary, the liabilities and obligations of Assignee hereunder and under the Lease shall be the liabilities of the Tenant under the Lease only, and shall not be the liabilities or obligations of any Affiliate of Tenant or Assignee, or any present or future officer, director, employee, trustee, member, retirant, beneficiary, internal investment contractor, manager, investment manager or agent of Tenant or Assignee or any Affiliate of the same (collectively, the " **Other Tenant Parties** "), and in no event shall Assignee, Tenant or Other Tenant Parties be liable for lost profits or other consequential damages, except in connection with a holding over by Tenant (in which event, the terms and conditions of Section 13.2 of the Original Lease, as revised by Section 10.13 of this Consent and Amendment, shall govern). Any recourse by Landlord for any breach or default of Tenant under the Lease or this Consent and Amendment or with respect to any liability or obligation related thereto (or related to the Leased Premises or the Building in any way) shall be solely against Tenant and the assets of Tenant and, there shall be no recourse on account of any such breach or default (or with respect to any such liability or obligation) against any of the Other Tenant Parties. For purposes of this Section 11.2, " **Affiliate** " shall mean any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with Google Inc. or the then Tenant under the Lease, as the case may be. For the purposes of this definition, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have the meanings correlative to the foregoing. The limitations of liability provided in this Section 11.2 are in addition to, and not in limitation of, any limitation of liability applicable to Tenant or Assignee provided by law or in any other contract, agreement or instrument. Such exculpation of liability shall be absolute and without any exception whatsoever, except as otherwise expressly provided in this Section 11.2. The provisions of this Section 11.2 shall survive the termination of the Lease or this Consent and Amendment.

12. **CASp Inspection** . For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Assignor and Assignee, and Assignor and Assignee hereby acknowledge, that the Leased Premises has not undergone inspection by a Certified Access Specialist (" **CASp** ").

13. **Conditions Precedent** . Assignor's delivery to Landlord of the following items shall be conditions precedent to Landlord's consent as provided in Section 1 and the effectiveness of this Consent and Amendment:

13.1 Landlord and Assignor agreement upon the terms of payments by Assignor to Landlord, including without limitation, the "Accelerated Rental Payment", as that term is defined in the Attachment To Consent To Assignment And Amendment To Lease (" **Attachment** "), which agreed copy of the Attachment is set forth as Exhibit D and incorporated herein by this reference;

13.2 certificate(s) of insurance from Assignee satisfying all the requirements of the Lease (as amended hereby); and

13.3 a photocopy of the original executed Assignment.

Further, Assignee shall deliver to Landlord a new certificate of occupancy for the Leased Premises to the extent required from the applicable governmental authority, which new certificate of occupancy will be delivered no later than thirty

(30) days following Assignee's receipt of the same. To the extent required from the applicable governmental authority, Assignee shall use diligent, good-faith efforts to obtain and deliver the new certificate of occupancy to Landlord as promptly as is reasonably possible.

14. **Brokerage** . Neither Assignor nor Assignee has dealt with any broker or agent in connection with the negotiation or execution of this Consent and Amendment or the Assignment, other than Jones Lang LaSalle Americas, Inc. and CBRE, Inc. Assignor assumes all obligations and responsibility with respect to payment of Jones Lang LaSalle America, Inc. commission to be paid by Assignor pursuant to a separate written agreement. Assignee assumes all obligations and responsibility with respect to payment of CBRE, Inc. commission to be paid by Assignee pursuant to a separate written agreement. Assignor will indemnify, defend with competent counsel, and hold Assignee harmless from any liability for the payment of any real estate brokerage commissions, leasing commissions or finder's fees claimed by any other real estate broker(s), leasing agent(s), finder(s), or salesmen to be earned or due and payable by reason of Assignor's agreement or promise (implied or otherwise) to pay such commission by reason of its entering in to this Consent and Amendment or the Assignment. Assignee will indemnify, defend with competent counsel, and hold Assignor harmless from any liability for the payment of any real estate brokerage commissions, leasing commissions or finder's fees claimed by any other real estate broker(s), leasing agent(s), finder(s), or salesmen to be earned or due and payable by reason of Assignor's agreement or promise (implied or otherwise) to pay such commission by reason of its entering in to this Consent and Amendment or the Assignment. In no event shall Landlord be liable for any leasing or brokerage commission with respect to the negotiation and execution of the Assignment or this Consent and Amendment. Assignor and Assignee shall each jointly and severally indemnify, defend and hold Landlord harmless from and against all costs, expenses, attorneys' fees and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through or under the indemnifying party with respect to the Assignment or this Consent and Amendment.

15. **Notices** . All notices and other communications given pursuant to the Lease shall be in writing and shall be (a) mailed by first class, United States mail, postage prepaid, certified, with return receipt requested, and addressed to the parties hereto at the address listed below, (b) hand delivered to the intended addressee, or (c) sent by nationally recognized overnight courier. Notice sent by certified mail, postage prepaid, shall be effective three business days after being deposited in the United States mail; all other notices shall be effective upon delivery to the address of the addressee (even if such addressee refuses delivery thereof). The parties hereto may change their addresses by giving notice thereof to the other in conformity with this provision. The addresses for notice set forth below shall supersede and replace any addresses for notice set forth in the Lease.

Landlord :	FSP-Sunnyvale Office Park, LLC c/o CommonWealth Partners, LLC 515 Flower St., 32nd Floor Los Angeles, CA 90071 Attention: Asset Manager – 1184 Mathilda-Sunnyvale
With a copy of default notices to:	Vinson & Elkins L.L.P. 2001 Ross Ave., Suite 3700 Dallas, TX 75201 Attention: Paul A. Martin Re: Juniper Networks Lease Agreement-Sunnyvale, CA
With a copy to (for all rent and other payments by check):	FSP-Sunnyvale Office Park, LLC Lockbox # 074621 P.O. Box 844621 Los Angeles, CA 90084-4621
And a copy to (for all rent and other payments by wire/ACH):	Wells Fargo Bank, NA 420 Montgomery Street

	San Francisco, CA 94104 Acct#: 498-4656009 ABA#: 121000248
Assignor :	Juniper Networks, Inc. 1133 Innovation Way, Building A Sunnyvale, CA 94089 Attention: Sr. Director REWS
With a copy to:	Juniper Networks, Inc. 1133 Innovation Way, Building A Sunnyvale, CA 94089 Attention: General Counsel
With a copy of default notices to:	Reed Smith LLP 101 Second Street, Suite 1800 San Francisco, CA 94105 Attention: Simon T. Adams Re: Juniper Networks Lease Agreement-Sunnyvale, CA
Assignee :	Google Inc. 1600 Amphitheatre Parkway Mountain View, CA 94043 Attention: Lease Administration
With a copy to:	Google Inc. 1600 Amphitheatre Parkway Mountain View, CA 94043 Attention: Legal Department / RE Matters
With a copy of all default notices to:	Allen Matkins Leck Gamble Mallory & Natsis LLP Three Embarcadero Center, 12th Floor San Francisco, CA 94111-4074 Attention: Lee A. Edlund Re: Google Inc. Lease Agreement-Sunnyvale, CA

16. **Amendments; No Electronic Records** . The Assignment may not be amended or modified except by an instrument in writing signed by all the parties hereto; provided, however, the foregoing shall not be deemed to require Assignor's consent to any further amendment or modification to the Lease. Landlord and Assignee hereby agree not to conduct the transactions or communications contemplated by the Lease by electronic means except for electronic signatures as specifically set forth in Section 23; nor shall the use of the phrase "in writing" or the word "written" be construed to include electronic communications except for electronic signatures as specifically set forth in Section 23.

17. **Waiver of Jury Trial . TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO, AND ALL PARTIES CLAIMING BY, THROUGH OR UNDER THE PARTIES HERETO (INCLUDING THEIR RESPECTIVE SUCCESSORS, ASSIGNS AND SUBTENANTS), AFTER CONSULTATION WITH COUNSEL, KNOWINGLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF OR WITH RESPECT TO THE LEASE, THE ASSIGNMENT, THIS CONSENT AND AMENDMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.**

18. **Ratification** . Assignee hereby ratifies and confirms its obligations under the Lease, and represents and warrants to Landlord that, as of the date hereof, it has no defenses thereto. Additionally, Assignor and Assignee further confirm and ratify that, as of the date hereof, (a) the Lease is and remains in good standing and in full force and effect, (b) neither of such parties has any claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord, Assignor or Assignee, and (c) all tenant finish-work allowances provided to Assignor under the Lease or otherwise, if any, have been paid in full by Landlord to Assignor, and Landlord has no further obligations with respect thereto.

19. **Prohibited Persons and Transactions** . Landlord, Assignor and Assignee each represents and warrants that neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Assets Control (" **OFAC** ") of the Department of the Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not assign or otherwise transfer the Lease to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

20. **Binding Effect; Governing Law** . Except as modified hereby, the Lease shall remain in full effect and this Consent and Amendment shall be binding upon Landlord, Assignor, and Assignee and their respective successors and assigns. If any inconsistency exists or arises between the terms of this Consent and Amendment and the terms of the Lease, the terms of this Consent and Amendment shall prevail. This Consent and Amendment shall be governed by the laws of the state in which the Leased Premises are located.

21. **Confidentiality** . Landlord, Assignor and Assignee agree that the terms of the Lease, as amended by this Consent and Amendment, shall be kept strictly confidential. Landlord, Assignor and Assignee shall not divulge the terms of the Lease, as amended by this Consent and Amendment, to any person other than such party's officers, directors, employees, attorneys, accountants, consultants and/or real estate brokers, and/or current or prospective assignees, subtenants, master landlords, lenders or purchasers, in each instance who have a need to know any such terms and who agree to keep such information confidential. Notwithstanding the foregoing, the terms of the Lease, as amended by this Consent and Amendment, may be disclosed, without any liability whatsoever for such disclosures to any government entity, agency or any other person whom disclosure is required by law or by regulatory or judicial process, including in connection with enforcing the terms of the Lease, the Assignment or this Consent and Amendment, or in connection with disclosures and filings made to the U.S. Securities and Exchange Commission as a publically traded company with stock registered on a nationally recognized stock exchange.

22. **Entire Agreement** . This Consent and Amendment and the Assignment contain all of the agreements, understandings, representations and warranties of the parties with respect to the subject matter thereof.

23. **Counterparts** . This Consent and Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one document. To facilitate execution of this Consent and Amendment, the parties may execute and exchange by electronic mail PDF counterparts of the signature pages. Signature pages may be detached from the counterparts and attached to a single copy of this Consent and Amendment to physically form one document.

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EXECUTED as of the date first written above.

LANDLORD: **FSP-SUNNYVALE OFFICE PARK, LLC** , a Delaware limited liability company

By: /s/ Joseph A. Corrente

Name: Joseph A. Corrente

Title: Executive Vice President

ASSIGNOR: **JUNIPER NETWORKS, INC.** , a Delaware corporation

By: /s/ Mitchell L. Gaynor

Name: Mitchell L. Gaynor

Title: Executive Vice President

ASSIGNEE: **GOOGLE INC.** , a Delaware corporation

By: /s/ David Radcliffe

Name: David Radcliffe

Title: V.P. Real Estate

CONSENT OF LENDER

Bank of America, N.A., a national banking association, as Administrative Agent for the holder of certain liens secured by the Building, joins in the execution of this Consent and Amendment for the purpose of consenting to the terms contained herein and acknowledges that the existing SNDA shall remain in full force and effect and shall be enforceable by Google Inc., as the successor and assign of Juniper Networks, Inc.

BANK OF AMERICA, N.A. , a national banking association,
as Administrative Agent

By: /s/ Julia Elterman

Name: Julia Elterman

Title: SVP

EXHIBIT A

ASSIGNMENT

EXHIBIT B

LIST OF ALTERATIONS AND IMPROVEMENTS TO BE REMOVED UPON EXPIRATION OF TERM

All data and voice cabling from the buildings risers, communication closets, ceiling plenums, within building walls and beneath the floor.

All units supplying supplemental climate control and HVAC services to the Labs, Computer Rooms, Data Rooms, IDF Rooms, and Phone Closets.

EXHIBIT C

OPTIONS TO EXTEND

1. **Options to Extend** . So long as Google Inc. (hereinafter "Tenant") or its Permitted Assignee is leasing the entire Leased Premises under the Lease, and subject to the condition set forth in clause (b) below, Tenant shall have two options to extend the Lease Term with respect to the Leased Premises, the first for a period of five (5) years from the expiration of the last year of the Lease Term (the " **First Extension Period** "), and the second for a period of five (5) years from the expiration of the First Extension Period (the " **Second Extension Period** "), subject to the following conditions:

(a) Each option to extend shall be exercised, if at all, by written notice of exercise given to Landlord (the " **Extension Exercise Notice** ") not more than twelve (12) months nor less than nine (9) months prior to the expiration of the last year of the Lease Term or the expiration of the First Extension Period, as applicable;

(b) Anything herein to the contrary notwithstanding, if Tenant is in default under any of the material terms, covenants or conditions of the Lease, either at the time Tenant exercises either extension option or on the commencement date of the First Extension Period or the Second Extension Period, as applicable, Landlord shall have, in addition to all of Landlord's other rights and remedies provided in the Lease, the right to terminate such option(s) to extend upon notice to Tenant; and

(c) Tenant's right to exercise any such option to extend Lease Term for the Leased Premises shall be expressly conditioned upon the Tenant having a Lease of all of the Leased Premises in full force and effect upon the date of exercise of any such option and the date of commencement of any option period.

2. **Timely Exercise** . In the event the applicable option is exercised in a timely fashion, the Lease shall be extended for the term of the applicable extension period upon all of the terms and conditions of the Lease, provided that, the Base Monthly Rent for each extension period with respect to the Lease shall be one hundred percent (100%) of the "Fair Market Rent" (defined below) for the Leased Premises, determined as set forth below, with annual increases as determined as part of the process set forth below.

3. **Fair Market Rent** . Approximately thirty (30) days after receipt of Tenant's Extension Exercise Notice, Landlord shall notify Tenant in writing of Landlord's estimate of the Base Monthly Rent for the first year of the applicable extension period, and the estimate of annual increases based upon the Landlord's determination of the same. For purposes hereof, " **Fair Market Rent** " shall mean collectively, (1) Base Monthly Rent for the first year of the applicable extension period, which shall reflect the then-current rate for renewals of space in comparable Class A buildings (including the Building) in the Sunnyvale, Santa Clara and Mountain View, California submarket (" **Comparable Buildings** ") in direct transactions with owners of Comparable Buildings (thus excluding any subleases or other indirect transactions), and (2) the annual increases determined at the time Base Monthly Rent for the first year is determined. Within thirty (30) days after receipt of such notice from Landlord, Tenant shall have the right either to (i) accept Landlord's estimate of Fair Market Rent or (ii) elect to arbitrate the Fair Market Rent against Landlord, such arbitration to be conducted pursuant to the provisions hereof. Failure on the part of Tenant to require arbitration of Fair Market Rent within such thirty (30) day period shall constitute acceptance of the Fair Market Rent for the applicable extension period. If Tenant elects to compel arbitration, the parties agree to use good faith efforts to have the arbitration concluded within ninety (90) days after the date of Tenant's election, subject to extension for an additional period if a third arbitrator is required and does not act in a timely manner. To the extent that arbitration has not been completed prior to the expiration of any preceding period for which Base Monthly Rent has been determined, Tenant shall pay Base Monthly Rent at the rate calculated by Landlord, with the potential for an adjustment to be made once Fair Market Rent is ultimately determined by arbitration.

4. **Dispute Resolution** . In the event of arbitration, the judgment or the award rendered in any such arbitration may be entered in any court having jurisdiction and shall be final and binding upon the parties and shall be accepted by the Tenant as the Lease rental rates. The arbitration shall be conducted and determined in the City and County of San Francisco in accordance with the then prevailing rules of the American Arbitration Association or its

successor for arbitration of commercial disputes except to the extent that the procedures mandated by such rules shall be modified as follows:

(a) Tenant shall make demand to compel Landlord's participation in arbitration in writing within thirty (30) days after service of Landlord's determination of Fair Market Rent given under Section 3 above, specifying therein the name and address of the person to act as the arbitrator on behalf of Tenant. The arbitrator shall be qualified as a commercial real estate broker having at least fifteen (15) years' experience leasing space in Comparable Buildings. Failure on the part of Tenant to make a proper demand in a timely manner for such arbitration shall constitute a waiver of the right thereto. Within fifteen (15) days after the service of the demand for arbitration by Tenant, Landlord shall give notice to Tenant specifying the name and address of the person designated by Landlord to act as arbitrator on its behalf who shall be similarly qualified.

(b) In the event that two arbitrators are chosen, the arbitrators so chosen shall, within fifteen (15) days after the second arbitrator is appointed determine the Fair Market Rent. If the two arbitrators shall be unable to agree upon a determination of Fair Market Rent within such period, they, themselves, shall appoint a third arbitrator, who shall be a competent and impartial person with qualifications similar to those required of the first two arbitrators. In the event they are unable to agree upon such appointment within the period set forth within the Lease, the third arbitrator shall be selected by the parties themselves (i.e., Tenant and Landlord). If the parties do not so agree, then either party, on behalf of both, may request appointment of such a qualified person by the then Chief Judge of the United States District Court having jurisdiction over the County of Santa Clara, acting in his private and not in his official capacity, and the other party shall not raise any question as to such Judge's full power and jurisdiction to entertain the application for and make the appointment; however, if such Chief Judge refuses to act, then either party, on behalf of both, may request appointment of such a qualified person by any court of competent jurisdiction. The three arbitrators shall decide the dispute if it has not previously been resolved by substantially following the procedure set forth below.

(c) Where an issue cannot be resolved by agreement between the two arbitrators selected by Tenant and Landlord or settlement between the parties during the course of arbitration, the issue shall be resolved by the three arbitrators approximately within fifteen (15) days of the appointment of the third arbitrator in accordance with the following procedure. The arbitrator selected by each of the parties shall state in writing his determination of the Fair Market Rent supported by the reasons therefor with counterpart copies to each party. The arbitrators shall arrange for a simultaneous exchange of such proposed resolutions. The role of the third arbitrator shall be to select which of the two proposed resolutions most closely approximates his determination of Fair Market Rent. The third arbitrator shall have no right to propose a middle ground or any modification of either of the two proposed resolutions. The resolution he chooses as most closely approximating his determination shall constitute the decision of the arbitrators and be final and binding upon the Landlord and Tenant.

(d) In the event of a failure, refusal or inability of any arbitrator to act, his successor shall be appointed by him, but in the case of the third arbitrator, his successor shall be appointed in the same manner as provided for appointment of the third arbitrator. The arbitrators shall decide the issue within approximately fifteen (15) days after the appointment of the third arbitrator. Any decision in which the arbitrator appointed by Tenant and the arbitrator appointed by Landlord concur shall be binding and conclusive upon the Landlord and Tenant. Each party shall pay the fee and expenses of its respective arbitrator and both shall share the fee and expenses of the third arbitrator, if any, and the attorneys' fees and expenses of counsel for the respective parties and of witnesses shall be paid by the respective party engaging such counsel or calling such witnesses.

(e) The arbitrators shall have the right to consult experts and competent authorities to obtain factual information or evidence pertaining to a determination of Fair Market Rent, but any such consultation shall be made in the presence of both parties with full right on their part to cross-examine. The arbitrators shall render their decision and award in writing with counterpart copies to each party. The arbitrators shall have no power to modify the provisions of the Lease.

EXHIBIT D

ATTACHMENT TO CONSENT TO ASSIGNMENT AND SECOND AMENDMENT TO LEASE
(Building 2)

Reference is made herein to that certain Consent to Assignment and Second Amendment to Lease (" **Consent and Amendment** ") dated as of August 18, 2014, by and among **FSP-SUNNYVALE OFFICE PARK, LLC** , a Delaware limited liability company (" **Landlord** "), **JUNIPER NETWORKS, INC.** , a Delaware corporation (" **Assignor** "), and **GOOGLE INC.** , a Delaware corporation (" **Assignee** "), pursuant to which Assignor transfers by way of an assignment the Lease (defined therein) to Assignee, and with Landlord's agreement certain amendments and modifications are made to the Lease (defined therein) under which Landlord will continue to lease to Assignee the entire office building, consisting of 122,435 rentable square feet of space (the " **Leased Premises** "), located at 1184 Mathilda Avenue, Sunnyvale, California 94089 (the " **Building** "). Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Lease.

1. Pursuant to Section 10 of the Consent and Amendment, the Lease Base Monthly Rent will, upon the "Assignment Date", adjust as described therein.

2. Pursuant to Section 13 of the Consent and Amendment, the Assignor is to satisfy certain conditions precedent in order for the Consent and Amendment to be effective. Landlord and Assignor agree that the following shall fully satisfy the monetary obligations of such conditions precedent and effectiveness of the Consent and Amendment as follows:

2.1 The Landlord's attorneys' fees incurred in connection with the preparation, negotiation, execution and delivery of the Consent and Amendment shall be paid by Assignor as follows: Landlord's counsel Vinson & Elkins L.L.P. will as soon as reasonably practicable deliver to Landlord an invoice of all such legal services to be charged to Landlord, and deliver a summary of the total fees to Assignor. Assignor shall confirm approval of the summary, not to be unreasonably withheld, conditioned or delayed, and Landlord shall include such charges due from Assignor as additional rent in Landlord's final reconciliation statement of additional rental charges due from Assignor for the Lease obligations up to the Assignment Date.

2.2 The Assignor shall pay to Landlord (by wire transfer to the same account customarily paid by Assignor as "Tenant" for rent) (i) the "Accelerated Rental Payment", as such term is defined herein, and (ii) the "Real Estate Tax Payment", as such term is defined herein, within two (2) business days of the fully executed delivery of the Consent and Assignment by all parties and Landlord's notice to Assignor and Assignee confirming lender consent to the Lease transfer to Assignee upon the terms and conditions of the Consent and Amendment.

2.3 In circumstances where the Assignment Date occurs prior to the last date for which Assignor has paid all Base Monthly Rent due under the Lease, Assignor shall adjust the "Accelerated Rental Payment" by a "Rent Credit Sum" as such term is defined herein.

2.4 Any other consideration due to Landlord from Assignor payable under the terms and conditions of the Lease shall be paid to Landlord as additional rent next due as described in Section 2.1 above.

2.5 The term " **Accelerated Rental Payment** " shall mean the amount of Three Million Eight Hundred Forty One Thousand Two Hundred Fifty Three and 46/100ths Dollars ($3,841,253.46) payable in readily available United States dollars.

2.6 The term " **Rent Credit Sum** " shall mean the base rent and operating expenses paid by Assignor for and relating to the last calendar month for which Assignor has paid all Base Monthly Rent due under the Lease, calculated on a daily rate in the amount of Eleven Thousand Six Hundred Seventy-Nine and 34/100ths Dollars ($11,679.34) (equal to the daily amount of prepaid Base Monthly Rent paid by Assignor for periods after the Assignment Date [$12,753.03] less the net daily reduction in Base Monthly Rent payable by Assignee over Assignor [$1,073.69])

and provided as a credit to the Assignor for each day following the actual date of the Assignment Date that may occur, if any, during the last calendar month for which Assignor has paid all Base Monthly Rent due under the Lease.

2.7 The term " **Real Estate Tax Payment** " shall mean a payment to Landlord calculated on a daily rate in the amount of One Thousand Two Hundred Two and 00/100ths Dollars ($1,202.00) calculated from July 1, 2014 through and including the date immediately prior to the Assignment Date, which Real Estate Tax Payment will be credited by the Landlord towards the Assignor's obligations for the same pursuant to the terms and conditions of the Lease for the period prior to the actual Assignment Date, reserving to Landlord the rights of reconciliation as set forth in the Lease.

2.8 Where the Assignment Date occurs on a date following September 1, 2014 there shall be an equitable adjustment to the Accelerated Rental Payment to account for the period between September 1, 2014 and the actual Assignment Date. Landlord and Assignor shall work in good faith to timely reconcile their calculations in accordance with the formula the parties used to generate the above Accelerated Rental Payment for an anticipated assignment on September 1, 2014. By way of example only, an Assignment Date of September 5th would cause the Accelerated Rental Payment amount to reduce by a small adjustment amount.

3. In no event shall Landlord make any payment or provide any credit for any leasing or brokerage commission with respect to the negotiation and execution of the Assignment or the Consent and Amendment.

EXHIBIT 10.6

CONSENT TO ASSIGNMENT AND AMENDMENT NO. 3 TO LEASE

(Building 3)

This Consent to Assignment and Amendment No. 3 to Lease (this " **Consent and Amendment** ") is executed as of August 18, 2014, by and between **FSP-SUNNYVALE OFFICE PARK, LLC** , a Delaware limited liability company (" **Landlord** "), **JUNIPER NETWORKS, INC.** , a Delaware corporation (" **Assignor** "), and **GOOGLE INC.** , a Delaware corporation (" **Assignee** ").

RECITALS:

A. Assignor, as "Tenant" and Landlord's predecessor-in-interest, Mathilda Associates II LLC, entered into that certain Lease dated as of August 15, 2000 (the " **Original Lease** "), as amended by that certain Amendment No. 1 to Lease dated January 24, 2002 (the " **First Amendment** "), and as further amended by that certain Amendment No. 2 to Lease dated October 14, 2009 (the " **Second Amendment** ") (the Original Lease, the First Amendment and the Second Amendment are collectively known as the " **Existing Lease** "), under which Landlord is leasing to Assignor the entire office building, consisting of 158,075 rentable square feet of space (the " **Leased Premises** "), located at 1220 Mathilda Avenue, Sunnyvale, California 94089 and commonly known as 1220 Mathilda (the " **Building** "). The Existing Lease, as amended by this Consent and Amendment, is herein referred to as the " **Lease** ". Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Existing Lease.

B. Assignor, as "Tenant" and **BANK OF AMERICA, N.A.** , a national banking association, as Administrative Agent for the holder of certain liens secured by the Building (" **Administrative Agent** "), entered into that certain subordination, non-disturbance and attornment agreement dated as of August 7, 2013 (the " **SNDA** "), and recorded in the Official Records of Santa Clara County, California on August 12, 2013 as Document Number 22348104.

C. Landlord, Assignor and Assignee desire to make certain modifications to the Existing Lease as provided in this Consent and Amendment, following which Assignor desires to assign the Lease to Assignee, all on the terms and conditions contained herein.

AGREEMENTS:

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Consent** . Subject to the terms and conditions contained in this Consent and Amendment, Landlord hereby consents to the assignment of the Lease and the SNDA to Assignee pursuant to that certain Assignment and Assumption of Lease Agreement dated August 18, 2014 between Assignor and Assignee, the exact form of which is attached hereto as Exhibit A (the " **Assignment** "). Landlord's consent contained herein shall not waive its rights as to any subsequent assignment, sublease or other transfer and shall not be construed as a consent to any amendments or modifications of the terms, covenants and conditions of the Lease contained in the Assignment unless such amendments or modifications are expressly set forth in this Consent and Amendment. Any further assignment of the Lease or subletting of the Leased Premises shall be governed in accordance with Article 7 of the Original Lease.

2. **Assumption of Liabilities** . Assignee shall be liable to Landlord for all of the obligations of the "Tenant" under the Lease (including, without limitation, Assignor's indemnification obligations) first arising or accruing on or after the "Assignment Date," as that term is defined in the Assignment, and Landlord may enforce the same directly against Assignee. Assignee shall be liable to the Administrative Agent for all of the obligations of the "Tenant" under the SNDA first arising on or after the Assignment Date, and the Administrative Agent may enforce the same directly against the Assignee.

3. **No Obligations Created** . Each of the parties to this Consent and Amendment agrees and acknowledges that Landlord shall have no obligation or liability under the terms of the Assignment. Without limiting

the generality of the foregoing, Landlord shall have no liability under (and shall not be bound by) any modifications, deletions or waivers of any provision of the Lease which Landlord has not agreed to specifically in writing in this Consent and Amendment. Additionally, as of the "Assignment Date", as that term is defined in the Assignment, (a) Landlord shall have no obligation to give notice of any default under the Lease except to Assignee (and only to the extent required under the Lease) and shall have no obligation to deal with any party other than Assignee with respect to the Lease or the Leased Premises, and (b) the Administrative Agent shall have no obligation to give notice under the SNDA except to Assignee (and only to the extent required under the SNDA) and shall have no obligation to deal with any party other than Assignee with respect to the SNDA; and, notwithstanding anything to the contrary contained in the SNDA, Administrative Agent, by consenting to this Consent and Amendment, acknowledges and agrees that Assignee's addresses for notices under the SNDA are as set forth in Section 15 below (provided that Assignee may change its addresses from time to time by giving notice thereof to Administrative Agent). Notwithstanding the foregoing, Landlord reserves the right to address any outstanding accounting issues with Assignor arising prior to the "Assignment Date", as such term is defined in the Assignment, including, without limitation, all amounts payable pursuant to the "Attachment," as defined in Section 13.1 below, which accounting issues survive the Assignment (e.g., reconciliation of estimated and actual Property Operating Expenses and Real Property Taxes) upon commercially reasonably terms and pursuant to the terms, covenants and conditions of the Lease; provided, however, Landlord shall have no right to terminate the Lease on account of, and Assignee shall have no liability with respect to, such outstanding accounting issues.

4. **Expiration of Assignor's Liability** . Provided that no event of default by Assignor exists under the Lease beyond any applicable notice and cure periods, upon the Assignment Date, Assignor shall have no further obligations under the Lease for matters first arising from and after the Assignment Date as if the Assignment Date were the natural expiration of the Lease. For the avoidance of doubt, nothing in the preceding sentence shall affect those obligations that expressly survive the expiration or termination of the Lease (including, without limitation, all obligations with respect to Hazardous Materials existing at the Premises on or before the Assignment Date to the extent provided in the Lease); and, without limiting the generality of the foregoing, Assignor shall remain responsible for any increases in Real Property Taxes to the extent such Real Property Taxes were incurred during, and the increases thereto apply to, periods of time during which Assignor was "Tenant" under the Lease prior to the "Assignment Date", as that term is defined in the Assignment, regardless of when the taxing authority bills such increases (which increases, notwithstanding anything to the contrary contained in the Lease, Assignor covenants to pay to Landlord within 30 days following Landlord's delivery to Assignor of an invoice therefor). Notwithstanding the foregoing, Landlord shall have no right to terminate the Lease on account of, and Assignee shall have no liability with respect to, such surviving obligations of Assignor.

5. **Condition of Leased Premises** . Landlord makes no representations or warranties, express or implied, concerning the condition of the Leased Premises and Assignee accepts the Leased Premises in their " **AS-IS** " condition as of the date hereof.

6. **Subordination** . Assignor hereby subordinates to the interest of Landlord any statutory lien, contractual lien, security interest or other rights which Assignor may claim with respect to any property of Assignee.

7. **Surrender of Leased Premises Obligations; Environmental Protection** . Landlord hereby confirms that, upon the expiration or earlier termination of the Lease, (a) no replacement of floor coverings will be required, and (b) except as provided in Exhibit B hereto, no alterations, betterments or other improvements existing in the Leased Premises as of the date of this Consent and Amendment shall be required by Landlord to be removed from the Leased Premises. Notwithstanding anything to the contrary contained in Section 2.6 of the Original Lease, the condition in which Tenant shall surrender the Leased Premises, the Outside Areas and the Property to Landlord at the expiration or upon the sooner termination of the Lease shall be the same condition, broom clean, as existed at the Assignment Date. Tenant's indemnification obligation pursuant to the last sentence of Section 2.6 of the Original Lease shall be subject to the terms of Section 13.2 of the Original Lease, as revised by Section 10.13 of this Consent and Amendment. Under no circumstances shall Assignee be liable or responsible for any Hazardous Materials located in, on or about the Leased Premises, the Building and/or the Property as of the Assignment Date.

8. **Permitted Occupants** .

8.1 Notwithstanding anything in Article 7 of the Original Lease to the contrary, Assignee may permit its clients, contractors, consultants, customers, auditors, strategic partners or other entities with whom Assignee has or is then establishing a bona fide business relationship (each a " **Permitted Occupant** ") to occupy and use up to 20% of the Leased Premises without the written consent of Landlord, subject to the following conditions: (a) the Permitted Occupant is of character, is engaged in a business, uses the Leased Premises in keeping with Assignee and the Permitted Use, (b) the use and occupancy by the Permitted Occupant is expressly subject to, and does not modify, the terms, covenants, conditions and obligations on Assignee's part to be observed and performed under the Lease, as amended by this Consent and Amendment, (c) any violation of any provision of the Lease, as amended by this Consent and Amendment, by the Permitted Occupant shall be deemed to be a default by Assignee under such provision, (d) the space occupied by the Permitted Occupant shall not be separately demised by walls from the Leased Premises, (e) the Permitted Occupant shall have no recourse against Landlord whatsoever on account of any failure by Landlord to perform any of its obligations under the Lease or on account of any other matter, (f) all notices required of Landlord under the Lease shall be forwarded only to Assignee in accordance with the terms of the Lease and in no event shall Landlord be required to send any notices to any Permitted Occupant, (g) in no event shall any use or occupancy of any portion of the Leased Premises by any Permitted Occupant release or relieve Assignee from any of its obligations under the Lease, (h) each such Permitted Occupant shall be deemed an invitee of Assignee, and Assignee shall be fully and primarily liable for all acts and omissions of such Permitted Occupant as fully and completely as if such Permitted Occupant was an employee of Assignee; (i) in no event shall the occupancy of any portion of the Leased Premises by any Permitted Occupant be deemed to create a landlord/tenant relationship between Landlord and such Permitted Occupant or be deemed to vest in Permitted Occupant any right or interest in the Leased Premises or the Lease, and, in all instances, Assignee shall be considered the sole tenant under the Lease notwithstanding the occupancy of any portion of the Leased Premises by any Permitted Occupant; and (j) Assignee shall receive no rent, payment or other consideration in connection with such occupancy and use other than nominal rent payments, which in no event may be greater per rentable square foot occupied and used by such Permitted Occupant than the base rent and additional rent amounts (per rentable square foot in the Leased Premises) payable by Assignee under the Lease. No occupancy by a Permitted Occupant shall be considered an assignment or sublease for any purposes under Article 7 of the Original Lease.

8.2 Assignee shall provide to Landlord promptly after request a written list of the names and contact information of all Permitted Occupants then being allowed access to the Leased Premises by Assignee.

8.3 Any equipment or other property of a Permitted Occupant in the Leased Premises or at the Property shall be subject to Section 13.1 of the Original Lease (relating to personal property taxes) and Section 2.6 of the Original Lease (relating to surrender of possession). However, nothing in this Section 8.3 shall diminish Landlord's rights under the Lease or imply that Landlord has any duties to any Permitted Occupant. Assignee acknowledges that Landlord shall have no responsibility or liability for the allocation or use of the Leased Premises between Assignee and any Permitted Occupant. No disputes among Assignee and any Permitted Occupant shall in any way affect the obligations of Assignee under the Lease.

8.4 In addition to all other indemnity obligations of Assignee under the Lease and this Consent and Amendment, Assignee shall defend, indemnify and hold harmless Landlord, any Landlord's mortgagee and their respective representatives and agents from and against all losses arising from all claims made by, attributable to, or otherwise relating to, any Permitted Occupant.

9. **Permitted Dogs** . Provided that no event of default by Assignee exists beyond any applicable notice and cure period, Assignee shall be permitted to bring domesticated pet dogs (" **Permitted Dogs** ") and no other animal whatsoever on to the Leased Premises, the Building and the Outside Areas subject to the terms and conditions of this Section 9. Nothing in this Section 9 shall be deemed to restrict the use of service animals used to aid the disabled. At all times during the Lease Term, Landlord reserves the right to revoke this permission as to a designated Permitted Dog upon the showing of damage if the owner of any such Permitted Dog fails to comply with the requirements of this Section 9. Assignee agrees to promptly comply with any Landlord revocation permitted by the immediately preceding

sentence as to any designated Permitted Dog which shall be communicated to Assignee in writing and shall inform Assignee of the withdrawal of the rights provided to Assignee and Assignee's employee as set forth in this Section 9.

9.1 **Permitted Dog Damages** . Assignee shall be responsible for any additional cleaning and deodorizing costs and all other costs which may arise from the dogs' presence in the Building in excess of the costs that would have been incurred had dogs not been allowed in or around the Building. Assignee acknowledges and agrees that Assignee shall at its sole cost and expense be solely liable for any and all damages to the Leased Premises, Building and Outside Areas caused by Permitted Dogs and shall be responsible at all times during the Lease Term for any cleaning, defleaing and deodorizing required because of Permitted Dogs. Damage to or degradation of the Leased Premises, Building or Outside Areas of any kind due to Permitted Dogs is not considered reasonable wear and tear for the purposes of the Lease or in regards to Assignee's surrender obligations under the Lease.

9.2 **Permitted Dog Release And Indemnification** . Landlord shall not be liable to Assignee for, and Assignee on behalf of itself and its employees hereby releases Landlord and its partners, principals, members, officers, employees, attorneys, agents and consultants from, any and all liability, whether in contract, tort or on any other basis, for any injury to or any damage sustained by Assignee, Assignee's employees, agents, contractors, licensees or invitees, any damage to any third party due to bodily injury or death, any damage to Assignee's property, or any loss to Assignee's business, loss of Assignee's profits or other financial loss of Assignee resulting from or attributable to Permitted Dogs. Assignee shall defend with competent counsel satisfactory to Landlord any claims made or legal actions filed or threatened against Landlord with respect to the violation of any law, or the death, bodily injury, personal injury or property damage suffered by any party resulting from Permitted Dogs. Assignee shall indemnify, defend and hold Landlord and its partners, principals, members, employees, attorneys, agents and contractors harmless from any loss, damage (including death, personal injury or property damage), liability, penalties, or expense whatsoever resulting from Permitted Dogs or from any action or inaction on the part of the Permitted Dogs owners with respect to the Permitted Dogs. Assignee's obligations under this Section 9 shall survive the expiration or sooner termination of the Lease. Landlord reserves the right to request from Assignee and Assignee agrees to use commercially reasonably efforts to obtain and deliver to Landlord copies of certificates of owner Permitted Dogs vaccination records and to deliver the same within ten (10) business days of request therefor. Any failure by Assignee to indemnify Landlord as required above shall be deemed a breach of the Lease.

9.3 **Permitted Dog Rules** . Assignee shall impose and enforce the Permitted Dogs rules listed below on Assignee's employees and Assignee shall require any Permitted Dogs in violation of said rules to be immediately removed from the Property.

(i) Permitted Dogs shall not disturb the health, safety and rights of others.

(ii) Permitted Dogs shall comply with all local, county or state statutes and ordinances regarding licensing, vaccinating, leashing and pet waste pick-up and disposal.

(iii) The Leased Premises, Building and Outside Areas shall remain free of pet waste and Assignee's employees shall immediately clean up and dispose of pet waste when walking Permitted Dogs in the Outside Areas.

(iv) Permitted Dogs shall be under the reasonable control of a responsible human companion at all times and in no event shall Permitted Dogs be left unattended or boarded in the Building, in the Outside Areas, or elsewhere at the Property.

9.4 **Landlord Reserved Rights** . If at any time the Building becomes a multi-tenant building, Landlord expressly reserves the right to amend this Section 9, in Landlord's reasonable discretion, including, but not limited to, (a) restricting the ingress and egress points for bringing Permitted Dogs into and out of the Building (provided that at least one point of ingress and egress for Permitted Dogs is provided), and (b) limiting the total number of dogs permitted at any time within the Leased Premises. In addition, if at any time the

campus of which the Building is a part becomes a multi-tenant campus (provided that Assignor's continued occupancy of the building located at 1194 Mathilda Avenue after the Assignment Date shall not constitute the campus becoming a multi-tenant campus), then Landlord expressly reserves its right to amend this Section 9, in Landlord's reasonable discretion, to impose additional reasonable rules with respect to the Outside Areas only, including, but not limited to, where Permitted Dogs may be present in the Outside Areas.

9.5 **Rights Personal to Google Inc** . The rights granted to Assignee under this Section 9 are personal to Google Inc., and may not be assigned to any other party other than a Permitted Assignee; provided, however, Landlord acknowledges and agrees that Permitted Occupants and other Tenant Parties of Google Inc. shall have the right to bring Permitted Dogs on to the Leased Premises, the Building and the Outside Areas subject to and in accordance with the terms and conditions of this Section 9.

10. **Amendments to Lease** . The following provisions shall hereby amend the terms of the Lease:

10.1 **Base Monthly Rent** . Section 2.3 of the Second Amendment is hereby modified and amended such that the 'Base Monthly Rent' table shall, effective as of the Assignment Date, be revised as follows:

Time Periods	Base Monthly Rent
Assignment Date* - 6/30/15	$434,706.25**
7/1/15 – 6/30/16	$447,352.25
7/1/16 - 6/30/17	$461,579.00
7/1/17 - 6/30/18	$475,426.37
7/1/18 - 6/30/19	$489,689.16
7/1/19 - 6/30/20	$504,379.84
7/1/20 - 6/30/21	$519,511.23
7/1/21 - 6/30/22	535,096.57
7/1/22 - 11/30/22	$551,149.46**
* as defined in the Assignment ** subject to abatement rights set forth in this Section 10.1 below.	

Landlord agrees that so long as Tenant is not in default of the terms, covenants and conditions of the Lease beyond any applicable notice and cure period the Tenant shall be entitled to abate the Base Monthly Rent for the Leased Premises for the first three (3) months of the Lease Term immediately following the actual Assignment Date for the Leased Premises, e.g., if the Assignment Date is August 25, 2014, Base Monthly Rent shall be abated through and including November 24, 2014, and commencing on the first day following the expiration of such abatement period (which would be November 25, 2014 in the foregoing example), Tenant shall make Base Monthly Rent Payments as otherwise provided in the Lease (prorated for any partial month). Landlord further agrees that, so long as Tenant is not in default of the terms, covenants and conditions of the Lease beyond any applicable notice and cure period, then Tenant shall be entitled during the last applicable month of the Lease Term to abate up to a maximum amount of Base Monthly Rent equal to the amount of the last month of Base Monthly Rent for the Leased Premises. Tenant acknowledges and agrees that all Base Monthly Rent abated by the Landlord shall be provided only where Tenant fully performs all of its obligations and liabilities under the

Lease and accordingly any default (beyond applicable notice and cure period) of the

Lease terms, covenants or conditions by Tenant during any rental abatement period shall entitle Landlord to immediately terminate any further Tenant right to abatement of Base Monthly Rent and to seek recovery from Tenant of all abated Base Monthly Rent during such rental abatement period provided to date by way of increased rental rates for the remainder of the Lease Term, as the same may have been extended pursuant to this Lease, or if the Lease has expired or terminated then upon payment by Tenant within thirty (30) days of receipt of demand from Landlord. The abatement rights contained herein may not be assigned to any other party other than a Permitted Assignee.

10.2 **Liability Insurance Requirements** . Section 9.1(a)(i) of the Original Lease is hereby revised to change the term "endorsement" to "coverage".

10.3 **Property Insurance Form Requirements** . Section 9.1(a)(ii) of the Original Lease is hereby revised to add the clause "or all risk" after the clause "fire and extended coverage".

10.4 **Curtain Wall Insurance; Maintenance** . Section 9.1(a)(iii) of the Original Lease, pertaining to plate glass insurance, is hereby deleted in its entirety, and Landlord shall be responsible for insuring the exterior glass curtain walls of the Building; provided, however, that notwithstanding anything in the Lease to the contrary, 100% of the costs of such insurance (including any deductibles associated therewith and actually paid by Landlord) shall be included in Landlord's Insurance Costs, without any exclusions thereto. All costs incurred by Landlord to maintain, repair or replace, as necessary, the exterior glass curtain walls shall not be included in Operating Expenses, but shall be reimbursed by Tenant within thirty (30) days following Landlord's delivery to Tenant of an invoice therefor. For clarity, Landlord shall not be required to insure or maintain, and Tenant shall be solely responsible for insuring and maintaining, any property of Tenant located on the Building, e.g., signage, rooftop equipment, etc., or in the Outside Areas or elsewhere at the Property, e.g., signage, flagpoles, generators and other auxiliary equipment, etc.

10.5 **Construction Insurance** . Section 9.1(a)(vi) of the Original Lease is hereby revised to delete the clause "contingent liability and" from such provision, and only builder's risk insurance shall be required thereunder.

10.6 **Automobile Insurance** . The following provision is added as Section 9.1(a)(vii) to the Original Lease:

(vii) Commercial auto liability insurance (if applicable) covering automobiles owned, hired or used by Tenant in carrying on its business with limits not less than $1,000,000 combined single limit for each accident, insuring Tenant (and naming as additional insureds the California Public Employees' Retirement System, Landlord, Landlord's property management company, Landlord's asset management company, Landlord's current mortgagee (the Administrative Agent) and, if requested in writing by Landlord, any future Landlord's mortgagee [collectively, " **Landlord Insured Parties** "]).

10.7 **Policy Requirements** . The first sentence of Section 9.1(b) of the Original Lease is hereby revised to: (1) change the A. M. Best rating requirement in clause (iv) to A-:VII; (2) delete clause (v) altogether; and (3) revise clause (vi) to read "shall contain so-called "severability" or "cross liability" coverage, and Tenant shall notify Landlord promptly upon the event of any cancellation, lapse or change in coverage." The second sentence of Section 9.1(b) of the Original Lease is hereby revised to (A) delete clause (i) altogether: and (B) add the following at the end of said sentence, "and Tenant shall notify Landlord promptly upon the event of any cancellation, lapse or change in coverage."

10.8 **Proof of Insurance Requirements** . Section 9.1(c) of the Original Lease is hereby deleted in its entirety and replaced with the following:

(c) Prior to the time Tenant or any of its contractors enters the Leased Premises, Tenant shall deliver to Landlord, with respect to each policy of insurance required to be carried by Tenant pursuant to this

Article, a copy of such policy (appropriately authenticated by the insurer as having been issued) or a certificate of the insurer certifying in form satisfactory to Landlord that a policy has been issued, providing the coverage required by this Paragraph and containing the provisions specified herein. With respect to each renewal or replacement of any such insurance, the requirements of this Paragraph must be complied with (i.e., a copy of such policy or certificate shall be delivered to Landlord) within ten (10) days after the renewal or replacement of the applicable policies, but in no event shall Tenant allow such coverage to lapse. If Landlord reasonably determines at any time that the amount of insurance coverage or limits required of Tenant pursuant to this Article is not adequate, then Tenant shall promptly upon notice increase the amount of coverage or limits as Landlord may reasonably require.

10.9 **Right to Self-Insure** . The following is added as a new Section 9.1(d) to the Original Lease:

(d) Provided that Tenant maintains a Tangible Net Worth (as hereinafter defined) exceeding $500,000,000 (the " **Minimum Self-Insurance Net Worth** "), Tenant may self-insure its insurance requirements under the Lease (which, for purposes hereof, may include carrying such deductibles as Tenant may elect in its sole and absolute discretion, but need not include insuring insurance requirements using a captive insurance company) (such self-insurance of any of Tenant's insurance requirements being referred to herein as the " **Self-Insurance Plan** "). The Self-Insurance Plan shall (a) comply with all laws, and (b) be deemed to include the waivers of subrogation and the additional insured status mentioned in Sections 9.1 and 9.3 of the Original Lease. Tenant shall notify Landlord in writing ten (10) business days prior to any cancellation or material adverse change to the Self-Insurance Plan. If Tenant self-insures for commercial general liability insurance (" **CGLI** ") under this Section 9.1(d) and any third party claim arises against Landlord which Landlord would be customarily defended as an additional insured party had Tenant procured the CGLI coverage under the provisions of Section 9.1 of the Original Lease rather than self-insured, and Landlord reasonably determines that a conflict of interest exists, then Tenant shall engage separate counsel reasonably selected by Tenant for Landlord's defense at Tenant's expense, and Tenant shall pay, as incurred from time to time, such reasonable attorneys' fees and expenses (including, without limitation, expert witness fees) relating to Landlord's defense. If Tenant fails to comply with any requirement of this Section 9.1(d), and such failure continues for more than 20 business days following Landlord's written notice to Tenant thereof; Landlord, in addition to any other remedy available pursuant to the Lease, the Assignment or otherwise, may, but shall not be obligated to, obtain the applicable insurance required under Section 9.1 of the Original Lease, and Tenant shall pay to Landlord immediately on demand the premium cost thereof. Notwithstanding the foregoing, Tenant acknowledges and agrees that (A) the provisions of this Section 9.1(d) shall in no way relieve, limit or reduce Tenant's indemnification obligations under this Lease (and Tenant shall remain obligated under such indemnification obligations as if the CGLI required under Section 9.1 was obtained from a third-party provider meeting the requirements of such Section 9.1) or Tenant's legal obligations under any law, and (B) Tenant's right to provide self-insurance under this Section 9.1(d) shall terminate if Tenant fails to maintain the Minimum Self-Insurance Net Worth.

10.10 **Mutual Waiver of Subrogation** . Section 9.3 of the Original Lease (entitled "Mutual Waiver of Subrogation") is hereby deleted and replaced with the following:

Mutual Waiver of Subrogation . Landlord hereby releases Tenant, its partners, principals, members, shareholders, officers, directors, employees, agents, servants, and attorneys, and Tenant hereby releases Landlord and its respective partners, principals, members, shareholders, officers, directors, employees, agents, servants, and attorneys from any and all liability for loss, damage, or injury to the property of the other in or about the Leased Premises or the Property which is caused by or results from a peril or event or happening which is covered by any insurance actually carried and in force at the time of the loss by the party sustaining such loss, required to be carried by the party sustaining such loss, or permitted to be self-insured for such loss.

10.11 **Landlord Parties** . Any requirement under the Lease for Tenant to insure in favor of Landlord or to indemnify Landlord shall also be deemed to mean all Landlord Insured Parties.

10.12 **Options to Extend** . Assignee shall have the right to renew the Lease on the terms and conditions of Exhibit C hereto. Any other rights to extend the Lease Term (including, without limitation, Article 15 of the Original Lease) are hereby deleted.

10.13 **Holding Over** . Section 13.2 of the Original Lease is hereby revised to provide that Tenant shall not be liable for any damages whatsoever (other than rental amounts, including Base Monthly Rent at 150% of the that payable during the last full month for which Tenant is obligated to pay Base Monthly Rent), including, without limitation, indemnification obligations, claims for lost profits, or other consequential damages resulting from Tenant or any subtenant holding over in the Leased Premises unless such holding over exceeds 30 days.

10.14 **Cross Default** . The following is added as new Section 13.16 of the Original Lease:

13.16 **Cross Default** . A default or event of default (beyond any applicable notice, grace and cure periods) under any other written agreement between Landlord and Tenant shall constitute an event of default under the Lease, and any event of default under the Lease shall constitute a default or event of default under such other written agreement between Landlord and Tenant (without any obligation to give Tenant any additional notice or opportunity to cure period thereunder).

10.15 **Estoppel Certificates** . The second sentence of Section 13.6 of the Original Lease is hereby deleted in its entirety and replaced with the following:

Tenant's failure to execute and deliver such estoppel certificate within ten (10) days after Landlord's request therefor, which failure continues for five (5) business days after Tenant's receipt of a notice of such failure from Landlord, shall be a material default by Tenant under this Lease, and Landlord shall have all of the rights and remedies available to Landlord as Landlord would otherwise have in the case of any other material default by Tenant, including the right to terminate this Lease and sue for damages proximately caused thereby, it being agreed and understood by Tenant that Tenant's failure to so deliver such estoppel certificate in a timely manner could result in Landlord being unable to perform committed obligations to other third parties which were made by Landlord in reliance upon this covenant of Tenant.

In addition, Section 13.6 of the Original Lease is hereby revised to add the following sentence at the end:

From time to time, Landlord shall furnish to any party designated by Tenant, within 15 business days after Tenant has made a request therefor, a certificate signed by Landlord certifying whether or not the Lease is in full force and effect and whether Base Monthly Rent is more than 30 days past due.

10.16 **No Security Deposit** . Notwithstanding anything to the contrary contained in the Lease, Assignee shall not be required to deposit any Security Deposit with Landlord.

10.17 **Thirty Days to Make Payments** . Notwithstanding anything to the contrary contained in the Lease (including, without limitation, Sections 2.6 and 3.3 of the Original Lease), Assignee shall have thirty (30) days following receipt of an invoice to make any non-recurring payment required to be made by Tenant under the Lease. For clarity, non-recurring payments shall not include Base Monthly Rent or monthly installments of Additional Rent.

10.18 **Assignment by Assignee** . Item (c) of Section 7.1 of the Original Lease is hereby deleted in its entirety and replaced with the following:

(c) in Landlord's reasonable judgment, either (i) the financial net worth of the proposed assignee (after deducting all contingent and off-balance sheet liabilities) is less than $1,000,000,000.00 or (ii) the proposed assignee does not meet the credit standards applied by Landlord at the time of the proposed assignment, provided that Landlord shall not apply such financial net worth test in clause (i) above to the proposed assignee if Tenant has a financial net worth (after deducting all contingent and off-balance sheet liabilities) of not less than $1,000,000,000.00 and will not be released of its obligations under the Lease;

In addition, the last three (3) sentences of Section 7.2 of the Original Lease are hereby deleted in their entirety and replaced with the following:

Notwithstanding the foregoing, Tenant (or any Permitted Assignee, as defined herein) may, without Landlord's prior written consent and without being subject to any of the provisions of this Article 7, including without limitation, Landlord's right to recapture any portion of the Leased Premises, sublet the Leased Premises or assign this Lease to (individually, a " **Permitted Assignee** ," collectively, " **Permitted Assignees** "): (i) a subsidiary, affiliate, division, corporation at joint venture controlling, controlled by or under common control with Tenant; or (ii) a successor corporation related to Tenant by merger, consolidation, nonbankruptcy reorganization, or government action; or (iii) a purchaser of all or substantially all of the assets of Tenant; provided that the proposed Permitted Assignee under (i), (ii) or (iii) above has a net worth (after deducting all contingent and off-balance sheet liabilities) equal to or greater than $1,000,000,000.00. However, Landlord shall not apply such financial net worth test in the preceding sentence to the proposed Permitted Assignee (and the proposed Permitted Assignee shall not be required to satisfy the net worth test) if Tenant has a financial net worth (after deducting all contingent and off-balance sheet liabilities) of not less than $1,000,000,000.00 and will not be released of its obligations under the Lease. In the event any proposed assignee or subtenant under (i), (ii) or (iii) above does not qualify as a Permitted Assignee because the net worth test is required pursuant to the provisions above but is not satisfied, Landlord's consent (pursuant to Section 7.1 above) shall be required and all of the terms and conditions of this Article 7 shall apply, except that Landlord shall not be entitled to terminate this Lease pursuant to Section 7.3, and Landlord shall not be entitled to any assignment consideration or excess rentals pursuant to Section 7.5 of this Lease. If any proposed assignee or subtenant under (i), (ii) or (iii) above does not qualify as a Permitted Assignee because the net worth test is required pursuant to the provisions above but is not satisfied, then in the event Landlord nevertheless consents (pursuant to the provisions of Section 7.1 above) to such proposed assignee or subtenant, such proposed assignee or subtenant shall constitute a Permitted Assignee under this Lease. For the avoidance of doubt, no assignment, subletting or other transfer shall release Tenant from its obligations under this Lease, but rather Tenant and its transferee (other than a subtenant) shall be jointly and severally liable therefor.

11. **Exculpation** .

11.1 **CalPERS Exculpation** . Notwithstanding any provision of the Lease or this Consent and Amendment to the contrary, the liabilities and obligations of Landlord hereunder and under the Lease shall be the liabilities of Landlord only, and shall not be the liabilities or obligations of, the California Public Employees' Retirement System, an agency of the State of California (" **CalPERS** "), CommonWealth Partners, LLC, CommonWealth Pacific LLC, CWP Capital Management, LLC, any Affiliate of any of such parties, or any present or future officer, director, employee, trustee, member, retirant, beneficiary, internal investment contractor, manager, investment manager or agent of any of the same (collectively, the " **Other Landlord Partie** s"), and in no event shall Landlord, Other Landlord Parties or CalPERS be liable for lost profits or other consequential damages. Any recourse by Assignee for any breach or default of Landlord under the Lease or this Consent and Amendment or with respect to any liability or obligation related thereto (or related to the Leased Premises or the Building in any way) shall be solely against Landlord and the assets of Landlord and, there shall be no recourse on account of any such breach or default (or with respect to any such liability or obligation) against any of the Other Landlord Parties. For purposes of this Section 11.1, " **Affiliate** " shall mean any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled

by, or is under common control with CalPERS or any of CommonWealth Pacific, LLC or CWP Capital Management, LLC, as the case may be. For the purposes of this definition, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have the meanings correlative to the foregoing. The limitations of liability provided in this Section 11.1 are in addition to, and not in limitation of, any limitation of liability applicable to Landlord or CalPERS provided by law or in any other contract, agreement or instrument. Such exculpation of liability shall be absolute and without any exception whatsoever. The provisions of this Section 11.1 shall survive the termination of the Lease or this Consent and Amendment.

11.2 **Tenant Exculpation** . Notwithstanding any provision of the Lease (including, without limitation, Section 12.2 of the Original Lease) or this Consent and Amendment to the contrary, the liabilities and obligations of Assignee hereunder and under the Lease shall be the liabilities of the Tenant under the Lease only, and shall not be the liabilities or obligations of any Affiliate of Tenant or Assignee, or any present or future officer, director, employee, trustee, member, retirant, beneficiary, internal investment contractor, manager, investment manager or agent of Tenant or Assignee or any Affiliate of the same (collectively, the " **Other Tenant Parties** "), and in no event shall Assignee, Tenant or Other Tenant Parties be liable for lost profits or other consequential damages, except in connection with a holding over by Tenant (in which event, the terms and conditions of Section 13.2 of the Original Lease, as revised by Section 10.13 of this Consent and Amendment, shall govern). Any recourse by Landlord for any breach or default of Tenant under the Lease or this Consent and Amendment or with respect to any liability or obligation related thereto (or related to the Leased Premises or the Building in any way) shall be solely against Tenant and the assets of Tenant and, there shall be no recourse on account of any such breach or default (or with respect to any such liability or obligation) against any of the Other Tenant Parties. For purposes of this Section 11.2, " **Affiliate** " shall mean any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with Google Inc. or the then Tenant under the Lease, as the case may be. For the purposes of this definition, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have the meanings correlative to the foregoing. The limitations of liability provided in this Section 11.2 are in addition to, and not in limitation of, any limitation of liability applicable to Tenant or Assignee provided by law or in any other contract, agreement or instrument. Such exculpation of liability shall be absolute and without any exception whatsoever, except as otherwise expressly provided in this Section 11.2. The provisions of this Section 11.2 shall survive the termination of the Lease or this Consent and Amendment.

12. **CASp Inspection** . For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Assignor and Assignee, and Assignor and Assignee hereby acknowledge, that the Leased Premises has not undergone inspection by a Certified Access Specialist (" **CASp** ").

13. **Conditions Precedent** . Assignor's delivery to Landlord of the following items shall be conditions precedent to Landlord's consent as provided in Section 1 and the effectiveness of this Consent and Amendment:

13.1 Landlord and Assignor agreement upon the terms of payments by Assignor to Landlord, including without limitation, the "Accelerated Rental Payment", as that term is defined in the Attachment To Consent To Assignment And Amendment To Lease (" **Attachment** "), which agreed copy of the Attachment is set forth as Exhibit D and incorporated herein by this reference;

13.2 certificate(s) of insurance from Assignee satisfying all the requirements of the Lease (as amended hereby); and

13.3 a photocopy of the original executed Assignment.

Further, Assignee shall deliver to Landlord a new certificate of occupancy for the Leased Premises to the extent required from the applicable governmental authority, which new certificate of occupancy will be delivered no later than thirty

(30) days following Assignee's receipt of the same. To the extent required from the applicable governmental authority, Assignee shall use diligent, good-faith efforts to obtain and deliver the new certificate of occupancy to Landlord as promptly as is reasonably possible.

14. **Brokerage** . Neither Assignor nor Assignee has dealt with any broker or agent in connection with the negotiation or execution of this Consent and Amendment or the Assignment, other than Jones Lang LaSalle Americas, Inc. and CBRE, Inc. Assignor assumes all obligations and responsibility with respect to payment of Jones Lang LaSalle America, Inc. commission to be paid by Assignor pursuant to a separate written agreement. Assignee assumes all obligations and responsibility with respect to payment of CBRE, Inc. commission to be paid by Assignee pursuant to a separate written agreement. Assignor will indemnify, defend with competent counsel, and hold Assignee harmless from any liability for the payment of any real estate brokerage commissions, leasing commissions or finder's fees claimed by any other real estate broker(s), leasing agent(s), finder(s), or salesmen to be earned or due and payable by reason of Assignor's agreement or promise (implied or otherwise) to pay such commission by reason of its entering in to this Consent and Amendment or the Assignment. Assignee will indemnify, defend with competent counsel, and hold Assignor harmless from any liability for the payment of any real estate brokerage commissions, leasing commissions or finder's fees claimed by any other real estate broker(s), leasing agent(s), finder(s), or salesmen to be earned or due and payable by reason of Assignor's agreement or promise (implied or otherwise) to pay such commission by reason of its entering in to this Consent and Amendment or the Assignment. In no event shall Landlord be liable for any leasing or brokerage commission with respect to the negotiation and execution of the Assignment or this Consent and Amendment. Assignor and Assignee shall each jointly and severally indemnify, defend and hold Landlord harmless from and against all costs, expenses, attorneys' fees and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through or under the indemnifying party with respect to the Assignment or this Consent and Amendment.

15. **Notices** . All notices and other communications given pursuant to the Lease shall be in writing and shall be (a) mailed by first class, United States mail, postage prepaid, certified, with return receipt requested, and addressed to the parties hereto at the address listed below, (b) hand delivered to the intended addressee, or (c) sent by nationally recognized overnight courier. Notice sent by certified mail, postage prepaid, shall be effective three business days after being deposited in the United States mail; all other notices shall be effective upon delivery to the address of the addressee (even if such addressee refuses delivery thereof). The parties hereto may change their addresses by giving notice thereof to the other in conformity with this provision. The addresses for notice set forth below shall supersede and replace any addresses for notice set forth in the Lease.

Landlord :	FSP-Sunnyvale Office Park, LLC c/o CommonWealth Partners, LLC 515 Flower St., 32nd Floor Los Angeles, CA 90071 Attention: Asset Manager – 1220 Mathilda-Sunnyvale
With a copy of default notices to:	Vinson & Elkins L.L.P. 2001 Ross Ave., Suite 3700 Dallas, TX 75201 Attention: Paul A. Martin Re: Juniper Networks Lease Agreement-Sunnyvale, CA
With a copy to (for all rent and other payments by check):	FSP-Sunnyvale Office Park, LLC Lockbox # 074621 P.O. Box 844621 Los Angeles, CA 90084-4621
And a copy to (for all rent and other payments by wire/ACH):	Wells Fargo Bank, NA 420 Montgomery Street

	San Francisco, CA 94104 Acct#: 498-4656009 ABA#: 121000248
Assignor :	Juniper Networks, Inc. 1133 Innovation Way, Building A Sunnyvale, CA 94089 Attention: Sr. Director REWS
With a copy to:	Juniper Networks, Inc. 1133 Innovation Way, Building A Sunnyvale, CA 94089 Attention: General Counsel
With a copy of default notices to:	Reed Smith LLP 101 Second Street, Suite 1800 San Francisco, CA 94105 Attention: Simon T. Adams Re: Juniper Networks Lease Agreement-Sunnyvale, CA
Assignee :	Google Inc. 1600 Amphitheatre Parkway Mountain View, CA 94043 Attention: Lease Administration
With a copy to:	Google Inc. 1600 Amphitheatre Parkway Mountain View, CA 94043 Attention: Legal Department / RE Matters
With a copy of all default notices to:	Allen Matkins Leck Gamble Mallory & Natsis LLP Three Embarcadero Center, 12th Floor San Francisco, CA 94111-4074 Attention: Lee A. Edlund Re: Google Inc. Lease Agreement-Sunnyvale, CA

16. **Amendments; No Electronic Records** . The Assignment may not be amended or modified except by an instrument in writing signed by all the parties hereto; provided, however, the foregoing shall not be deemed to require Assignor's consent to any further amendment or modification to the Lease. Landlord and Assignee hereby agree not to conduct the transactions or communications contemplated by the Lease by electronic means except for electronic signatures as specifically set forth in Section 23; nor shall the use of the phrase "in writing" or the word "written" be construed to include electronic communications except for electronic signatures as specifically set forth in Section 23.

17. **Waiver of Jury Trial . TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO, AND ALL PARTIES CLAIMING BY, THROUGH OR UNDER THE PARTIES HERETO (INCLUDING THEIR RESPECTIVE SUCCESSORS, ASSIGNS AND SUBTENANTS), AFTER CONSULTATION WITH COUNSEL, KNOWINGLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF OR WITH RESPECT TO THE LEASE, THE ASSIGNMENT, THIS CONSENT AND AMENDMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.**

18. **Ratification** . Assignee hereby ratifies and confirms its obligations under the Lease, and represents and warrants to Landlord that, as of the date hereof, it has no defenses thereto. Additionally, Assignor and Assignee further confirm and ratify that, as of the date hereof, (a) the Lease is and remains in good standing and in full force and effect, (b) neither of such parties has any claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord, Assignor or Assignee, and (c) all tenant finish-work allowances provided to Assignor under the Lease or otherwise, if any, have been paid in full by Landlord to Assignor, and Landlord has no further obligations with respect thereto.

19. **Prohibited Persons and Transactions** . Landlord, Assignor and Assignee each represents and warrants that neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Assets Control (" **OFAC** ") of the Department of the Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not assign or otherwise transfer the Lease to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

20. **Binding Effect; Governing Law** . Except as modified hereby, the Lease shall remain in full effect and this Consent and Amendment shall be binding upon Landlord, Assignor, and Assignee and their respective successors and assigns. If any inconsistency exists or arises between the terms of this Consent and Amendment and the terms of the Lease, the terms of this Consent and Amendment shall prevail. This Consent and Amendment shall be governed by the laws of the state in which the Leased Premises are located.

21. **Confidentiality** . Landlord, Assignor and Assignee agree that the terms of the Lease, as amended by this Consent and Amendment, shall be kept strictly confidential. Landlord, Assignor and Assignee shall not divulge the terms of the Lease, as amended by this Consent and Amendment, to any person other than such party's officers, directors, employees, attorneys, accountants, consultants and/or real estate brokers, and/or current or prospective assignees, subtenants, master landlords, lenders or purchasers, in each instance who have a need to know any such terms and who agree to keep such information confidential. Notwithstanding the foregoing, the terms of the Lease, as amended by this Consent and Amendment, may be disclosed, without any liability whatsoever for such disclosures to any government entity, agency or any other person whom disclosure is required by law or by regulatory or judicial process, including in connection with enforcing the terms of the Lease, the Assignment or this Consent and Amendment, or in connection with disclosures and filings made to the U.S. Securities and Exchange Commission as a publically traded company with stock registered on a nationally recognized stock exchange.

22. **Entire Agreement** . This Consent and Amendment and the Assignment contain all of the agreements, understandings, representations and warranties of the parties with respect to the subject matter thereof.

23. **Counterparts** . This Consent and Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one document. To facilitate execution of this Consent and Amendment, the parties may execute and exchange by electronic mail PDF counterparts of the signature pages. Signature pages may be detached from the counterparts and attached to a single copy of this Consent and Amendment to physically form one document.

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EXECUTED as of the date first written above.

LANDLORD: **FSP-SUNNYVALE OFFICE PARK, LLC** , a Delaware limited liability company

By: /s/ Joseph A. Corrente

Name: Joseph A. Corrente

Title: Executive Vice President

ASSIGNOR: **JUNIPER NETWORKS, INC.** , a Delaware corporation

By: /s/ Mitchell L. Gaynor

Name: Mitchell L. Gaynor

Title: Executive Vice President

ASSIGNEE: **GOOGLE INC.** , a Delaware corporation

By: /s/ David Radcliffe

Name: David Radcliffe

Title: V.P. Real Estate

CONSENT OF LENDER

Bank of America, N.A., a national banking association, as Administrative Agent for the holder of certain liens secured by the Building, joins in the execution of this Consent and Amendment for the purpose of consenting to the terms contained herein and acknowledges that the existing SNDA shall remain in full force and effect and shall be enforceable by Google Inc., as the successor and assign of Juniper Networks, Inc.

BANK OF AMERICA, N.A. , a national banking association,
as Administrative Agent

By: /s/ Julia Elterman

Name: Julia Elterman

Title: SVP

EXHIBIT A

ASSIGNMENT

EXHIBIT B

LIST OF ALTERATIONS AND IMPROVEMENTS TO BE REMOVED UPON EXPIRATION OF TERM

All data and voice cabling from the buildings risers, communication closets, ceiling plenums, within building walls and beneath the floor.

All units supplying supplemental climate control and HVAC services to the Labs, Computer Rooms, Data Rooms, IDF Rooms, and Phone Closets.

First floor interior modifications for Building 3 CD Hardware R&D Lab.

EXHIBIT C

OPTIONS TO EXTEND

1. **Options to Extend** . So long as Google Inc. (hereinafter "Tenant") or its Permitted Assignee is leasing the entire Leased Premises under the Lease, and subject to the condition set forth in clause (b) below, Tenant shall have two options to extend the Lease Term with respect to the Leased Premises, the first for a period of five (5) years from the expiration of the last year of the Lease Term (the " **First Extension Period** "), and the second for a period of five (5) years from the expiration of the First Extension Period (the " **Second Extension Period** "), subject to the following conditions:

(a) Each option to extend shall be exercised, if at all, by written notice of exercise given to Landlord (the " **Extension Exercise Notice** ") not more than twelve (12) months nor less than nine (9) months prior to the expiration of the last year of the Lease Term or the expiration of the First Extension Period, as applicable;

(b) Anything herein to the contrary notwithstanding, if Tenant is in default under any of the material terms, covenants or conditions of the Lease, either at the time Tenant exercises either extension option or on the commencement date of the First Extension Period or the Second Extension Period, as applicable, Landlord shall have, in addition to all of Landlord's other rights and remedies provided in the Lease, the right to terminate such option(s) to extend upon notice to Tenant; and

(c) Tenant's right to exercise any such option to extend Lease Term for the Leased Premises shall be expressly conditioned upon the Tenant having a Lease of all of the Leased Premises in full force and effect upon the date of exercise of any such option and the date of commencement of any option period.

2. **Timely Exercise** . In the event the applicable option is exercised in a timely fashion, the Lease shall be extended for the term of the applicable extension period upon all of the terms and conditions of the Lease, provided that, the Base Monthly Rent for each extension period with respect to the Lease shall be one hundred percent (100%) of the "Fair Market Rent" (defined below) for the Leased Premises, determined as set forth below, with annual increases as determined as part of the process set forth below.

3. **Fair Market Rent** . Approximately thirty (30) days after receipt of Tenant's Extension Exercise Notice, Landlord shall notify Tenant in writing of Landlord's estimate of the Base Monthly Rent for the first year of the applicable extension period, and the estimate of annual increases based upon the Landlord's determination of the same. For purposes hereof, " **Fair Market Rent** " shall mean collectively, (1) Base Monthly Rent for the first year of the applicable extension period, which shall reflect the then-current rate for renewals of space in comparable Class A buildings (including the Building) in the Sunnyvale, Santa Clara and Mountain View, California submarket (" **Comparable Buildings** ") in direct transactions with owners of Comparable Buildings (thus excluding any subleases or other indirect transactions), and (2) the annual increases determined at the time Base Monthly Rent for the first year is determined. Within thirty (30) days after receipt of such notice from Landlord, Tenant shall have the right either to (i) accept Landlord's estimate of Fair Market Rent or (ii) elect to arbitrate the Fair Market Rent against Landlord, such arbitration to be conducted pursuant to the provisions hereof. Failure on the part of Tenant to require arbitration of Fair Market Rent within such thirty (30) day period shall constitute acceptance of the Fair Market Rent for the applicable extension period. If Tenant elects to compel arbitration, the parties agree to use good faith efforts to have the arbitration concluded within ninety (90) days after the date of Tenant's election, subject to extension for an additional period if a third arbitrator is required and does not act in a timely manner. To the extent that arbitration has not been completed prior to the expiration of any preceding period for which Base Monthly Rent has been determined, Tenant shall pay Base Monthly Rent at the rate calculated by Landlord, with the potential for an adjustment to be made once Fair Market Rent is ultimately determined by arbitration.

4. **Dispute Resolution** . In the event of arbitration, the judgment or the award rendered in any such arbitration may be entered in any court having jurisdiction and shall be final and binding upon the parties and shall be accepted by the Tenant as the Lease rental rates. The arbitration shall be conducted and determined in the City and County of San Francisco in accordance with the then prevailing rules of the American Arbitration Association or its

successor for arbitration of commercial disputes except to the extent that the procedures mandated by such rules shall be modified as follows:

(a) Tenant shall make demand to compel Landlord's participation in arbitration in writing within thirty (30) days after service of Landlord's determination of Fair Market Rent given under Section 3 above, specifying therein the name and address of the person to act as the arbitrator on behalf of Tenant. The arbitrator shall be qualified as a commercial real estate broker having at least fifteen (15) years' experience leasing space in Comparable Buildings. Failure on the part of Tenant to make a proper demand in a timely manner for such arbitration shall constitute a waiver of the right thereto. Within fifteen (15) days after the service of the demand for arbitration by Tenant, Landlord shall give notice to Tenant specifying the name and address of the person designated by Landlord to act as arbitrator on its behalf who shall be similarly qualified.

(b) In the event that two arbitrators are chosen, the arbitrators so chosen shall, within fifteen (15) days after the second arbitrator is appointed determine the Fair Market Rent. If the two arbitrators shall be unable to agree upon a determination of Fair Market Rent within such period, they, themselves, shall appoint a third arbitrator, who shall be a competent and impartial person with qualifications similar to those required of the first two arbitrators. In the event they are unable to agree upon such appointment within the period set forth within the Lease, the third arbitrator shall be selected by the parties themselves (i.e., Tenant and Landlord). If the parties do not so agree, then either party, on behalf of both, may request appointment of such a qualified person by the then Chief Judge of the United States District Court having jurisdiction over the County of Santa Clara, acting in his private and not in his official capacity, and the other party shall not raise any question as to such Judge's full power and jurisdiction to entertain the application for and make the appointment; however, if such Chief Judge refuses to act, then either party, on behalf of both, may request appointment of such a qualified person by any court of competent jurisdiction. The three arbitrators shall decide the dispute if it has not previously been resolved by substantially following the procedure set forth below.

(c) Where an issue cannot be resolved by agreement between the two arbitrators selected by Tenant and Landlord or settlement between the parties during the course of arbitration, the issue shall be resolved by the three arbitrators approximately within fifteen (15) days of the appointment of the third arbitrator in accordance with the following procedure. The arbitrator selected by each of the parties shall state in writing his determination of the Fair Market Rent supported by the reasons therefor with counterpart copies to each party. The arbitrators shall arrange for a simultaneous exchange of such proposed resolutions. The role of the third arbitrator shall be to select which of the two proposed resolutions most closely approximates his determination of Fair Market Rent. The third arbitrator shall have no right to propose a middle ground or any modification of either of the two proposed resolutions. The resolution he chooses as most closely approximating his determination shall constitute the decision of the arbitrators and be final and binding upon the Landlord and Tenant.

(d) In the event of a failure, refusal or inability of any arbitrator to act, his successor shall be appointed by him, but in the case of the third arbitrator, his successor shall be appointed in the same manner as provided for appointment of the third arbitrator. The arbitrators shall decide the issue within approximately fifteen (15) days after the appointment of the third arbitrator. Any decision in which the arbitrator appointed by Tenant and the arbitrator appointed by Landlord concur shall be binding and conclusive upon the Landlord and Tenant. Each party shall pay the fee and expenses of its respective arbitrator and both shall share the fee and expenses of the third arbitrator, if any, and the attorneys' fees and expenses of counsel for the respective parties and of witnesses shall be paid by the respective party engaging such counsel or calling such witnesses.

(e) The arbitrators shall have the right to consult experts and competent authorities to obtain factual information or evidence pertaining to a determination of Fair Market Rent, but any such consultation shall be made in the presence of both parties with full right on their part to cross-examine. The arbitrators shall render their decision and award in writing with counterpart copies to each party. The arbitrators shall have no power to modify the provisions of the Lease.

EXHIBIT D

ATTACHMENT TO CONSENT TO ASSIGNMENT AND AMENDMENT NO. 3 TO LEASE
(Building 3)

Reference is made herein to that certain Consent to Assignment and Amendment No. 3 to Lease (" **Consent and Amendment** ") dated as of August 18, 2014, by and among **FSP-SUNNYVALE OFFICE PARK, LLC** , a Delaware limited liability company (" **Landlord** "), **JUNIPER NETWORKS, INC.** , a Delaware corporation (" **Assignor** "), and **GOOGLE INC.** , a Delaware corporation (" **Assignee** "), pursuant to which Assignor transfers by way of an assignment the Lease (defined therein) to Assignee, and with Landlord's agreement certain amendments and modifications are made to the Lease (defined therein) under which Landlord will continue to lease to Assignee the entire office building, consisting of 158,075 rentable square feet of space (the " **Leased Premises** "), located at 1220 Mathilda Avenue, Sunnyvale, California 94089 (the " **Building** "). Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Lease.

1. Pursuant to Section 10 of the Consent and Amendment, the Lease Base Monthly Rent will, upon the "Assignment Date", adjust as described therein.

2. Pursuant to Section 13 of the Consent and Amendment, the Assignor is to satisfy certain conditions precedent in order for the Consent and Amendment to be effective. Landlord and Assignor agree that the following shall fully satisfy the monetary obligations of such conditions precedent and effectiveness of the Consent and Amendment as follows:

2.1 The Landlord's attorneys' fees incurred in connection with the preparation, negotiation, execution and delivery of the Consent and Amendment shall be paid by Assignor as follows: Landlord's counsel Vinson & Elkins L.L.P. will as soon as reasonably practicable deliver to Landlord an invoice of all such legal services to be charged to Landlord, and deliver a summary of the total fees to Assignor. Assignor shall confirm approval of the summary, not to be unreasonably withheld, conditioned or delayed, and Landlord shall include such charges due from Assignor as additional rent in Landlord's final reconciliation statement of additional rental charges due from Assignor for the Lease obligations up to the Assignment Date.

2.2 The Assignor shall pay to Landlord (by wire transfer to the same account customarily paid by Assignor as "Tenant" for rent) (i) the "Accelerated Rental Payment", as such term is defined herein, and (ii) the "Real Estate Tax Payment", as such term is defined herein, within two (2) business days of the fully executed delivery of the Consent and Assignment by all parties and Landlord's notice to Assignor and Assignee confirming lender consent to the Lease transfer to Assignee upon the terms and conditions of the Consent and Amendment.

2.3 In circumstances where the Assignment Date occurs prior to the last date for which Assignor has paid all Base Monthly Rent due under the Lease, Assignor shall adjust the "Accelerated Rental Payment" by a "Rent Credit Sum" as such term is defined herein.

2.4 Any other consideration due to Landlord from Assignor payable under the terms and conditions of the Lease shall be paid to Landlord as additional rent next due as described in Section 2.1 above.

2.5 The term " **Accelerated Rental Payment** " shall mean the amount of Seven Million Four Hundred Seventy Two Thousand Seven Hundred Ninety Seven and 33/100ths Dollars ($7,472,797.33) payable in readily available United States dollars.

2.6 The term " **Rent Credit Sum** " shall mean the base rent and operating expenses paid by Assignor for and relating to the last calendar month for which Assignor has paid all Base Monthly Rent due under the Lease, calculated on a daily rate in the amount of Fifteen Thousand Seventy-Nine and 09/100ths Dollars ($15,079.09) (equal to the daily amount of prepaid Base Monthly Rent paid by Assignor for periods after the Assignment Date [$17,240.06] less the net daily reduction in Base Monthly Rent payable by Assignee over Assignor [$2,160.97]) and

provided as a credit to the Assignor for each day following the actual date of the Assignment Date that may occur, if any, during the last calendar month for which Assignor has paid all Base Monthly Rent due under the Lease.

2.7 The term " **Real Estate Tax Payment** " shall mean a payment to Landlord calculated on a daily rate in the amount of One Thousand Five Hundred Eighteen and 00/100ths Dollars ($1,518.00) calculated from July 1, 2014 through and including the date immediately prior to the Assignment Date, which Real Estate Tax Payment will be credited by the Landlord towards the Assignor's obligations for the same pursuant to the terms and conditions of the Lease for the period prior to the actual Assignment Date, reserving to Landlord the rights of reconciliation as set forth in the Lease.

2.8 Where the Assignment Date occurs on a date following September 1, 2014 there shall be an equitable adjustment to the Accelerated Rental Payment to account for the period between September 1, 2014 and the actual Assignment Date. Landlord and Assignor shall work in good faith to timely reconcile their calculations in accordance with the formula the parties used to generate the above Accelerated Rental Payment for an anticipated assignment on September 1, 2014. By way of example only, an Assignment Date of September 5th would cause the Accelerated Rental Payment amount to reduce by a small adjustment amount.

3. In no event shall Landlord make any payment or provide any credit for any leasing or brokerage commission with respect to the negotiation and execution of the Assignment or the Consent and Amendment.

EXHIBIT 10.7

SUBLEASE

By And Between

Juniper Networks, Inc.,
a Delaware corporation

as Subtenant

and

Google Inc.,
a Delaware corporation

as Sublandlord

August 18, 2014

1194 N. Mathilda Avenue, Sunnyvale, California
(Building 1)

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SUBLEASE

THIS SUBLEASE, dated August 18, 2014 for reference purposes only, is made by and between **Juniper Networks, Inc.,** a Delaware corporation ("Subtenant") and **Google Inc.,** a Delaware corporation ("Sublandlord"), to be effective and binding upon the parties as of the "Assignment Date," as that term is defined hereinbelow (also referred to herein as the "Effective Date" of this Sublease).

R E C I T A L S

A. FSP-Sunnyvale Office Park, LLC ("Head Landlord") (as successor-in-interest to, among others, Sunnyvale Office Park, L.P. and Mathilda Associates LLC), as landlord, and Subtenant, as tenant, are parties to that certain Lease dated June 18, 1999, as amended by that certain First Amendment to Lease dated February 28, 2000, as further amended by that certain Second Amendment to Lease dated October 14, 2009, and as further amended by that certain Consent to Assignment and Third Amendment to Lease dated of even date herewith (collectively, the "Head Lease"), for approximately 144,315 rentable square feet of space ("Leased Premises") in the building located at 1194 N. Mathilda Avenue, Sunnyvale, California (the "Building"). The Head Lease term is due to expire June 30, 2020.

B. Concurrently with the mutual execution of this Sublease, Subtenant is assigning to Sublandlord, with the consent of Head Landlord and Head Landlord's lender (the effective date of such assignment being referred to herein as the "Assignment Date"), all of Subtenant's right, title and interest in and to:

(i) the Head Lease;

(ii) that certain Lease by and between Head Landlord (as successor-in-interest to, among others, Sunnyvale Office Park, L.P. and Mathilda Associates LLC), as landlord, and Subtenant, as tenant, dated February 28, 2000, as amended by that certain First Amendment to Lease dated October 14, 2009, and as further amended by that certain Consent to Assignment and Second Amendment to Lease dated of even date herewith (collectively, the "Building 2 Lease"), for approximately 122,435 rentable square feet of space ("Building 2 Premises") in the building located at 1184 N. Mathilda Avenue, Sunnyvale, California ("Building 2"), and due to expire October 31, 2021; and

(ii) that certain Lease by and between Head Landlord (as successor-in-interest to, among others, Sunnyvale Office Park, L.P. and Mathilda Associates II LLC), as landlord, and Subtenant, as tenant, dated August 15, 2000, as amended by that certain Amendment No. 1 to Lease dated January 24, 2002, as further amended by that certain Amendment No. 2 to Lease dated October 14, 2009, and as further amended by that certain Consent to Assignment and Amendment No. 3 to Lease dated of even date herewith (collectively, the "Building 3 Lease"), for approximately 158,075 rentable square feet of space ("Building 3 Premises") in the building located at 1220 N. Mathilda Avenue, Sunnyvale, California ("Building 3"), and due to expire November 30, 2022.

C. Head Landlord is the current owner of the Building, Building 2 and Building 3.

D. This Sublease is and shall be at all times subject and subordinate to the Head Lease as further described in Article 17 below.

A G R E E M E N T

ARTICLE 1

REFERENCE

1.1 References . All references in this Sublease (subject to any further clarifications contained in this Sublease) to the following terms shall have the following meaning or refer to the respective address, person, date, time period, amount, percentage, calendar year or fiscal year as below set forth:

Sublandlord's Address for Notice:	Google Inc. 1600 Amphitheatre Parkway Mountain View California 94043 Attention: Lease Administration with copies to: Google Inc. 1600 Amphitheatre Parkway Mountain View California 94043 Attention: Legal Department / RE Matters and Allen Matkins Leck Gamble Mallory & Natsis LLP Three Embarcadero Center, 12 th Floor San Francisco California 94111-4074 Attention: Lee A. Edlund, Esq.
Sublandlord's Representative: Phone Number:	Rebecca Mashhadian (650) 253-3898
Subtenant's Address for Notices:	Juniper Networks, Inc. 1133 Innovation Way Building A Sunnyvale California 94089
Subtenant's Representative: Phone Number:	Troy Ward (408) 936-1893
Delivery Date:	Same at the Effective Date.
Sublease Commencement Date:	Same as the Effective Date.
Sublease Term:	Approximately twenty-two (22) months.

Sublease Expiration Date:	June 30, 2016, subject to extension pursuant to Article 14 below, unless earlier terminated in accordance with the terms of this Sublease.
Options to Renew:	None.
First Month's Prepaid Rent:	None (see Section 3.8).
Subtenant's Security Deposit:	None.
Late Charge Amount:	Five Percent (5%) of the delinquent amount.
Subtenant's Required Liability Coverage:	$5,000,000 Combined Single Limit.
Sublandlord's Broker:	CBRE, Inc.
Subtenant's Broker:	Jones Lang LaSalle.
Property:	That certain real property situated in the City of Sunnyvale, County of Santa Clara, State of California, improved with two (2) building(s) (i.e., the Building and Building 2), which real property is shown on the Site Plan attached hereto as Exhibit "A" and is commonly known as or otherwise described as Sunnyvale Office Park; provided that, if Head Landlord treats Building 3 and the real property on which it is situated as part of the "Property," then the same shall be included for all purposes of this Sublease.
Building:	That certain building on the Property in which the Leased Premises are located commonly known as 1194 N. Mathilda Avenue, which Building is shown outlined on Exhibit "B" hereto.
Outside Areas:	The "Outside Areas" shall mean all areas which are located outside of and contiguous to the Building, as shown on the Site Plan, attached as Exhibit "A", such as pedestrian walkways, parking areas, landscaped area, open areas and enclosed trash disposal areas.
Leased Premises:	All the interior space within the Building, including stairwells, connecting walkways, and atriums, to consist of approximately 144,315 rentable square feet of space and, for purposes of this Sublease, agreed to contain said number of square feet.

Subtenant's Expense Share:

The term "Subtenant's Expense Share" shall mean the percentage obtained by dividing the rentable square footage of the Leased Premises at the time of calculation by the rentable square footage of the Building and multiplying by one hundred. Such percentage shall be 100% when delivered to Subtenant. In the event that the rentable square footage of the Leased Premises is changed*, Subtenant's Expense Share shall be recalculated to equal the percentage described in the first sentence of this paragraph, so that the aggregate Subtenant's Expense Share of all tenants of the Building shall equal 100%.

(* subject to equitable adjustment during the Sublease Term due to recapture or other surrender.)

Subtenant Property Share:

The term "Subtenant's Property Share" shall mean the percentage obtained by dividing the rentable square footage of the Leased Premises at the time of calculation by the rentable square footage of all buildings currently located on the Property and multiplying such fraction by one hundred.

Subtenant's Property Share for the Building (144,315/266,750 x 100) = approximately 54% [or (144,315/424,825 x 100) = approximately 34% if Head Landlord treats Building 3 as part of the Property]

In the event that any portion of the Property is sold by Head Landlord, or the rentable square footage of the Leased Premises, Building or the Property is otherwise changed, Subtenant's Property Share shall be recalculated to equal the percentage described in the first sentence of this paragraph, so that the aggregate of all tenants of the Property shall equal 100%.

Base Monthly Rent:

The term "Base Monthly Rent" shall mean the following:

Period :	Monthly Amount :
Sublease Commencement Date – 6/30/15	$416,369.75*
7/1/15 – 6/30/16	$428,990.39
7/1/16 – 12/31/16**	$421,399.80

*subject to payment made by Subtenant directly to Head Landlord in advance of the Sublease Commencement Date, which may be applicable to any period following the Sublease Commencement Date and which shall be recognized by Head Landlord and Sublandlord in the Consent Agreement (as defined in Article 15 below) (see Section 3.8 below).

** to the extent applicable if Subtenant timely and properly exercises the Expiration Extension Option (as defined in Article 14 below).

Permitted Use:	General Office, research and development, marketing, sales, and other related lawful uses.
Exhibits:	The term “Exhibits” shall mean the Exhibits of this Sublease which are described as follows: Exhibit “A” – Site Plan showing the Property, the Outside Areas and delineating the Building in which the Leased Premises are to be located. Exhibit “B” – Plan showing Leased Premises. Exhibit “C” – Sublease Commencement Date Certificate. Exhibit “D” – Form of Subtenant Estoppel Certificate. Exhibit “E” – Leased Premises Surrender Work.

ARTICLE 2

LEASED PREMISES, TERM AND POSSESSION

2.1 Demise Of Leased Premises . Sublandlord hereby leases to Subtenant and Subtenant hereby leases from Sublandlord, for the Sublease Term and upon the terms and subject to the conditions of this Sublease, that certain Leased Premises described in Article 1 as the Leased Premises in its "as is" and "with all faults" condition (it being understood that Subtenant has been occupying the Leased Premises pursuant to the Head Lease), reserving and excepting to Sublandlord the right to assignment consideration and excess rentals as provided in Article 7 below. Subtenant's lease of the Leased Premises, together with the appurtenant right to use the Outside Areas as described in Paragraph 2.2 below, shall be conditioned upon and be subject to the continuing compliance by Subtenant with (i) all the terms and conditions of this Sublease, (ii) all Laws governing the use of the Leased Premises, Outside Areas and the Property, (iii) all Private Restrictions, easements and other matters now of public record respecting the use of the Leased Premises, Outside Areas and the Property, and (iv) all reasonable rules and regulations from time to time established by Head Landlord.

2.2 Right To Use Outside Areas . As an appurtenant right to Subtenant's right to the use and occupancy of the Leased Premises, Subtenant shall have the right to use the Outside Areas in conjunction with its use of the Leased Premises solely for the purposes for which they were designated and intended and for no other purposes whatsoever. Subtenant's right to so use the Outside Areas shall be subject to the limitations on such use described in Article 1. Subtenant's right to so use the Outside Areas shall terminate concurrently with any termination of this Sublease. Provided that Subtenant named on the face of this Sublease or any Permitted Assignee is the lessee of the entire Leased Premises Sublandlord agrees that Subtenant shall have the right, subject to the terms and conditions of Section 2.6 and Article 6 – Alterations And Improvements below, to seek the consent of the Head Landlord in writing to make alterations or improvements to the Outside Areas; provided that, in all instances any such consented to alterations or improvements to the Outside Areas shall be subject to a restoration obligation by Subtenant prior to the end of the Sublease Term or upon any termination of this Sublease, all at Subtenant's sole cost and expense, to the condition immediately prior to any alteration or improvement being undertaken by Subtenant and to the reasonable satisfaction of Sublandlord and Head Landlord. Nothing in this Section 2.2 shall be construed as an obligation upon Subtenant to perform alterations or improvements to the Outside Areas during the Sublease Term. Subtenant shall at all times during the Term and any extension thereof, indemnify, defend and hold harmless Sublandlord for any and all costs, expenses, damages or losses incurred by Sublandlord due to Subtenant's failure to restore the Outside Areas upon the surrender or earlier termination of this Sublease and immediately upon demand reimburse Sublandlord for all costs or expenses incurred by Sublandlord as a result of any failure by Subtenant to so restore as required by this Section 2.2, including any legal fees, costs and expenses. Such Subtenant indemnity and reimbursement obligation shall expressly survive any termination of the Sublease or any surrender of all or a portion of the Leased Premises and the parties agree that this provision may not be waived by Sublandlord in any circumstances whatsoever.

2.3 Sublease Commencement Date And Sublease Term . The term of this Sublease shall begin, and the "Sublease Commencement Date" shall be deemed to have occurred on the Effective Date. The term of this Sublease shall end on the Sublease Expiration Date (as set forth in Article 1, except as otherwise expressly provided in this Sublease). The Sublease term shall be that period of time commencing on the Sublease Commencement Date and ending on the Sublease Expiration Date (the "Sublease Term"). Upon the request of either party, Sublandlord and Subtenant shall memorialize the actual Sublease Commencement Date by entering in to the Sublease Commencement Date Certificate attached as Exhibit "C" to this Sublease.

2.4 Intentionally omitted .

2.5 Acceptance Of Leased Premises . It is agreed that by continuing to occupy the Leased Premises as of the Effective Date, Subtenant formally accepts the Leased Premises and acknowledges the Leased Premises to be in good order and repair and in tenantable condition and as of the Effective Date no grounds exist for Subtenant to withhold rent due to Building condition.

2.6 Surrender Of Possession . Immediately prior to the expiration or upon the sooner termination of this Sublease, Subtenant, at Subtenant's sole cost and expense, shall remove all of Subtenant's signs from the exterior of the Building, if any, and Outside Areas, if any, shall perform all work described in Exhibit "E" attached hereto and incorporated herein, shall remove all of Subtenant's furniture (including, without limitation, chairs, tables, and office and cubicle furniture), supplies, wall decorations and other personal property from within the Leased Premises, the Building and the Outside Areas, and shall vacate and surrender the Leased Premises, the Building, the Outside Areas for the Property to Sublandlord in the same condition, broom clean, as existed at the Effective Date, with all Building systems and equipment in good working order and condition, damage by casualty or condemnation (which events shall be governed by Articles 10 and 11) and reasonable wear and tear excepted. Except for such reasonable wear and tear, Subtenant shall (i) repair all damage to the Leased Premises, the exterior of the Building and the Outside Areas caused by Subtenant's removal of Subtenant's property, (ii) patch and refinish, to Head Landlord's reasonable satisfaction, all penetrations made by Subtenant or its employees to the roof, floor, interior or exterior walls or ceiling of the Leased Premises and the Building, whether such penetrations were made with Sublandlord's approval or not, (iii) repair or replace all ceiling tiles and wall coverings, provided that the same shall not apply in circumstance where Head Landlord agrees pursuant to an amendment to Head Lease that Sublandlord shall not be required to replace floor coverings or damaged ceiling tiles upon the expiration or sooner termination of the Head Lease (it being understood that no floor coverings in the Premises shall be deemed to have a useful life that extends beyond the expiration or sooner termination of the Head Lease), (iv) repair all damage caused by Subtenant after the Effective Date to the exterior surface of the Building and the paved surfaces of the Outside Areas and, where necessary, replace or resurface same. Additionally, to the extent that Sublandlord shall have notified or is deemed to have notified Subtenant in writing at the time alterations or improvements were completed that it desired to have alterations or improvements made by Subtenant or at the request of Subtenant removed at the expiration or sooner termination of the Sublease, Subtenant shall, at Subtenant's sole cost and expense, upon the expiration or sooner termination of the Sublease, remove any such alterations or improvements constructed or installed by Subtenant following the Commencement Date of this Sublease and Subtenant shall repair all damage caused by such removal at its cost. Without limiting Subtenant's surrender obligations set forth in this Sublease, in order to assist Subtenant in meeting its surrender obligations, Sublandlord and Subtenant agree, upon the written request of either party given not earlier than sixty (60) days prior to the Sublease Expiration Date (as the same may be extended pursuant to Article 14 below), to conduct a walkthrough of the Leased Premises at a mutually convenient time and to use good faith efforts to identify and agree upon items that must be addressed by Subtenant to satisfy Subtenant's surrender obligations. If the Leased Premises, the Building, the Outside Areas or the Property are not surrendered to Sublandlord in the condition required by this Section 2.6 at the expiration or sooner termination of this Sublease, Sublandlord may, at Subtenant's cost and expense, so remove Subtenant's signs, property and/or improvements not so removed and make such repairs and replacements not so made or hire, at Subtenant's cost and expense, independent contractors to perform such work. Subtenant shall be liable to Sublandlord for all reasonable out-of-pocket costs and expenses incurred by Sublandlord in returning the Leased Premises, the Building and the Outside Areas to the required condition. Subtenant shall pay to Sublandlord the amount of all reasonable out-of-pocket cost and expense so incurred within thirty (30) days of Sublandlord's billing Subtenant for same. Subtenant shall indemnify, defend and hold harmless Sublandlord against any and all loss or liability resulting from delay by Subtenant in surrendering the Leased Premises in a timely manner on or before the Sublease Expiration Date

(as the same may be extended from time to time) upon and subject to the terms and conditions of Section 18.2 below.

ARTICLE 3

RENT AND LATE CHARGES

3.1 Base Monthly Rent . Commencing on the Sublease Commencement Date (as determined pursuant to Paragraph 2.3 above) and continuing throughout the Sublease Term, Subtenant shall pay to Sublandlord, without prior demand therefor, in advance on the first day of each calendar month, the amount set forth as "Base Monthly Rent" in Article 1 (the "Base Monthly Rent").

3.2 Additional Rent . Commencing on the Sublease Commencement Date (as determined pursuant to Paragraph 2.3 above) and continuing throughout the Sublease Term, in addition to the Base Monthly Rent and to the extent not required by Sublandlord to be contracted for and paid directly by Subtenant, Subtenant shall pay to Sublandlord as additional rent (the "Additional Rent") the following amounts:

(a) An amount equal to all Property Operating Expenses (as defined in Article 18) incurred by Sublandlord pursuant to the terms of the Head Lease. Payment shall be made by whichever of the following methods (or combination of methods) is (are) from time to time designated by Sublandlord:

(i) Sublandlord may forward invoices or bills for such expenses to Subtenant, and Subtenant shall, no later than thirty (30) days following receipt of any such invoices or bills, pay such invoices or bills and deliver satisfactory evidence of such payment to Sublandlord, and/or

(ii) Sublandlord may bill to Subtenant, on a periodic basis not more frequently than monthly, the amount of such expenses (or group of expenses) as paid or incurred by Sublandlord, and Subtenant shall pay to Sublandlord the amount of such expenses within thirty (30) days after receipt of a written bill therefor from Sublandlord, and/or

(iii) Sublandlord may deliver to Subtenant Sublandlord's reasonable estimate of any given expense (such as Sublandlord's Insurance Costs or Real Property Taxes), or group of expenses, which it anticipates will be paid or incurred for the ensuing calendar or fiscal year, as Sublandlord may determine, and Subtenant shall pay to Sublandlord an amount equal to the estimated amount of such expenses for such year in equal monthly installments during such year with the installments of Base Monthly Rent.

Sublandlord reserves the right to change from time to time the methods of billing Subtenant for any given expense or group of expenses or the periodic basis on which such expenses are billed.

(b) Sublandlord's share of the consideration received by Subtenant upon certain assignments and sublettings as required by Article 7.

(c) Any legal fees and costs that Subtenant is obligated to pay or reimburse to Sublandlord; and

(d) Any other charges or reimbursements due Sublandlord from Subtenant pursuant to the terms of this Sublease.

Notwithstanding the foregoing, Sublandlord may elect by thirty (30) days prior written notice to Subtenant (provided such written notice is received by Subtenant at least thirty (30) days prior to delinquency) to have Subtenant pay Real Property Taxes or any portion thereof directly to Head Landlord or directly to the applicable taxing authority, in which case Subtenant shall make such payments and deliver satisfactory evidence of payment to Sublandlord no later than ten (10) days

before such Real Property Taxes become delinquent. The Sublandlord and Subtenant acknowledge and agree that the Sublease provides for Subtenant to pay for Subtenant's Property Share of all charges incurred by Sublandlord pursuant to the Head Lease, which charges shall be a pass through of the same charged to Sublandlord by the Head Landlord; provided, however, the parties recognize that the Head Landlord has adopted a policy of charging the Sublandlord in an aggregated format for delivery of Head Landlord's statement invoices, which format combines the Property (as such term is defined in the Head Lease) as the same relates to this Building and Building 2 with the "Property" (as such term is defined in the Building 3 Sublease) for the purposes of establishing project accounting and Head Landlord's statements delivered in respect of Operating Expenses, Outside Areas charges, Real Property Taxes and any other consideration due from Sublandlord as a tenant and as the same are allocated upon a pro rata share that such project buildings relate to such project. Subtenant agrees to pay Sublandlord in accordance with the Head Landlord's statement invoice information and format allocation established by Head Landlord for the Leased Premises and Building and Sublandlord's respective pro rata share of such costs and expenses for the project charged to Sublandlord.

3.3 Audit . Subtenant may upon written notice to Sublandlord request that Sublandlord cause an audit of Head Landlord's books and records to determine the accuracy of Head Landlord's billings for Property Operating Expenses under this Sublease, provided Subtenant requests such audit within the period that is prescribed pursuant to the terms, covenants and conditions of the Head Lease after Sublandlord's and Subtenant's receipt of the Head Lease year-end statement described in Section 3.2 above setting forth the annual reconciliation of the Property Operating Expenses or any change in estimated monthly expenses under Section 3.2(a)(iii) above. Subtenant agrees to pay all of the out-of-pocket costs and expenses of the Sublandlord related to such audit. If such audit reveals that the actual Property Operating Expenses for any given year were less than the amount that Subtenant paid for Property Operating Expenses for any such year, then Sublandlord shall use reasonable efforts to seek payment from Head Landlord to pay to Subtenant the excess after first deducting all of Sublandlord's costs and expenses of audit, including any legal costs and fees associated with enforcing audit rights in the Head Lease against the Head Landlord. Subtenant shall promptly reasonably approve Sublandlord's reasonably selected consultant and Subtenant agrees Sublandlord shall have the right to require Subtenant to post a cash security deposit with Sublandlord in the amount of Sublandlord's third party audit consultant costs, fees and expenses, as reasonably estimated by Sublandlord, prior to Sublandlord being obligated to commence any audit against the Head Landlord on behalf of Subtenant. Sublandlord and Subtenant shall use commercially reasonable, good faith efforts to cause Head Landlord, in its consent to this Sublease, to agree (i) to deliver a copy of all Property Operating Expense statements to both Sublandlord and Subtenant contemporaneously and (ii) that any audit right of the Sublandlord shall be extended for any period of time Head Landlord has failed to deliver a copy of end of year Property Operating Expense statements to Subtenant.

3.4 Intentionally omitted .

3.5 Year-End Adjustments . If Sublandlord shall have elected to bill Subtenant for the Property Operating Expenses (or any group of such expenses) on an estimated basis in accordance with the provisions of Paragraph 3.2(a)(iii) above, Sublandlord shall furnish to Subtenant within five (5) business days of receipt of the report from Head Landlord following the end of the applicable calendar or fiscal year, as the case may be, a copy statement setting forth (i) the amount of such expenses paid or incurred during the just ended calendar or fiscal year, as appropriate, and (ii) the amount that Subtenant has paid to Sublandlord for credit against such expenses for such period. Sublandlord and Subtenant agree that the foregoing obligation on Sublandlord shall not apply in circumstances where the Head Landlord has agreed in writing to provide a statement to both Sublandlord and Subtenant contemporaneously. If Subtenant shall have paid more than its obligation for such expenses for the stated period, Sublandlord shall at its election, either (i) credit the amount of such overpayment toward the next ensuing payment or payments of Additional Rent that would otherwise be due or (ii) refund in cash to Subtenant the amount of such overpayment within thirty (30) days after it has been conclusively determined by Sublandlord that an overpayment has been made by Subtenant. If such

year-end statement shall show that Subtenant did not pay its obligation for such expenses in full, then Subtenant shall pay to Sublandlord the amount of such underpayment within thirty (30) days from Sublandlord's billing of same to Subtenant. The provisions of this Paragraph shall survive the expiration or sooner termination of this Sublease.

3.6 Late Charge, And Interest On Rent In Default . Subtenant acknowledges that the late payment by Subtenant of any monthly installment of Base Monthly Rent or any Additional Rent will cause Sublandlord to incur certain costs and expenses not contemplated under this Sublease, the exact amounts of which are extremely difficult or impractical to fix. Such costs and expenses will include without limitation, administration and collection costs and processing and accounting expenses. Therefore, if any installment of Base Monthly Rent is not received by Sublandlord from Subtenant when the same becomes due, Subtenant shall immediately pay to Sublandlord a late charge in an amount equal to the amount set forth in Article 1 as the "Late Charge Amount," and if any Additional Rent is not received by Sublandlord when the same becomes due, Subtenant shall immediately pay to Sublandlord a late charge in an amount equal to five percent (5%) of the Additional Rent not so paid. Sublandlord and Subtenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Sublandlord for the anticipated loss Sublandlord would suffer by reason of Subtenant's failure to make timely payment. In no event shall this provision for a late charge be deemed to grant to Subtenant a grace period or extension of time within which to pay any rental installment or prevent Sublandlord from exercising any right or remedy available to Sublandlord upon Subtenant's failure to pay each rental installment due under this Sublease when due, including the right to terminate this Sublease. If any rent remains delinquent for a period in excess of ten (10) calendar days, then, in addition to such late charge, Subtenant shall pay to Sublandlord interest on any rent that is not so paid from said tenth day at the then maximum rate of interest not prohibited or made usurious by Law until paid. Provided tenant named on the face of this Sublease or its Permitted Assignee is Subtenant under this Sublease, then Sublandlord agrees that once in any twelve (12) month period during the Sublease Term, Subtenant shall be entitled to written notice of delinquency in timely payment of Base Monthly Rent or Additional Rent from the Sublandlord, and Subtenant shall not be liable for any Late Charge Amount or other late charge hereunder if such installment of Base Monthly Rent or Additional Rent is received by Sublandlord within ten (10) days after Subtenant's receipt of such notice of delinquency from Sublandlord; provided, however, such right granted by Sublandlord to Subtenant shall immediately cease and terminate for the remainder of the Sublease Term (by its own volition and without any further action on the part of the Sublandlord) upon the delivery by Sublandlord of a third notice of delinquency by Subtenant. The above stated right to notice and extension of payment period shall be personal to tenant named on the face of this Sublease or its Permitted Assignee and shall not be transferable to any other party.

3.7 Payment Of Rent . Except as specifically provided otherwise in this Sublease, all rent shall be paid in lawful money of the United States, without any abatement, reduction or offset for any reason whatsoever, to Sublandlord at such address as Sublandlord may designate from time to time. Subtenant's obligation to pay Base Monthly Rent and all Additional Rent shall be appropriately prorated at the commencement and expiration of the Sublease Term. The failure by Subtenant to pay any Additional Rent as required pursuant to this Sublease when due shall be treated the same as a failure by Subtenant to pay Base Monthly Rent when due, and Sublandlord shall have the same rights and remedies against Subtenant as Sublandlord would have had Subtenant failed to pay the Base Monthly Rent when due.

3.8 Prepaid Rent . Subtenant shall not be required to make an advance payment of Base Monthly Rent pursuant to the term of this Sublease upon the execution of this Sublease. Sublandlord and Subtenant agree to work in good faith to seek the consent and approval of Head Landlord to recognize any Base Monthly Rent payment made by Subtenant directly to Head Landlord prior to the Sublease Commencement Date pursuant to the Head Lease (to the extent such payment covers any period following the Sublease Commencement Date) as a Base Monthly Rent payment made by Sublandlord

pursuant to the Head Lease, conditional upon Sublandlord's recognition of such Base Monthly Rent payment satisfying Subtenant's Base Monthly Rent obligations pursuant to this Sublease until such time as such Base Monthly Rent payment is exhausted, after which time Sublandlord agrees to pay to Head Landlord the Base Monthly Rent obligations pursuant to the Head Lease and Subtenant agree to pay to Sublandlord the Base Monthly Rent obligations pursuant to this Sublease.

ARTICLE 4

USE OF LEASED PREMISES AND OUTSIDE AREA

4.1 Permitted Use . Subtenant shall be entitled to use the Leased Premises solely for the "Permitted Use" as set forth in Article 1 and for no other purpose whatsoever. Subtenant shall have the right to vacate the Leased Premises at any time during the Sublease Term, provided Subtenant continues to pay rent and other charges when due and maintains the Leased Premises in the same condition as if fully occupied and as otherwise required by the terms of this Sublease. Subtenant shall have the right to use the Outside Areas in conjunction with its Permitted Use of the Leased Premises solely for the purposes for which they were designed and intended and for no other purposes whatsoever.

4.2 General Limitations On Use . Subtenant shall not do or permit anything to be done in or about the Leased Premises, the Building, the Outside Areas or the Property which does or could (i) jeopardize the structural integrity of the Building or (ii) cause damage to any part of the Leased Premises, the Building, the Outside Areas or the Property. Subtenant shall not operate any equipment within the Leased Premises which does or could (i) injure, vibrate or shake the Leased Premises or the Building, (ii) damage, overload or impair the efficient operation of any electrical, plumbing, heating, ventilating or air conditioning systems within or servicing the Leased Premises or the Building, or (iii) damage or impair the efficient operation of the sprinkler system (if any) within or servicing the Leased Premises or the Building. Subtenant shall not (i) install any equipment or antennas on or make any penetrations of the exterior walls or roof of the Building or (ii) affix any equipment or make any penetrations or cuts in the floors, ceiling or walls of the Leased Premises, without Sublandlord's prior written consent, which consent shall not be unreasonably withheld, and consent of the Head Landlord, which Head Landlord consent Sublandlord shall use reasonable efforts to procure, at Subtenant's cost and expense; provided, however, any consent shall be subject to Subtenant's acknowledgement and agreement that Head Landlord's consent is, and at all times shall be granted or withheld in accordance with the terms, covenants and conditions of the Head Lease; provided, further, that it shall be reasonable for Sublandlord and Head Landlord to withhold consent if Subtenant's proposed installations or penetrations impact the structural integrity of the Building. Any installations, penetrations or cuts in the interior or exterior walls, roof, floor or ceiling of the Building will be subject to Subtenant's restoration obligations at Subtenant's cost and expense as set forth in this Sublease and the terms of Article 6 below. Subtenant shall not place any loads upon the floors, walls, ceiling or roof systems which could endanger the structural integrity of the Building or damage its floors, foundations or supporting structural components. Subtenant shall not place any explosive, flammable or harmful fluids or other waste materials in the drainage systems of the Leased Premises, the Building, the Outside Areas or the Property. Subtenant shall not drain or discharge any fluids in the landscaped areas or across the paved areas of the Property. Subtenant shall not use any of the Outside Areas for the storage of its materials, supplies, inventory or equipment and all such materials, supplies, inventory or equipment shall at all times be stored within the Leased Premises. Subtenant shall not commit nor permit to be committed any waste in or about the Leased Premises, the Building, the Outside Areas or the Property.

4.3 Noise And Emissions . All noise generated by Subtenant in its use of the Leased Premises shall be confined or muffled so that it does not interfere with the businesses of or annoy the occupants and/or users of adjacent properties. All dust, fumes, odors and other emissions generated by Subtenant's use of the Leased Premises shall be sufficiently dissipated in accordance with sound environmental practice and exhausted from the Leased Premises in such a manner so as not to interfere

with the businesses of or annoy the occupants and/or users of adjacent properties, or cause any damage to the Leased Premises, the Building, the Outside Areas or the Property or any component part thereof or the property of adjacent property owners.

4.4 Trash Disposal . Subtenant shall provide trash bins or other adequate garbage disposal facilities within the trash enclosure areas provided or permitted by Sublandlord outside the Leased Premises sufficient for the interim disposal of all of its trash, garbage and waste. All such trash, garbage and waste temporarily stored in such areas shall be stored in such a manner so that it is not visible from outside of such areas, and Subtenant shall cause such trash, garbage and waste to be regularly removed from the Leased Premises and the Property. Subtenant shall keep the Leased Premises in a clean, safe and neat condition and keep the Outside Areas (except the trash enclosure areas) free and clear of all of Subtenant's trash, garbage, waste and/or boxes, pallets and containers containing same at all times.

4.5 Parking . Subtenant shall have the non-exclusive use of Subtenant's proportionate share (calculated using the same method as Subtenant's Expense Share) of parking spaces located in the Outside Areas at the Property. Subtenant agrees that its use of the parking areas shall be limited to the parking stalls located in the Outside Areas for the Property, which parking stalls shall be those customarily used and located to service the Building and generally depicted in the hatched area on the plan attached to this Sublease at Exhibit "A". Subtenant shall not at any time, park or permit to be parked any recreational vehicles, inoperative vehicles or equipment in the Outside Areas or on any portion of the Property. Subtenant agrees to assume responsibility for compliance by its employees and invitees with the parking provisions contained herein. If Subtenant or its employees park any vehicle within the Property in violation of these provisions, then Sublandlord may, upon prior written notice to Subtenant giving Subtenant one (1) day (or any applicable statutory notice period, if longer than one (1) day) remove such vehicle(s). Sublandlord reserves for the benefit of Head Landlord the right to grant easements and access rights to others for use of the parking areas on the Property, provided that such grants do not materially interfere with Subtenant's use of the parking areas. Subtenant shall ensure that Subtenant's employees shall at all times comply with any reasonable parking rules and regulations required by Head Landlord, if any, pursuant to the terms, covenants and conditions of the Head Lease. Sublandlord and Subtenant acknowledge and agree that each party shall use reasonable efforts to encourage their respective employees, licensees or invitees to utilize the parking areas at the Property or the combined project as designated for the appropriate Building 1, or Building 2, or Building 3 as the case may be.

4.6 Signs . Other than business identification signs allowed pursuant to this Section 4.6, Subtenant shall not place or install on or within any portion of the Leased Premises, the exterior of the Buildings, the Outside Areas or the Property any sign, advertisement, banner, placard, or picture which is visible from the exterior of the Leased Premises. Subject to necessary permit obligations by the City of Sunnyvale, provided Subtenant leases all of the Leased Premises at the Building, Subtenant shall have the right during the Sublease Term to retain its existing signage on Building. Subtenant agrees to remove Subtenant's Building sign from the Building in a timely manner, in a manner approved by Head Landlord, and in accordance with the Head Lease terms. Subtenant shall use reasonable efforts to remove Subtenant's Building exterior sign prior to the actual expiration or earlier termination of this Sublease; provided, however, Sublandlord acknowledges and agrees that non-removal of such Building exterior sign shall not delay surrender of the Leased Premises to Sublandlord where all other surrender conditions set forth in this Sublease are met by Subtenant and Subtenant is actively prosecuting the removal and restoration of the Building sign with Subtenant's contractors subject to Head Landlord's requirements pursuant to the terms and conditions of the Head Lease. Notwithstanding the foregoing, if Subtenant has not removed Subtenant's Building sign from the Building within sixty (60) days after the expiration or earlier termination of this Sublease, then Sublandlord shall have the right, but not the obligation, upon delivery of written notice to Subtenant, to remove Subtenant's Building sign from the Building in a manner approved by Head Landlord and in accordance with the Head Lease terms. Subtenant shall pay to Sublandlord, within thirty (30) days after receipt of reasonably detailed invoices, all actual out-of-pocket costs incurred by Sublandlord

in connection with the removal of Subtenant's Building sign. In addition, subject to necessary permit obligations by the City of Sunnyvale, Subtenant shall have the right during the Sublease Term to retain its existing monument signage in respect of Building until the expiration or earlier termination of this Sublease. Such monument sign(s) shall at all times during the Sublease Term comply with all requirements imposed by the City of Sunnyvale. Sublandlord may remove any non-compliant signs (which have not been approved by Sublandlord and consented to by Head Landlord in writing), advertisements, banners, placards or pictures so placed by Subtenant on or within the Leased Premises, the exterior of the Building, the Outside Areas or the Property and charge to Subtenant the cost of such removal, together with any costs incurred by Sublandlord to repair any damage caused thereby, including any cost incurred to restore the surface (upon which such sign was so affixed) to its original condition. Without limiting Subtenant's right to retain monument and building signage for the Building until expiration or earlier termination of this Sublease, Subtenant agrees to remove Subtenant's existing signage from the monument which belongs to the Building in a timely manner, in a manner approved by Head Landlord, and in accordance with the Head Lease terms. Subtenant shall use reasonable efforts remove Subtenant's existing business identification signs (including such existing Building monument signage) from the Property and Outside Areas prior to surrender of the Leased Premises to Sublandlord; provided, however, Sublandlord acknowledges and agrees that non-removal of such Building monument signage shall not delay surrender of the Leased Premises to Sublandlord where all other surrender conditions set forth in this Sublease are met by Subtenant and Subtenant is actively prosecuting the removal and restoration of the Building monument signage with Subtenant's contractors subject to Head Landlord's requirements pursuant to the terms and conditions of the Head Lease. Notwithstanding the foregoing, if Subtenant has not removed Subtenant's Building monument signage within sixty (60) days after the expiration or earlier termination of this Sublease, then Sublandlord shall have the right, but not the obligation, upon delivery of written notice to Subtenant, to remove Subtenant's signage from the Building monument in a manner approved by Head Landlord and in accordance with the Head Lease terms. Subtenant shall pay to Sublandlord, within thirty (30) days after receipt of reasonably detailed invoices, all actual out-of-pocket costs incurred by Sublandlord in connection with the removal of Subtenant's Building monument signage. Notwithstanding anything to the contrary contained herein, Subtenant shall remove at Subtenant's cost and expense all of Subtenant's signs, repair any damage caused thereby, and restore the surface upon which the sign was affixed to its original condition, all to Head Landlord's reasonable satisfaction, pursuant to the terms, covenants and conditions of the Head Lease.

4.7 Compliance With Laws And Private Restrictions . Subtenant shall abide by and shall promptly observe and comply with, at its sole cost and expense, all Laws and Private Restrictions respecting the use and occupancy of the Leased Premises, the Building, the Outside Areas or the Property including, without limitation, all Laws governing the use and/or disposal of Hazardous Materials, and shall defend with competent counsel, indemnify and hold Sublandlord harmless from any claims, damages or liability resulting from Subtenant's failure to so abide, observe, or comply with all Laws and Private Restrictions. Subtenant's obligations hereunder shall survive the expiration or sooner termination of this Sublease.

4.8 Compliance With Insurance Requirements . With respect to any terms of any insurance policies required or permitted to be carried by Sublandlord in accordance with the provision of this Sublease, notice of which terms have been or will, upon Subtenant's written request therefor, be provided to Subtenant, Subtenant shall not conduct nor permit any other person to conduct any activities nor keep, store or use (or allow any other person to keep, store or use) any item or thing within the Leased Premises, the Building, the Outside Areas or the Property which (i) is prohibited under the terms of any such policies, (ii) could result in the termination of the coverage afforded under any of such policies, (iii) could give to the insurance carrier the right to cancel any of such policies, or (iv) could cause an increase in the rates (over standard rates) charged, for the coverage afforded under any of such policies. Subtenant shall comply with all requirements of any insurance company, insurance underwriter, or Board of Fire Underwriters which are necessary to maintain, at standard rates, the insurance coverage carried by either Sublandlord or Subtenant pursuant to this Sublease.

4.9 Sublandlord's Right To Enter . Sublandlord and its agents and Head Landlord and its agents shall have the right to enter the Leased Premises during normal business hours after giving Subtenant reasonable notice and subject to Subtenant's reasonable security measures for the purpose of (i) inspecting the same; (ii) showing the Leased Premises to prospective purchasers, mortgagees or tenants; (iii) making necessary alterations, additions or repairs; and (iv) performing any of Subtenant's obligations when Subtenant has failed to do so. Sublandlord shall have the right to enter the Leased Premises during normal business hours (or as otherwise agreed), subject to Subtenant's reasonable security measures, for purposes of supplying any maintenance or services agreed to be supplied by Sublandlord or through Sublandlord by Head Landlord. Sublandlord and Head Landlord shall have the right to enter the Outside Areas during normal business hours for purposes of (i) inspecting the exterior of the Building and the Outside Areas; (ii) posting notices of nonresponsibility (and for such purposes Subtenant shall provide Sublandlord at least thirty (30) days' prior written notice of any work to be performed on the Leased Premises); and (iii) supplying any services to be provided by Sublandlord or Head Landlord. Any entry into the Leased Premises or the Outside Areas obtained by Sublandlord or Head Landlord in accordance with this paragraph shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Leased Premises, or an eviction, actual or constructive, of Subtenant from the Leased Premises or any portion thereof. In exercising its rights under this Section 4.9, Sublandlord shall use reasonable efforts to minimize interference with Subtenant's use of the Leased Premises and the Outside Areas. Sublandlord shall use reasonable efforts at Subtenant's cost and expense to cause Head Landlord to minimize interference with Subtenant's use of the Leased Premises.

4.10 Use Of Outside Areas . Subtenant, in its use of the Outside Areas, shall at all times keep the Outside Areas in a safe condition free and clear of all materials, equipment, debris, trash (except within existing enclosed trash areas), inoperable vehicles, and other items which are not specifically permitted pursuant to the terms, covenants and conditions of the Head Lease. If, in the opinion of Sublandlord, unauthorized persons are using any of the Outside Areas by reason of, or under claim of, the express or implied authority or consent of Subtenant, then Subtenant, upon demand of Sublandlord, shall restrain, to the fullest extent then allowed by Law, such unauthorized use, and shall initiate such appropriate proceedings as may be required to so restrain such use. Sublandlord reserves for the benefit of Head Landlord the right to grant easements and access rights to others for use of the Outside Areas and shall not be liable to Subtenant for any diminution in Subtenant's right to use the Outside Areas as a result; provided, however, that, Sublandlord shall not exercise its rights pursuant to this Section 4.10 in a manner which materially and adversely affects Subtenant's ability to use the Leased Premises and the Outside Areas for the Permitted Use or materially and adversely affects Subtenant's parking rights. Upon receipt of written request from Subtenant Sublandlord shall use reasonable efforts at Subtenant's cost and expense to cause Head Landlord to refrain from exercise of Head Landlord's rights pursuant to the Head Lease in a manner which materially and adversely affects Subtenant's ability to use the Leased Premises and the Outside Areas for the Permitted Use or materially and adversely affects Subtenant's parking rights. Any protest or contest conducted against Head Landlord by Subtenant under this Section 4.10 shall be at Subtenant's sole cost and expense and if interest or late charges become payable as a result of such contest or protest, Subtenant shall pay the same. Subtenant shall promptly reasonably approve Sublandlord's reasonably selected consultant and Subtenant agrees Sublandlord shall have the right prior to any such protest or contest commencing to require Subtenant to post a cash security deposit with the Sublandlord to cover all the Sublandlord's third party consultant costs, fees and expenses, as reasonably estimated by Sublandlord, prior to Sublandlord being obligated to commence such protest or contest.

4.11 Environmental Protection . Subtenant's obligations under this Section 4.11 shall survive the expiration or termination of this Sublease.

(a) As used herein, the term "Hazardous Materials" shall mean any toxic or hazardous substance, material or waste or any pollutant or infectious or radioactive material, including but not limited to those substances, materials or wastes regulated now or in the future under any of the

following statutes or regulations and any and all of those substances included within the definitions of “hazardous substances,” “hazardous materials,” “hazardous waste,” “hazardous chemical substance or mixture,” “imminently hazardous chemical substance or mixture,” “toxic substances,” “hazardous air pollutant,” “toxic pollutant,” or “solid waste” in the (a) Comprehensive Environmental Response, Compensation and Liability Act of 1990 (“CERCLA” or “Superfund”), as amended by the Superfund Amendments and Reauthorization Act of 1986 (“SARA”), 42 U.S.C. § 9601 *et seq* ., (b) Resource Conservation and Recovery Act of 1976 (“RCRA”), 42 U.S.C. § 6901 *et seq* ., (c) Federal Water Pollution Control Act (“FSPCA”), 33 U.S.C.. § 1251 *et seq* ., (d) Clean Air Act (“CAA”), 42 U.S.C. § 7401 *et seq* ., (e) Toxic Substances Control Act (“TSCA”), 14 U.S.C. § 2601 *et seq* ., (f) Hazardous Materials Transportation Act, 49 U.S.C. § 1801, *et seq* ., (g) Carpenter-Presley-Tanner Hazardous Substance Account Act (“California Superfund”), Cal. Health & Safety Code § 25300 *et seq* ., (h) California Hazardous Waste Control Act, Cal. Health & Safety code § 25100 *et seq* ., (i) Porter-Cologne Water Quality Control Act (“Porter-Cologne Act”), Cal. Water Code § 13000 *et seq* ., (j) Hazardous Waste Disposal Land Use Law, Cal. Health & Safety codes § 25220 *et seq* ., (k) Safe Drinking Water and Toxic Enforcement Act of 1986 (“Proposition 65”), Cal. Health & Safety code § 25249.5 *et seq* ., (1) Hazardous Substances Underground Storage Tank Law, Cal. Health & Safety code § 25280 *et seq* ., (m) Air Resources Law, Cal. Health & Safety Code § 39000 *et seq* ., and (n) regulations promulgated pursuant to said laws or any replacement thereof, or as similar terms are defined in the federal, state and local laws, statutes, regulations, orders or rules. Hazardous Materials shall also mean any and all other biohazardous wastes and substances, materials and wastes which are, or in the future become, regulated under applicable Laws for the protection of health or the environment, or which are classified as hazardous or toxic substances, materials or wastes, pollutants or contaminants, as defined, listed or regulated by any federal, state or local law, regulation or order or by common law decision, including, without limitation, (i) trichloroethylene, tetrachloroethylene, perchloroethylene and other chlorinated solvents, (ii) any petroleum products or fractions thereof, (iii) asbestos, (iv) polychlorinted biphenyls, (v) flammable explosives, (vi) urea formaldehyde, (vii) radioactive materials and waste, and (viii) materials and wastes that are harmful to or may threaten human health, ecology or the environment.

(b) Notwithstanding anything to the contrary in this Sublease, Subtenant, at its sole cost, shall comply with all Laws relating to the storage, use and disposal of Hazardous Materials by Subtenant, its subtenants, their respective agents, employees, contractors or invitees (collectively, the “Subtenant Parties”). Subtenant shall not store, use or dispose of any Hazardous Materials except for those Hazardous Materials listed in a Hazardous Materials management plan (“HMMP”) which Subtenant shall deliver to Sublandlord upon execution of this Sublease and update at least annually with Sublandlord (“Permitted Materials”) which may be used, stored and disposed of provided (i) such Permitted Materials are used, stored, transported, and disposed of in strict compliance with applicable laws, (ii) such Permitted Materials shall be limited to the materials listed on and may be used only in the quantities specified in the HMMP, and (iii) Subtenant shall provide Sublandlord with copies of all material safety data sheets and other documentation required under applicable Laws in connection with Subtenant’s use of Permitted Materials as and when such documentation is provided to any regulatory, authority having jurisdiction, in no event shall Subtenant cause or permit to be discharged into the plumbing or sewage system of the Building or onto the land underlying or adjacent to the Building any Hazardous Materials. Subtenant shall be solely responsible for and shall defend, indemnify, and hold Sublandlord and Head Landlord, and their respective agents, harmless from and against all claims, costs and liabilities, including attorneys’ fees and costs, arising out of or in connection with Subtenant’s storage, use and/or disposal of Hazardous Materials. If the presence of Hazardous Materials on the Leased Premises caused or permitted by Subtenant results in contamination or deterioration of water or soil, then Subtenant shall promptly take any and all action necessary to clean up such contamination as required by Law, but the foregoing shall in no event be deemed to constitute permission by Sublandlord to allow the presence of such Hazardous Materials. At any time prior to the expiration of the Sublease Term if Subtenant has a reasonable basis to suspect that there has been any release or the presence of Hazardous Materials in the ground or ground water on the Leased Premises which did not exist upon commencement of the Sublease Term, Subtenant

shall have the right upon written approval from Head Landlord to conduct appropriate tests of water and soil and to deliver to Sublandlord and Head Landlord the results of such tests to demonstrate that no contamination in excess of permitted levels has occurred as a result of Subtenant's use of the Leased Premises. Subtenant shall further be solely responsible for, and shall defend, indemnify, and hold Sublandlord and Head Landlord, and their respective agents, harmless from and against all claims, costs and liabilities, including attorneys' fees and costs, arising out of or in connection with any removal, cleanup and restoration work and materials required hereunder to return the Leased Premises and any other property of whatever nature to their condition existing prior to the appearance of the Hazardous Materials, to the extent such removal, cleanup and restoration work is required by Law.

(c) Upon termination or expiration of the Sublease, Subtenant at its sole expense shall cause all Hazardous Materials placed in or about the Leased Premises, the Building and/or the Property by any Subtenant Parties, and all installations (whether interior or exterior) made by or on behalf of Subtenant relating to the storage, use, disposal or transportation of Hazardous Materials to be removed from the Property and transported for use, storage or disposal in accordance and compliance with all Laws and other requirements respecting Hazardous Materials used or permitted to be used by Subtenant. Subtenant shall apply for and shall obtain from all appropriate regulatory authorities (including any applicable fire department or regional water quality control board) all permits, approvals and clearances necessary for the removal of any such Hazardous Materials from the Property and shall take all other actions as may be required (i) under such permits, approvals and clearances, and (ii) to complete the surrender of the Leased Premises to Sublandlord. In addition, prior to vacating the Leased Premises, at Sublandlord's reasonable advanced written request upon the showing of Hazardous Materials placed in or about the Leased Premises, the Building or the Property by Subtenant, then Subtenant shall undertake and submit to Sublandlord and Head Landlord an environmental site assessment from an environmental consulting company reasonably acceptable to Sublandlord and Head Landlord, which site assessment shall evidence Subtenant's compliance with this Section 4.11.

(d) At any time prior to expiration of the Sublease Term, subject to reasonable prior notice (not less than forty-eight (48) hours) and Subtenant's reasonable security requirements and provided such activities do not unreasonably interfere with the conduct of Subtenant's business at the Leased Premises, Sublandlord shall have the right and reserves to Head Landlord the right to enter in and upon the Property, Building and Leased Premises in order to conduct appropriate tests of water and soil to determine whether levels of any Hazardous Materials in excess of legally permissible levels has occurred as a result of any Subtenant Parties' use thereof. Sublandlord shall furnish copies of all such test results and reports to Subtenant and, at Subtenant's option and cost, shall permit split sampling for testing and analysis by Subtenant. Such testing shall be at Subtenant's expense if Sublandlord has a reasonable basis for suspecting and confirms the presence of Hazardous Materials in the soil or surface or ground water in, on, under, or about the Property, the Building or the Leased Premises, which has been caused by or resulted from the activities of any Subtenant Parties.

(e) Sublandlord and Head Landlord may voluntarily cooperate in a reasonable manner with the efforts of all governmental agencies in reducing actual or potential environmental damage. Subtenant shall not be entitled to terminate this Sublease or to any reduction in or abatement of rent by reason of such compliance or cooperation. Subtenant agrees at all times to cooperate fully with the requirements and recommendations of governmental agencies regulating, or otherwise involved in, the protection of the environment.

4.12 Rules And Regulations . At any time during the Sublease Term that the tenant named on the face of this Sublease or its Permitted Assignee is not the sole tenant of the Leased Premises and Building, Sublandlord shall have the right from time to time to implement the Head Landlord's reasonable rules and regulations and/or amendments or additions thereto respecting the use of the Leased Premises, the Building and the Outside Areas for the care and orderly management of the

Property as desired by Head Landlord. Upon delivery to Subtenant of a copy of such rules and regulations or any amendments or additions thereto, Subtenant shall comply with such rules and regulations. A violation by Subtenant of any of such rules and regulations shall constitute a default by Subtenant under this Sublease. If there is a conflict between the rules and regulations and any of the provisions of this Sublease, the provisions of this Sublease shall prevail. Sublandlord shall not be responsible for or liable to Subtenant with respect to the violation of such rules and regulations by any other tenant of the Property or the Building, as the case may be.

4.13 Reservations . Sublandlord reserves for the benefit of Head Landlord the right from time to time to grant, without the consent or joinder of Subtenant, such easements, rights of way and dedications that Head Landlord deems necessary, and to cause the recordation of parcel maps and covenants, conditions and restrictions, so long as such easements, rights of way, dedications and covenants, conditions and restrictions do not materially and adversely affect the use of the Leased Premises by Subtenant, materially and adversely affect Subtenant's parking rights, and do not prohibit any Permitted Use. Subtenant agrees to execute any documents reasonably request by Sublandlord on behalf of Head Landlord to effectuate any such easement rights, dedications, maps or covenants, conditions and restrictions.

ARTICLE 5

REPAIRS, MAINTENANCE, SERVICES AND UTILITIES

5.1 Repair And Maintenance . Except in the case of damage to or destruction of the Leased Premises, the Building, the Outside Areas or the Property caused by an act of God or other peril, in which case the provisions of Article 10 shall control, the parties shall have the following obligations and responsibilities with respect to the repair and maintenance of the Leased Premises, the Building, the Outside Areas, and the Property.

(a) Subtenant's Obligations . Subtenant shall, at all times during the Sublease Term and at its sole cost and expense, regularly clean and continuously keep and maintain in good order, condition and repair the Leased Premises and every part thereof including, without limiting the generality of the foregoing, (i) all interior walls, floors and ceilings, (ii) all windows, doors and skylights installed for or on behalf of Subtenant (iii) all electrical wiring, conduits, connectors and fixtures, (iv) all plumbing, pipes, sinks, toilets, faucets and drains, (v) all lighting fixtures, bulbs and lamps and all heating, ventilating and air conditioning equipment, (vi) all entranceways to the Leased Premises, and (vii) any and all maintenance and repair items that Sublandlord is required to maintain and repair pursuant to the Head Lease which do not form part of Head Landlord's obligations. Subtenant shall hire, at Subtenant's sole cost and expense, a licensed heating, ventilating and air conditioning contractor to regularly and periodically (not less frequently than every three months) inspect and perform required maintenance on the heating, ventilating and air conditioning equipment and systems serving the Leased Premises. Subtenant shall hire, at Subtenant's sole cost and expense, a licensed roofing contractor to regularly and periodically (not less frequently than semiannually) inspect and perform required maintenance on the roof of the Building. If Subtenant shall be in default of its obligations to maintain the heating, ventilating and air conditioning equipment and systems or roof, Sublandlord may, at its election, contract in its own name for such regular and periodic inspections and maintenance of the heating, ventilating and air conditioning equipment and systems and/or roof, and charge to Subtenant, as Additional Rent, the cost thereof. Subtenant shall, at its sole cost and expense, repair all damage to the Leased Premises, the Building, the Outside Areas or the Property caused by the activities of Subtenant, its employees, invitees or contractors promptly following written notice from Sublandlord to so repair such damages (subject to Section 9.3 of this Sublease). If Subtenant shall fail to perform the required maintenance or fail to make repairs required of it pursuant to this paragraph within a reasonable period of time following notice from Sublandlord to do so, then Sublandlord may, at its election and without waiving any other remedy it may otherwise have under this Sublease or at law, perform such maintenance or make such repairs and charge to

Subtenant, as Additional Rent, the costs so incurred by Sublandlord for same. All glass within or a part of the interior of the Leased Premises, but not the exterior, is at the sole risk of Subtenant and any broken glass shall promptly be replaced by Subtenant at Subtenant's expense with glass of the same kind, size and quality. In the event that, due to normal wear and tear (and not due to other factors, including, without limitation, Subtenant's misuse, overuse or Subtenant's alterations, improvements or modifications to the Leased Premises, the Outside Areas or the Building), Subtenant would be required by this Section 5.1(a) to make a repair or replacement that is considered a "capital improvement" as determined by Head Landlord then Head Landlord shall make such repair or replacement and charge to Subtenant through Sublandlord, as Additional Rent, the cost thereof (provided that the cost of such repair or replacement shall be amortized over its useful life and only the amortizing portion of such cost shall be included in Additional Rent on a monthly basis as provided under the terms and conditions of the Head Lease). Subtenant shall not be required to maintain or repair any item described in (i) through (vii) above to the extent that the same is an item which the Head Landlord has expressly assumed the responsibility to maintain and repair pursuant to the terms and conditions of the Head Lease and Head Landlord's obligation is ongoing as of the date such maintenance and repair is required and Sublandlord has the right to require the Head Landlord to perform the same.

(b) Head Landlord's Obligation . Sublandlord shall use reasonable efforts to cause Head Landlord at its sole cost and expense, at all times during the Sublease Term, to maintain in good condition and repair the foundation, the footings, the roof screen, the roof screen penetrations, the roof structure, load-bearing and exterior walls, exterior doors and exterior glass of the Building. Subtenant agrees that pursuant to an amendment to the Head Lease the Head Landlord's maintenance obligations under the Head Lease shall be amended to include exterior doors and exterior windows of the Building (it being understood that, without limiting the generality of the foregoing, the exterior glass of the Building shall be insured by Head Landlord's fire and property damage insurance, the cost of which is included in Sublandlord's Insurance Costs). Sublandlord shall use reasonable efforts to cause Head Landlord, at all times during the Sublease Term, to regularly and continuously keep and maintain in good order and repair and in a clean and safe condition the Outside Areas, and charge to Subtenant, as Additional Rent, the cost thereof. The contractors of Head Landlord shall regularly and periodically sweep and clean the driveways and parking areas, and charge to Subtenant, as Additional Rent, the cost thereof.

5.2 Utilities . Subtenant shall arrange at its sole cost and expense and in its own name, for the supply of gas and electricity to the Leased Premises. In the event that such services are not separately metered, Subtenant shall, at its sole expense, cause such meters to be installed. Head Landlord shall maintain the water meter(s) in its own name; provided, however, that if at any time during the Sublease Term Head Landlord shall require Sublandlord to notice Subtenant to put the water service in Subtenant's name, Subtenant shall do so at Subtenant's sole cost. Subtenant shall be responsible for determining if the local supplier of water, gas and electricity can supply the needs of Subtenant and whether or not the existing water, gas and electrical distribution systems within the Building and the Leased Premises are adequate for Subtenant's needs. Subtenant shall be responsible for determining if the existing sanitary and storm sewer systems now servicing the Leased Premises and the Property are adequate for Subtenant's needs. Subtenant shall pay all charges for water, gas, electricity and storm and sanitary sewer services as so supplied to the Leased Premises, irrespective of whether or not the services are maintained in Head Landlord's, Sublandlord's or Subtenant's name.

5.3 Security . Subtenant acknowledges that Sublandlord and Head Landlord have not undertaken any duty whatsoever to provide security for the Leased Premises, the Building, the Outside Areas or the Property and, accordingly, Sublandlord and Head Landlord are not responsible for the security of same or the protection of Subtenant's property or Subtenant's employees, invitees or contractors. To the extent Subtenant determines that such security or protection services are advisable or necessary, Subtenant shall arrange for and pay the costs of providing same.

5.4 Energy And Resource Consumption . Sublandlord and Head Landlord may voluntarily cooperate in a reasonable manner with the efforts of governmental agencies and/or utility suppliers in reducing energy or other resource consumption within the Property. Subtenant shall not be entitled to terminate this Sublease or to any reduction in or abatement of rent by reason of such compliance or cooperation. Subtenant agrees at all times to cooperate fully with Sublandlord and to abide by all reasonable rules established by Head Landlord (i) in order to maximize the efficient operation of the electrical, heating, ventilating and air conditioning systems and all other energy or other resource consumption systems with the Property and/or (ii) in order to comply with the requirements and recommendations of utility suppliers and governmental agencies regulating the consumption of energy and/or other resources.

5.5 Limitation Of Sublandlord's Liability . Sublandlord shall not be liable to Subtenant for injury to Subtenant, its employees, agents, invitees or contractors, damage to Subtenant's property or loss of Subtenant's business or profits, nor shall Subtenant be entitled to terminate this Sublease or to any reduction in or abatement of rent by reason of (i) Sublandlord's or Head Landlord's failure to provide security services or systems within the Property for the protection of the Leased Premises, the Building or the Outside Areas, or the protection of Subtenant's property or Subtenant's employees, invitees, agents or contractors, or (ii) Sublandlord's or Head Landlord's failure to perform any maintenance or repairs to the Leased Premises, the Building, the Outside Areas or the Property until Subtenant shall have first notified Sublandlord and Head Landlord, in writing, of the need for such maintenance or repairs, and then only after Head Landlord shall have had a reasonable period of time following its receipt of such notice within which to perform such maintenance or repairs, or (iii) any failure, interruption, rationing or other curtailment in the supply of water, electric current, gas or other utility service to the Leased Premises, the Building, the Outside Areas or the Property from whatever cause (other than to the extent caused by Sublandlord's active negligence or intentional misconduct), or (iv) the unauthorized intrusion or entry into the Leased Premises by third parties (other than Sublandlord).

ARTICLE 6

ALTERATIONS AND IMPROVEMENTS

6.1 By Subtenant . Subtenant shall not make any alterations to or modifications of the Leased Premises or construct any improvements within the Leased Premises until Sublandlord and Head Landlord shall have first approved, in writing, the plans and specifications therefor, which approval shall not be unreasonably withheld or delayed. Sublandlord's approval shall be conditioned upon the Subtenant restoring the alterations within the Leased Premises to their delivery condition prior to the surrender of the Leased Premises upon the Expiration Date or termination of the Sublease. Subtenant's written request to Sublandlord and Head Landlord shall also contain a request for Sublandlord and Head Landlord each to elect whether or not it will require the removal of the subject alterations, modifications or improvements at the expiration or earlier termination of this Sublease. If such additional request is not included, Sublandlord and Head Landlord each may make such election at the expiration or earlier termination of this Sublease. All modifications, alterations or improvements, once approved by Sublandlord and Head Landlord, shall be made, constructed or installed by Subtenant at Subtenant's expense (including all permit fees and governmental charges related thereto), using a licensed contractor first approved by Sublandlord and Head Landlord, in substantial compliance with the approved plans and specifications therefor. All work undertaken by Subtenant shall be done in accordance with all Laws and in a good and workmanlike manner using new materials of good quality. Subtenant shall not commence the making of any such modifications or alterations or the construction of any such improvements until (i) all required governmental approvals and permits shall have been obtained, (ii) all requirements regarding insurance imposed by this Sublease have been satisfied, (iii) Subtenant shall have given Sublandlord and Head Landlord at least five (5) business days prior written notice of its intention to commence such work so that Sublandlord and Head Landlord may post and file notices of non-responsibility, and (iv) if requested by Sublandlord

or Head Landlord, Subtenant shall have obtained builder's risk insurance in an amount satisfactory to Sublandlord and/or Head Landlord in its reasonable discretion to cover any perils relating to the proposed work not covered by insurance carried by Subtenant pursuant to Article 9. In no event shall Subtenant make any modification, alterations or improvements whatsoever to the Outside Areas or the exterior or structural components of the Building including, without limitation, any cuts or penetrations in the floor, roof or exterior walls of the Leased Premises (except to the extent Subtenant has obtained Sublandlord's and Head Landlord's approval pursuant to Section 4.2). As used in this Article, the term "modifications, alterations and/or improvements" shall include, without limitation, the installation of additional electrical outlets, overhead lighting fixtures, drains, sinks, partitions, doorways, or the like. Provided that Head Landlord expressly consents to the following terms of Section 6.1 as part of consent of this Sublease then notwithstanding the foregoing Subtenant, without the prior written consent of Sublandlord or Head Landlord, shall be permitted to make non-structural alternations to the Leased Premises, provided that: (a) such alterations do not exceed $20,000 individually, (b) Subtenant shall timely provide Sublandlord and Head Landlord the notice required pursuant to Paragraph 4.9 above, (c) Subtenant shall notify Sublandlord and Head Landlord in writing within thirty (30) days of completion of the alteration and deliver to Sublandlord and Head Landlord a set of the plans and specifications therefor, either "as built" or marked to show construction changes made, and (d) Subtenant shall upon Sublandlord's or Head Landlord's request, remove the alteration at the termination of the Sublease and restore the Leased Premises to their condition prior to such alteration.

6.2 Ownership Of Improvements . All modifications, alterations and improvements made or added to the Leased Premises by Subtenant (other than Subtenant's inventory, equipment, movable furniture, wall decorations and trade fixtures) shall be deemed real property and a part of the Leased Premises, but shall remain the property of Subtenant during the Sublease. Any such modifications, alterations or improvements, once completed, shall not be altered or removed from the Leased Premises during the Sublease Term without both (i) Sublandlord's written approval first obtained pursuant to the terms, covenants and conditions of this Sublease and (ii) Head Landlord's written approval first obtained pursuant to the terms, covenants and conditions of the Head Lease. At the expiration or sooner termination of this Sublease, all such modifications, alterations and improvements not required to be restored to their original delivery condition (other than Subtenant's inventory, equipment, movable furniture, wall decorations and trade fixtures) shall automatically become the property of Sublandlord and shall be surrendered as part of the Leased Premises as required pursuant to Article 2, unless Subtenant shall be required to remove any of such modifications, alterations or improvements in accordance with the provisions of Article 2 or Section 6.1, in which case Subtenant shall so remove the same. Sublandlord shall have no obligations to reimburse Subtenant for all or any portion of the cost or value of any such modifications, alterations or improvements so surrendered. All modifications, alterations or improvements which are installed or constructed on or attached to the Leased Premises by Head Landlord at Head Landlord's expense shall be deemed real property and a part of the Leased Premises and shall be surrendered upon the expiration date of this Sublease. All lighting, plumbing, electrical, heating, ventilating and air conditioning fixtures, partitioning, window coverings, wall coverings and floor coverings installed by Subtenant shall be deemed improvements or alterations to the Leased Premises, as the case may be, and not trade fixtures of Subtenant. Sublandlord shall have no lien or interest whatsoever in any of Subtenant's personal property or equipment located in the Leased Premises or elsewhere, and Sublandlord waives any such liens and interests and Sublandlord hereby agrees to execute (and agrees to use reasonable efforts to cause Head Landlord to execute at Subtenant's cost and expense) a commercially reasonable Sublandlord and Head Landlord waiver with respect thereto in favor of any lender or equipment lessor to the extent the same is requested by Subtenant in writing and provided the same is written substantially in the form attached to the Head Lease as Exhibit F.

6.3 Alterations Required By Law . Subtenant shall make all modifications, alterations and improvements to the Leased Premises, at its sole cost, that are required by any Law because of (i) Subtenant's use or occupancy of the Leased Premises, the Building, the Outside Areas or the Property

or Subtenant's business operations, (ii) Subtenant's application for any permit or governmental approval, or (iii) Subtenant's making of any modifications, alterations or improvements to or within the Leased Premises. If Sublandlord or Head Landlord shall, at any time during the Sublease Term, be required by any governmental authority to make any modifications, alterations or improvements to the Building, the Outside Areas or the Property, the cost incurred by Sublandlord or Head Landlord, as the case may be, in making such modifications, alterations or improvements, including interest at a rate equal to the greater of (a) twelve percent (12%), or (b) the sum of that rate quoted by Wells Fargo Bank, N T. & S.A. from time to time as its prime rate, plus two percent (2%) ("Wells Prime Plus Two") (but in no event more than the maximum interest rate permitted by law), shall be amortized over the useful life of such modifications, alterations or improvements, as determined in accordance with generally accepted accounting principles, and the monthly amortized cost of such modifications, alterations and improvements as so amortized shall be considered a Property Maintenance Cost and paid for by Subtenant pursuant to the terms of this Sublease.

6.4 Liens . Subtenant shall keep the Leased Premises, Building and Property and every part thereof free from any lien, and shall pay when due all bills arising out of any work performed, materials furnished, or obligations incurred by Subtenant, its agents, employees or contractors relating to the Leased Premises, Building and the Property. If any such claim of mechanics', laborers' or materialmen's lien is recorded against Subtenant's interest in this Sublease, the Leased Premises, the Building or the Property or any part thereof, Subtenant shall bond against, discharge or otherwise cause such lien to be entirely released within five (5) business days after the same has been recorded. Subtenant's failure to do so shall be conclusively deemed a material default of this Sublease.

ARTICLE 7

ASSIGNMENT AND SUBLETTING BY SUBTENANT

7.1 Permitted Assignments . Notwithstanding anything in this Article 7 to the contrary, Subtenant named on the face of this Sublease (or any "Permitted Assignee", as defined in this Article 7), without Sublandlord's prior written consent and without being subject to any of the provisions of this Article 7, including without limitation, Sublandlord's right to recapture, shall have the right to sublet the Leased Premises, or any portion thereof, or assign this Sublease to a "Permitted Assignee". For the purposes of this Sublease a "Permitted Assignee" shall mean: (a) a subsidiary, affiliate, division, corporation or joint venture controlling, controlled by or under common control with Subtenant; (b) a successor corporation related to Subtenant by merger, consolidation, nonbankruptcy reorganization, or government action; or (c) a purchaser of all or substantially all of the assets of Subtenant; provided that the proposed Permitted Assignee under (a), (b) or (c) above has a net worth (after deducting all contingent and off-balance sheet liabilities) equal to or greater than $1,000,000,000.00. However, Sublandlord shall not apply such financial net worth test in the preceding sentence to the proposed Permitted Assignee (and the proposed Permitted Assignee shall not be required to satisfy the net worth test) if Subtenant has a financial net worth (after deducting all contingent and off-balance sheet liabilities) of not less than $1,000,000,000.00 and will not be released of its obligations under this Sublease. In the event any proposed assignee or subtenant under (a), (b) or (c) above does not qualify as a Permitted Assignee because the net worth test is required pursuant to the provisions above but is not satisfied, Sublandlord's consent (pursuant to Section 7.2 below) shall be required and all of the terms and conditions of this Article 7 shall apply, except that Sublandlord shall not be entitled to terminate this Sublease pursuant to Section 7.4 below, and Sublandlord shall not be entitled to any assignment consideration or excess rentals pursuant to Section 7.6 below. If any proposed assignee or subtenant under (a), (b) or (c) above does not qualify as a Permitted Assignee because the net worth test is required pursuant to the provisions above but is not satisfied, then in the event Sublandlord nevertheless consents (pursuant to the provisions of Section 7.2 below) to such proposed assignee or subtenant, such proposed assignee or subtenant shall constitute a Permitted Assignee under this Sublease. For the avoidance of doubt, no assignment, subletting or other transfer shall release

Subtenant from its obligations under this Sublease, but rather Subtenant and its transferee (other than a sub-subtenant) shall be jointly and severally liable therefor.

7.2 Sublandlord's Consent . Subject to Section 7.1 above, Subtenant shall not sublet the Leased Premises or any portion thereof or assign its interest in this Sublease, whether voluntarily or by operation of Law, without Sublandlord's prior written consent which shall not be unreasonably withheld, conditioned or delayed. Any attempted subletting or assignment without Sublandlord's prior written consent, at Sublandlord's election, shall constitute a default by Subtenant under the terms of this Sublease. The acceptance of rent by Sublandlord from any person or entity other than Subtenant, or the acceptance of rent by Sublandlord from Subtenant with knowledge of a violation of the provisions of this Article 7, shall not be deemed to be a waiver by Sublandlord of any provision of this Article or any other provision of this Sublease, or to be a consent to any subletting by Subtenant or any assignment of Subtenant's interest in this Sublease. Without limiting the circumstances in which it may be reasonable for Sublandlord to withhold its consent to an assignment or subletting, Sublandlord and Subtenant acknowledge that it shall be reasonable for Sublandlord to withhold its consent in the following instances:

(a) the proposed assignee or sublessee is a governmental agency;

(b) in Sublandlord's reasonable judgment, the use of the Leased Premises by the proposed assignee or sublessee would involve occupancy other than a Permitted Use as set forth in Article 1, would entail any alterations which would lessen the value of the leasehold improvements in the Leased Premises, or would require increased services by Head Landlord, or would require any increase in Sublandlord's expenses not otherwise compensated in full by Subtenant;

(c) in Sublandlord's reasonable judgment, either (i) the financial worth of the proposed assignee (after deducting all contingent and off-balance sheet liabilities) is less than $1,000,000,000.00 or (ii) does not meet the credit standards applied by Sublandlord at the time of the proposed assignment, provided that Sublandlord shall not apply such financial net worth test in clause (i) above to the proposed assignee if Subtenant has a financial net worth (after deducting all contingent and off-balance sheet liabilities) of not less than $1,000,000,000.00 and will not be released of its obligations under this Sublease;

(d) the proposed assignee or sublessee (or any of its affiliates) has been in material default under a lease, has been in litigation with a previous landlord due to a default under a lease, or in the ten years prior to the assignment or sublease has filed for bankruptcy protection, has been the subject of an involuntary bankruptcy, or has been adjudged insolvent;

(e) Sublandlord or Head Landlord has experienced a previous default by or is in litigation with the proposed assignee or sublessee;

(f) in Sublandlord's reasonable judgment, the Leased Premises, or the relevant part thereof, will be used in a manner that will violate any negative covenant as to use contained in this Sublease or the Head Lease;

(g) the use of the Leased Premises by the proposed assignee or sublessee will violate any applicable law, ordinance or regulation;

(h) the proposed assignment or sublease fails to include all of the terms and provisions required to be included therein pursuant to this Article 7;

(i) Subtenant is in default of any obligation of Subtenant under this Sublease, or Subtenant has defaulted on any of its payment obligations under this Sublease on two or more occasions during the 12 months preceding the date that Subtenant shall have requested consent; or

(j) if the subletting would result in the division of any floor of the Leased Premises into more than two subleased parcels or would require improvements to be made outside of the Leased Premises.

7.3 Merger, Reorganization, or Sale of Assets . Each of the following shall be deemed a voluntary assignment of Subtenant's interest in this Sublease subject to this Article 7: (a) dissolution, merger, consolidation or other reorganization of Subtenant; or (b) at any time that the capital stock of Subtenant is not publicly traded on a recognized exchange, the sale or transfer in one or more transactions to one or more related parties of a controlling percentage of the capital stock of Subtenant; or (c) the sale or transfer of all or substantially all of the assets of Subtenant. The phrase "controlling percentage" means the ownership of and the right to vote stock possessing more than fifty percent (50%) of the total combined voting power of all classes of Subtenant's capital stock issued, outstanding and entitled to vote for the election of directors.

7.4 Sublandlord's Election; Recapture Option . If Subtenant shall desire to assign its interest under the Sublease or to sublet the Leased Premises or any portion thereof, Subtenant must first notify Sublandlord, in writing, of its intent to so assign or sublet, at least thirty (30) days in advance of the date it intends to so assign its interest in this Sublease or sublet the Leased Premises or any portion thereof ("Contemplated Transfer Date") but not sooner than one hundred eighty (180) days in advance of such Contemplated Transfer Date, specifying in detail the terms of such proposed assignment or subletting, including the Contemplated Transfer Date, the name of the proposed assignee or sublessee, the property assignee's or sublessee's intended use of the Leased Premises or any portion thereof, current financial statements (including a balance sheet, income statement and statement of cash flow, all prepared in accordance with generally accepted accounting principles consistently applied) of such proposed assignee or sublessee, the form of documents (in final intended language format) to be used in effectuating such assignment or subletting and such other information as Sublandlord may reasonably request. Sublandlord shall have a period of fifteen (15) business days following receipt of such notice and all required information within which to do one of the following: (i) consent to such requested assignment or subletting subject to Subtenant's compliance with the conditions set forth in Section 7.5 below, or (ii) refuse to so consent to such requested assignment or subletting, provided that such consent shall not be unreasonably refused, or (iii) terminate this Sublease as to such Leased Premises or portion thereof, as the case may be, and recapture the same. During such fifteen (15) business day period, Subtenant covenants and agrees to supply to Sublandlord, upon request, all additional information which Sublandlord may reasonably request respecting such proposed assignment or subletting and/or the proposed assignee or sublessee. Delay by Subtenant in delivery of such information shall extend the period of time Sublandlord shall be entitled to in order to make Sublandlord's determination. Notwithstanding the foregoing, if Sublandlord elects to recapture as provided herein, Sublandlord shall notify Subtenant thereof during such fifteen (15) business day period and Subtenant shall have fifteen (15) business days after receipt of such notice of recapture to rescind its request for consent to the assignment or subletting by providing written notice to Sublandlord, in which case the Sublease shall continue in full force and effect between Subtenant and Sublandlord and no transfer shall take place to the proposed assignee or sublessee. In the event of a recapture by Sublandlord and no election of rescission by Subtenant, Sublandlord shall recapture that portion of the Leased Premises set forth in the original Subtenant notice of assignment or subletting upon the Contemplated Transfer Date and this Sublease shall either terminate in the case of a recapture of one hundred percent (100%) of the Leased Premises or, this Sublease as so amended shall continue in full force and effect and the parties shall execute a written amendment of the same.

7.5 Conditions To Sublandlord's Consent . If Sublandlord elects to consent, or shall have been ordered to so consent by a court of competent jurisdiction, to such requested assignment or subletting, such consent shall be expressly conditioned upon the occurrence of each of the conditions below set forth, and any purported assignment or subletting made or ordered prior to the full and complete satisfaction of each of the following conditions shall be void and, at the election of Sublandlord,

which election may be exercised at any time following such a purported assignment or subletting but prior to the satisfaction of each of the stated conditions, shall constitute a material default by Subtenant under this Sublease until cured by satisfying in full each such condition by the assignee or sublessee. The conditions are as follows:

(a) Sublandlord having approved in form and substance the assignment or sublease agreement and any ancillary documents, which approval shall not be unreasonably withheld by Sublandlord if the requirements of this Article 7 are otherwise satisfied.

(b) Each such sublessee or assignee having agreed, in writing satisfactory to Sublandlord and its counsel and for the benefit of Sublandlord, to assume, to be bound by, and to perform the obligations of this Sublease to be performed by Subtenant which relate to space being assigned or subleased.

(c) Subtenant having fully and completely performed all of its obligations under the terms of this Sublease through and including the date of such assignment or subletting.

(d) Subtenant having reimbursed to Sublandlord all reasonable costs and reasonable attorneys' fees incurred by Sublandlord in conjunction with the processing and documentation of any such requested subletting or assignment.

(e) Subtenant having delivered to Sublandlord a complete and fully-executed duplicate original of such sublease agreement or assignment agreement (as applicable) and all related agreements.

(f) Subtenant having paid, or having agreed in writing to pay as to future payments, to Sublandlord fifty percent (50%) of all assignment consideration or excess rentals to be paid to Subtenant or to any other party on Subtenant's behalf or for Subtenant's benefit for such assignment or subletting as follows:

(i) If Subtenant assigns its interest under this Sublease and if all or a portion of the consideration for such assignment is to be paid by the assignee at the time of the assignment, that Subtenant shall have paid to Sublandlord and Sublandlord shall have received an amount equal to fifty percent (50%) of the assignment consideration so paid or to be paid (whichever is the greater) at the time of the assignment by the assignee.

(ii) If Subtenant assigns its interest under this Sublease and if Subtenant is to receive all or a portion of the consideration for such assignment in future installments, that Subtenant and Subtenant's assignee shall have entered into a written agreement with and for the benefit of Sublandlord satisfactory to Sublandlord and its counsel whereby Subtenant and Subtenant's assignee jointly agree to pay to Sublandlord an amount equal to fifty percent (50%) of all such future assignment consideration installments to be paid by such assignee as and when such assignment consideration is so paid.

(iii) If Subtenant subleases the Leased Premises (or any portion thereof), that Subtenant and Subtenant's sublessee shall have entered into a written agreement with and for the benefit of Sublandlord satisfactory to Sublandlord and its counsel whereby Subtenant and Subtenant's sublessee jointly agree to pay to Sublandlord fifty percent (50%) of all excess rentals to be paid by such sublessee as and when such excess rentals are so paid.

7.6 Assignment Consideration And Excess Rentals Defined . For purposes of this Article, including any amendment to this Article by way of addendum or other writing, the term "assignment consideration" shall mean all consideration to be paid by the assignee to Subtenant or to any other third party on Subtenant's behalf or for Subtenant's benefit as consideration for such assignment,

after deduction for reasonable leasing commissions and reasonable legal fees incurred by Subtenant in connection with such assignment. The term “excess rentals” shall mean all consideration to be paid by the sublessee to Subtenant or to any other third party on Subtenant’s behalf or for Subtenant’s benefit for the sublease of the Leased Premises, or portion thereof, in excess of the rent due to Sublandlord under the terms of this Sublease for the same period, after deduction for reasonable leasing commissions and reasonable legal fees incurred by Subtenant in connection with such sublease. Subtenant agrees that the portion of any assignment consideration and/or excess rentals arising from any assignment or subletting by Subtenant which is to be paid to Sublandlord pursuant to this Article now is and shall then be the property of Sublandlord at all times and not the property of Subtenant.

7.7 Payments . All payments required by this Article to be made to Sublandlord shall be made in cash in full as and when they become due. At the time Subtenant, Subtenant’s assignee or sublessee makes each such payment to Sublandlord, Subtenant or Subtenant’s assignee or sublessee, as the case may be, shall deliver to Sublandlord an itemized statement in reasonable detail showing the method by which the amount due Sublandlord was calculated and certified by the party making such payment as true and correct.

7.8 Good Faith . The rights granted to Subtenant by this Article are granted in consideration of Subtenant’s express covenant that all pertinent allocations which are made by Subtenant between the rental value of the Leased Premises, or any portion thereof, and the value of any of Subtenant’s personal property which may be conveyed or leased generally concurrently with and which may reasonably be considered a part of the same transaction as the permitted assignment or subletting shall be made fairly, honestly and in good faith. If Subtenant shall breach this covenant, Sublandlord may immediately declare Subtenant to be in default under the terms of this Sublease and terminate this Sublease and/or exercise any other rights and remedies Sublandlord would have under the terms of this Sublease in the case of a material default by Subtenant under this Sublease.

7.9 Effect Of Sublandlord’s Consent . No subletting or assignment, even with the consent of Sublandlord, shall relieve Subtenant of its personal and primary obligation to pay Rent and to perform all of the other obligations to be performed by Subtenant hereunder. Consent by Sublandlord to one or more assignments of Subtenant’s interest in this Sublease or to one or more sublettings of the Leased Premises, or portion thereof, shall not be deemed to be a consent to any subsequent assignment or subletting. If Sublandlord shall have been ordered by a court of competent jurisdiction to consent to a requested assignment or subletting, or such an assignment or subletting shall have been ordered by a court of competent jurisdiction over the objection of Sublandlord, such assignment or subletting shall not be binding between the assignee (or sublessee) and Sublandlord until such time as all conditions set forth in Section 7.5 above have been fully satisfied (to the extent not then satisfied) by the assignee or sublessee, including, without limitation, the payment to Sublandlord of all agreed assignment considerations and/or excess rentals then due Sublandlord. Nothing in this Article 7 shall be deemed to alter Subtenant’s obligations under this Sublease to obtain the consent of Head Landlord to any assignment or subletting, including satisfaction of any terms, covenants and conditions imposed upon Sublandlord under the Head Lease.

ARTICLE 8

LIMITATION ON SUBLANDLORD’S LIABILITY AND INDEMNITY

8.1 Limitation On Sublandlord’s Liability And Release . Sublandlord shall not be liable to Subtenant for, and Subtenant hereby releases Sublandlord and its partners, principals, members, officers, agents, employees, lenders, attorneys, and consultants from, any and all liability, whether in contract, tort or on any other basis, for any injury to or any damage sustained by Subtenant, Subtenant’s agents, employees, contractors or invitees, any damage to Subtenant’s property, or any loss to Subtenant’s business, loss of Subtenant’s profits or other financial loss of Subtenant resulting

from or attributable to the condition of, the management of, the repair or maintenance of, the protection of, the supply of services or utilities to, the damage in or destruction of the Leased Premises, the Building, the Property or the Outside Areas, including without limitation, (i) the failure, interruption, rationing or other curtailment or cessation in the supply of electricity, water, gas or other utility service to the Property, the Building or the Leased Premises; (ii) the vandalism or forcible entry into the Building or the Leased Premises; (iii) the penetration of water into or onto any portion of the Leased Premises, the Building or the Outside Areas; (iv) the failure to provide security and/or adequate lighting in or about the Property, the Building or the Leased Premises, (v) the existence of any design or construction defects within the Property, the Building or the Leased Premises; (vi) the failure of any mechanical systems to function properly (such as the HVAC systems); (vii) the blockage of access to any portion of the Leased Premises, the Building, the Outside Areas or the Property, except to the extent as a direct result of the active negligence or intentional misconduct of the Sublandlord or Sublandlord's failure to perform an obligation expressly undertaken pursuant to this Sublease after a reasonable period of time shall have lapsed following receipt of written notice from Subtenant to so perform such obligation and then only to the extent that the obligation is not an obligation of the Head Landlord due to be performed by Head Landlord pursuant to the terms, covenants and conditions of the Head Lease or an obligation that may not be performed by Sublandlord as a result of the terms, covenants and conditions of the Head Lease as the same may have been revised, amended or modified by this Sublease. In this regard, Subtenant acknowledges that it is fully appraised of the provisions of Law relating to releases, and particularly to those provisions contained in Section 1542 of the California Civil Code which reads as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

Notwithstanding such statutory provision, and for the purpose of implementing a full and complete release and discharge, Subtenant hereby (i) waives the benefit of such statutory provision and (ii) acknowledges that, subject to the exceptions specifically set forth herein, the release and discharge set forth in this paragraph is a full and complete settlement and release and discharge of all claims and is intended to include in its effect, without limitation, all claims which Subtenant, as of the date hereof, does not know of or suspect to exist in its favor.

Initials: /s/ Mitchell Gaynor
On behalf of Juniper Networks, Inc.

8.2 Subtenant's Indemnification Of Sublandlord . Subtenant shall indemnify Sublandlord against, defend Sublandlord with competent counsel satisfactory to Sublandlord from, and hold Sublandlord harmless of, any claims made or legal actions filed or threatened against Sublandlord with respect to the violation of any Law, or the death, bodily injury, personal injury, property damage, or interference with contractual or property rights suffered by any third party, occurring within the Leased Premises or resulting from Subtenant's use or occupancy of the Leased Premises, the Building or the Outside Areas, or resulting from Subtenant's activities in or about the Leased Premises, the Building, the Outside Areas or the Property, or any breach of this Sublease and Subtenant shall indemnify and hold Sublandlord, Sublandlord's partners, principals, members, employees, agents and contractors harmless from any loss liability, penalties, or expense whatsoever (subject to the terms of Section 12.7 below) resulting therefrom, except to the extent proximately caused by the active negligence or willful misconduct of the Sublandlord or Sublandlord's failure to perform an obligation expressly undertaken pursuant to this Sublease after a reasonable period of time shall have lapsed following receipt of written notice from to so perform such obligation; provided, however, the foregoing qualification and limitation upon Subtenant's indemnity obligation shall not apply to

any obligation of Sublandlord where the same may not be performed by Sublandlord pursuant to the terms, covenants and conditions of the Head Lease, or such obligation is by its nature an obligation of the Head Landlord pursuant to the terms, covenants and conditions of the Head Lease. This indemnity agreement shall survive the expiration or sooner termination of this Sublease.

8.3 Sublandlord's Indemnification Of Subtenant . Sublandlord shall indemnify Subtenant against, defend Subtenant with competent counsel satisfactory to Subtenant from, and hold Subtenant harmless of, any claims made or legal actions filed or threatened against Subtenant with respect to the violation of any Law, or the death, bodily injury, personal injury, property damage, or interference with contractual or property rights suffered by any third party, resulting from the active negligence or intentional misconduct of Sublandlord in or about the Leased Premises, the Building, the Outside Areas or the Property or any breach of this Sublease by Sublandlord and Sublandlord shall indemnify and hold Sublandlord, Sublandlord's partners, principals, members, employees, agents and contractors harmless from any loss liability, penalties, or expense whatsoever resulting therefrom, except to the extent proximately caused by the negligence or willful misconduct of the Subtenant or Subtenant's failure to perform an obligation expressly undertaken pursuant to this Sublease (beyond applicable notice and cure period); provided that no such indemnity shall extend personally to the Sublandlord's officers, members, shareholders, investors, directors, employees, or authorized agents, including counsel and attorneys representing the Sublandlord.

ARTICLE 9

INSURANCE

9.1 Subtenant's Insurance . Subtenant and Sublandlord agree that the amendment to the Head Lease modifies the insurance obligations of Sublandlord under the Head Lease and the following insurance obligations conform the insurance obligations of Subtenant under this Sublease to the same. Subtenant shall maintain insurance complying with all of the following:

(a) Subtenant shall procure, pay for and keep in full force and effect, at all times during the Sublease Term, the following:

(i) Comprehensive general liability insurance insuring Subtenant against liability for personal injury, bodily injury, death and damage to property occurring within the Leased Premises, or resulting from Subtenant's use or occupancy of the Leased Premises, the Building, the Outside Areas or the Property, or resulting from Subtenant's activities in or about the Leased Premises or the Property, with coverage in an amount equal to Subtenant's Required Liability Coverage (as set forth in Article 1), which insurance shall contain "broad form liability" coverage insuring Subtenant's performance of Subtenant's obligations to indemnify Sublandlord as contained in this Sublease.

(ii) Fire and property damage insurance in so-called "fire and extended coverage" or "all risk" form insuring Subtenant against loss from physical damage to Subtenant's personal property, inventory, trade fixtures and improvements within the Leased Premises with coverage for the full actual replacement cost thereof;

(iii) intentionally deleted;

(iv) Pressure vessel insurance, if applicable;

(v) Workers' compensation insurance and any other employee benefit insurance sufficient to comply with all laws; and

(vi) With respect to making of alterations or the construction of improvements or the like undertaken by Subtenant, builder's risk insurance, in an amount and with coverage reasonably satisfactory to Sublandlord.

(vii) Commercial automobile liability insurance (if applicable) covering automobiles owned, hired or used by Subtenant in carrying on its business with limits not less $1,000,000 combined single limit for each accident, insuring Subtenant (and naming as additional insureds the Sublandlord, Head Landlord, California Public Employees' Retirement System, Head Landlord's property management company, Head Landlord's asset management company and, if requested in writing by Head Landlord, Head Landlord's mortgagee, (collectively "Head Landlord Insured Parties").

(b) Each policy of liability insurance required to be carried by Subtenant pursuant to this paragraph or actually carried by Subtenant with respect to the Leased Premises or the Property: (i) shall, except with respect to insurance required by subparagraph (a)(vi) above, name Sublandlord and Head Landlord Insured Parties, as additional insured; (ii) shall be primary insurance providing that the insurer shall be liable for the full amount of the loss, up to and including the total amount of liability set forth in the declaration of coverage, without the right of contribution from or prior payment by any other insurance coverage of Sublandlord; (iii) shall be in a form satisfactory to Sublandlord; (iv) shall be carried with companies reasonably acceptable to Sublandlord with A. M. Best rating requirement of at least A-:VII; (v) shall contain so-called "severability" or "cross liability" coverage. Subtenant shall notice Sublandlord and Head Landlord in the event of any cancellation, lapse or change in coverage. Each policy of property insurance maintained by Subtenant with respect to the Leased Premises or the Property or any property therein shall contain a waiver and/or a permission to waive by the insurer of any right of subrogation against Sublandlord, its partners, principals, members, officers, employees, agents and contractors, which might arise by reason of any payment under such policy or by reason of any act or omission of Sublandlord, its partners, principals, members, officers, employees, agents and contractors.

(c) Prior to the time Subtenant or any of its contractors enters the Leased Premises, Subtenant shall deliver to Sublandlord, with respect to each policy of insurance required to be carried by Subtenant pursuant to this Article, a copy of such policy (appropriately authenticated by the insurer as having been issued) or a certificate of the insurer certifying in form satisfactory to Sublandlord that a policy has been issued, providing the coverage required by this Paragraph and containing the provisions specified herein. With respect to each renewal or replacement of any such insurance, the requirements of this Paragraph must be complied with (i.e., a copy of such policy or certificate shall be delivered to Sublandlord) within ten (10) days after the renewal or replacement of the applicable policies, but in no event shall Subtenant allow coverage to lapse. Sublandlord and Head Landlord may, at any time and from time to time, inspect and/or copy any and all insurance policies required to be carried by Subtenant pursuant to this Article. If Head Landlord reasonably determines at any time that the amount of insurance coverage or limits or rating required of Sublandlord pursuant to the Head Lease shall be increased or adjusted to such greater amount as Head Landlord may reasonably determine pursuant to the terms and conditions of the Head Lease then, the Sublandlord shall have the right to determine that the amount of coverage set forth in Paragraph 9.1(a) for any policy of insurance Subtenant is required to carry pursuant to this Article is not adequate (where such coverage is for a less amount than required to be carried by Sublandlord) and Subtenant shall promptly upon notice increase the amount of coverage for such insurance to such greater amount as is required of Sublandlord by Head Landlord.

(d) Head Landlord shall be responsible for insuring the exterior glass curtain walls of the Building; provided, however, that notwithstanding anything in the Head Lease to the contrary, 100% of the costs of such insurance (including any deductibles associated therewith and actually paid by Head Landlord) shall be included in Head Landlord's Insurance Costs, without any exclusions thereto. All costs incurred by Head Landlord to maintain, repair or replace, as necessary, the exterior

glass curtain walls shall not be included in Operating Expenses, but shall be reimbursed by Sublandlord within thirty (30) days following Head Landlord's delivery to Sublandlord of an invoice therefor. Subtenant agrees that in any instance that Head Landlord delivers such invoice for reimbursement to Sublandlord then Subtenant shall reimburse Sublandlord or make such invoice payment direct to Head Landlord for the full cost of the amount stated upon such invoice within such thirty (30) day period.

(e) Sublandlord and Head Landlord shall not be required to insure or maintain, and Subtenant shall be solely responsible for insuring and maintaining, any property of Subtenant located on the Building, including, without limitation, signage, rooftop equipment, and other personal property or trade fixtures, or in the Outside Areas or elsewhere at the Property, including, without limitation, signage, generators and other auxiliary equipment.

(f) Any requirement under this Sublease for Subtenant to insure in favor of Head Landlord or to indemnify Head Landlord shall also be deemed to mean all of Head Landlord's Insured Parties.

9.2 Sublandlord's Insurance . With respect to insurance maintained by Sublandlord:

(a) Sublandlord shall maintain, as the minimum coverage required of it, the insurance coverage set forth in the Head Lease that is required to be carried by Sublandlord as tenant of the Head Lease.

(b) Sublandlord shall maintain comprehensive general liability insurance insuring Sublandlord (and such others as are designated by Sublandlord) against liability for personal injury, bodily injury, death, and damage to property in commercially reasonably form and for limits as reasonably determined by Sublandlord from time to time as reasonably necessary for the adequate protection of Sublandlord and the Leased Premises, but in no event less than the coverage required to be carried by Sublandlord as tenant under the Head Lease.

(c) Sublandlord shall use reasonable efforts to cause Head Landlord to carry and maintain the insurance required of Head Landlord pursuant to the terms and conditions of the Head Lease.

9.3 Mutual Waiver Of Subrogation . Sublandlord, to the extent released by Head Landlord pursuant to the amendment to Head Lease, hereby releases Subtenant and its partners, principals, members, shareholders, officers, directors, employees, agents, servants and attorneys, and Subtenant hereby releases Sublandlord and Head Landlord and their respective partners, principals, members, shareholders, officers, directors, employees, agents, servants and attorneys from any and all liability for loss, damage or injury to the property of the other in or about the Leased Premises or the Property which is caused by or results from a peril or event or happening which is covered by any insurance actually carried and in force at the time of the loss by the party sustaining such loss, required to be carried by the party sustaining such loss, or permitted or deemed to be self-insured for such loss.

ARTICLE 10

DAMAGE TO LEASED PREMISES

10.1 Duty To Restore . If the Leased Premises, the Building or the Outside Area are damaged by any peril after the Delivery Date of the Leased Premises, Sublandlord shall use reasonable efforts at Subtenant's cost and expense to seek Head Landlord's action to restore the same, as and when required by the terms and conditions of the Head Lease, unless this Sublease is terminated pursuant to a termination of the Head Lease. If this Sublease is not so terminated, then upon the issuance of all necessary governmental permits, Head Landlord shall commence and diligently prosecute to completion the restoration of the Leased Premises, the Building or the Outside Area, as the case may

be, to the extent then allowed by law, to substantially the same condition in which it existed as of the Leased Premises Delivery Date. Head Landlord's obligation to restore shall be limited to the improvements constructed by Head Landlord. Sublandlord shall have no obligation to restore any improvements or alterations made by Subtenant to the Leased Premises or any of Subtenant's personal property, inventory or trade fixtures. Upon completion of the restoration by Head Landlord, Subtenant shall forthwith replace or fully repair all of Subtenant's personal property, inventory, trade fixtures and other improvements and alterations constructed by Subtenant to like or similar conditions as existed at the time immediately prior to such damage or destruction.

10.2 Insurance Proceeds . All insurance proceeds available from the fire and property damage insurance carried by Head Landlord and those insurance proceeds available from the fire and property damage insurance carried by Subtenant and relating to the improvements that each party is obligated to restore (as opposed to insurance proceeds relating specifically to Subtenant's personal property, inventory or trade fixtures) shall be paid to and become the property of Head Landlord for the purposes of construction and restoration of the damage to any portion of the Property. If this Sublease is terminated due to such casualty, all insurance proceeds available from insurance carried by Subtenant which cover loss of property that is Sublandlord's property or would become Sublandlord's property on termination of this Sublease shall be paid to and become the property of Sublandlord, and the remainder of such proceeds shall be paid to and become the property of Subtenant. If this Sublease is not terminated all insurance proceeds available from insurance carried by Subtenant which cover loss to property that is Sublandlord's property shall be paid to and become the property of Sublandlord, and all proceeds available from such insurance which cover loss to property which would only become the property of Sublandlord upon the termination of this Sublease shall be paid to and remain the property of Subtenant.

10.3 Sublandlord's Right To Terminate . Sublandlord shall have the option to terminate this Sublease in the event any of the following (a), (b) or (c) occurs, which option may be exercised by delivery of a written notice to Subtenant of Sublandlord's election to terminate this Sublease within thirty (30) days following the date that Sublandlord receives in writing from Head Landlord the final determination of Head Landlord made pursuant to the Head Lease terms permitting Head Landlord to terminate the Head Lease following such damage or destruction:

(a) The Building is damaged by any peril covered by valid and collectible insurance actually carried by Head Landlord and in force at the time of such damage or destruction or by any peril which would have been covered by the insurance Head Landlord is required to maintain pursuant to the Head Lease (an "Insured Peril") to such an extent that the estimated cost to restore the Building exceeds the lesser of: (i) the insurance proceeds available from insurance actually carried by Head Landlord (or which Head Landlord was required to carry) plus the amount of any deductible (up to a maximum amount of five percent (5%) of the replacement cost of the Building), plus any amount that the Subtenant agrees in writing to contribute towards restoration, or (ii) fifty percent (50%) of the then actual replacement cost of the Building; or

(b) The Building is damaged by an uninsured peril, which peril Head Landlord was not required to insure against pursuant to the provisions of the Head Lease; or

(c) The Building is damaged by any peril and, because of the laws then in force, the Building (i) cannot be restored at reasonable cost as determined in Head Landlord's sole discretion or (ii) if restored, the Building cannot be used for the same use being made thereof before such damage.

10.4 Subtenant's Right To Terminate . If the Leased Premises, the Building or the Outside Area are damaged by any peril and Sublandlord does not elect to terminate this Sublease or is not entitled to terminate this Sublease pursuant to this Article, then as soon as reasonably practicable, Head Landlord shall furnish to Sublandlord and to Subtenant the written opinion of Head Landlord's architect or construction consultant as to when the restoration work to be carried out by Head Landlord

may be complete. Subtenant shall have the right to terminate this Sublease upon receipt of the written opinion of the Head Landlord's architect or construction consultant only in the following circumstances:

(a) Sublandlord shall have the right pursuant to the terms and conditions of the Head Lease to elect to terminate the Head Lease and upon such election delivered to the Head Landlord the same shall be binding upon Sublandlord and Head Landlord; and

(b) Subtenant shall timely provide written notice to the Head Landlord and to Sublandlord of Subtenant's election to terminate this Sublease, which notice shall be binding upon Subtenant, Head Landlord and Sublandlord and shall be delivered pursuant to the terms and conditions of the Head Lease and prior to the expiration of any period of time required for Sublandlord to make such election to terminate the Head Lease; and

(c) Any dispute by Head Landlord as to Sublandlord's right to terminate the Head Lease shall negate the right of Subtenant to terminate this Sublease until such dispute has been resolved.

10.5 Subtenant's Waiver . Sublandlord and Subtenant agree that the provisions of Paragraph 10.4 above, are intended to supersede and replace the provisions contained in California Civil Code, Section 1932, Subdivision 2, and California Civil Code, Section 1934, and accordingly, Subtenant hereby waives the provisions of such Civil Code Sections and the provisions of any successor Civil Code Sections or similar laws hereinafter enacted.

10.6 Abatement Of Rent . In the event of damage to the Leased Premises which does not result in the termination of this Sublease, the Base Monthly Rent (and any Additional Rent) shall be temporarily abated during the period of restoration in proportion in the degree to which Subtenant's use of the Leased Premises, or any portion thereof, is impaired by such damage.

ARTICLE 11

CONDEMNATION

11.1 Subtenant's Right To Terminate . Except as otherwise provided in Paragraph 11.4 below regarding temporary takings, Subtenant shall have the option to terminate this Sublease as a result of any taking if: (i) all of the Leased Premises are taken in the Building, or (ii) a portion of the Outside Area is taken such that the unreserved parking available to Subtenant is reduced by twenty percent (20%) of Subtenant's then current parking rights and the Sublandlord and or the Head Landlord are unable to provide suitable alternative parking, including alternative parking arrangements within walking distance or alternative off-site parking and any reasonably necessary shuttle service, at no cost to Subtenant, and (iii) Sublandlord has the right pursuant to the terms and conditions of the Head Lease to elect to terminate the Head Lease and upon making any such election the same shall be binding upon Sublandlord and Head Landlord. Subtenant must exercise such option within a reasonable period of time, to be effective on the later to occur of (i) the date that possession of that portion of the Leased Premises that is condemned is taken by the condemnor or (ii) the date Subtenant vacated the Leased Premises; provided, however, in all instances Subtenant's election must be made, if at all, to be effective, in writing delivered to Sublandlord and Head Landlord, pursuant to the terms and conditions of the Head Lease, prior to the last date that Sublandlord may make Sublandlord's election to terminate the Head Lease and in a form binding upon the Subtenant, Sublandlord and the Head Landlord.

11.2 Sublandlord's Right To Terminate . Except as otherwise provided in Paragraph 11.4 below regarding temporary takings, Sublandlord shall have the option to terminate this Sublease if, as a result of any taking, (i) all of the Leased Premises are taken in the Building, (ii) the Head Landlord

notices Sublandlord that the Head Lease shall be terminated due to a taking, or (iii) due to the laws, ordinances or regulations then in full force and effect, the Leased Premises may not be used for the same use permitted under this Sublease or the Head Lease before such taking, whether or not restored. Any such option to terminate by Sublandlord must be exercised within a reasonable period of time, to be effective as of the date possession is taken by the condemnor and shall be binding upon the Sublandlord and the Subtenant provided that such election is binding upon the Head Landlord.

11.3 Restoration . If any part of the Leased Premises or the Building is taken and this Sublease is not terminated, then Sublandlord shall at Subtenant's cost and expense, to the extent not prohibited by laws then in force, seek Head Landlord's repair of any damage occasioned thereby to the remainder thereof to a condition reasonably suitable for Subtenant's continued operations and otherwise, to the extent practicable.

11.4 Temporary Taking . If a portion of the Leased Premises is temporarily taken for a period of one year or less (and such period does not extend beyond the Sublease Term, as the same may have been extended by Subtenant's exercise of its option to renew set forth in this Sublease) this Sublease shall remain in effect. If any portion of the Leased Premises is temporarily taken the rent as to the temporary taken space shall be abated by the Sublandlord to the extent that the Head Lease rent shall be abated as to such space.

11.5 Division Of Condemnation Award . Any award made for any taking of the Property, the Building, or the Leased Premises, or any portion thereof, shall belong to and be paid to Head Landlord, and Subtenant hereby assigns to Head Landlord all of its right, title and interest in any such award; provided, however Subtenant shall be entitled to that portion of any award that is related to the period after the Delivery Date and to receive from the award that is made any compensation for the taking of Subtenant's personal property, or loss of Subtenant's goodwill, or for the interruption of Subtenant's business or its moving costs, or for the value of any leasehold improvements installed and paid for by Subtenant; and further provided that Sublandlord shall have no right to any such award. The rights of Sublandlord and Subtenant regarding any condemnation shall be determined as provided in this Article, and each party hereby waives the provisions of Section 1265.130 of the California Code of Civil Procedure, and the provisions of any similar law hereinafter enacted, allowing either party to petition the Supreme Court to terminate this Sublease and/or otherwise allocate condemnation awards between Sublandlord and Subtenant in the event of a taking of the Leased Premises.

11.6 Abatement Of Rent . In the event of a taking of the Leased Premises which does not result in a termination of this Sublease (other than a temporary taking), then, as of the date possession is taken by the condemning authority, the Base Monthly Rent shall be reduced in the same proportion that the area of that part of the Leased Premises so taken (less any addition to the area of the Leased Premises by reason of any reconstruction) bears to the area of the Leased Premises immediately prior to such taking where such abatement right is similarly provided by Head Landlord to the Sublandlord pursuant to the terms and conditions of the Head Lease.

11.7 Taking Defined . The term "taking" or "taken" as used in this Article 11 shall mean any transfer or conveyance of all or any portion of the Property to a public or quasi-public agency or other entity having the power of eminent domain pursuant to or as a result of the exercise of such power by such an agency, including any inverse condemnation and/or any sale or transfer by Head Landlord of all or any portion of the Property to such an agency under threat of condemnation or the exercise of such power.

ARTICLE 12

DEFAULT AND REMEDIES

12.1 Events Of Subtenant's Default . Subtenant shall be in default of its obligations under this Sublease if any of the following events occur:

(a) Subtenant shall have failed to pay Base Monthly Rent or any Additional Rent within three (3) business days after notice from Sublandlord that such rent is past due; provided, however, that such notice shall be concurrent with, and not in addition to, any notice required by applicable Laws; or

(b) Subtenant shall have done or permitted to be done any act, use or thing in its use, occupancy or possession of the Leased Premises or the Building or the Outside Areas which is prohibited by the terms of this Sublease or Subtenant shall have failed to perform any term, covenant or condition of this Sublease (except those requiring the payment of Base Monthly Rent or Additional Rent, which failures shall be governed by subparagraph (a) above) within thirty (30) days after written notice from Sublandlord to Subtenant specifying the nature of such failure and requesting Subtenant to perform same or within such longer period as is reasonably required in the event such default is curable but not within such thirty (30) day period, provided such cure is promptly commenced within such thirty (30) day period and is thereafter diligently prosecuted to completion; or

(c) Subtenant shall have sublet the Leased Premises or assigned or encumbered its interest in this Sublease in violation of the provisions contained in Article 7, whether voluntarily or by operation of law; or

(d) Subtenant shall have abandoned the Leased Premises or any portion thereof and no longer pays Rent upon the same; or

(e) Subtenant or any guarantor of this Sublease shall have permitted or suffered the sequestration or attachment of, or execution on, or the appointment of a custodian or receiver with respect to, all or any substantial part of the property or assets of Subtenant (or such guarantor) or any property or asset essential to the conduct of Subtenant's (or such guarantor's) business, and Subtenant (or such guarantor) shall have failed to obtain a return or release of the same within thirty (30) days thereafter, or prior to sale pursuant to such sequestration, attachment or levy, whichever is earlier; or

(f) Subtenant or any guarantor of this Sublease shall have made a general assignment of all or a substantial part of its assets for the benefit of its creditors; or

(g) Subtenant or any guarantor of this Sublease shall have allowed (or sought) to have entered against it a decree or order which: (i) grants or constitutes an order for relief, appointment of a trustee, or condemnation or a reorganization plan under the bankruptcy laws of the United States; (ii) approves as properly filed a petition seeking liquidation or reorganization under said bankruptcy laws or any other debtor's relief law or similar statute of the United States or any state thereof; or (iii) otherwise directs the winding up or liquidation of Subtenant; provided, however, if any decree or order was entered without Subtenant's consent or over Subtenant's objection, Sublandlord may not terminate this Sublease pursuant to this Subparagraph if such decree or order is rescinded or reversed within thirty (30) days after its original entry; or

(h) Subtenant or any guarantor of this Sublease shall have availed itself of the protection of any debtor's relief law, moratorium law or other similar law which does not require the prior entry of a decree or order.

12.2 Sublandlord's Remedies . In the event of any default by Subtenant, and without limiting Sublandlord's right to indemnification as provided in this Sublease, Sublandlord shall have the following remedies, in addition to all other rights and remedies provided by law or in equity or otherwise provided in this Sublease, to which Sublandlord may resort cumulatively, or in the alternative:

(a) Sublandlord may, at Sublandlord's election, keep this Sublease in effect and enforce, by an action at law or in equity, all of its rights and remedies under this Sublease including, without limitation, (i) the right to recover the rent and other sums as they become due by appropriate legal action, (ii) the right to make payments required by Subtenant, or perform Subtenant's obligations and be reimbursed by Subtenant for the cost thereof with interest at the then maximum rate of interest not prohibited by law from the date the sum is paid by Sublandlord until Sublandlord is reimbursed by Subtenant, and (iii) the remedies of injunctive relief and specific performance to prevent Subtenant from violating the terms of this Sublease and/or to compel Subtenant to perform its obligations under this Sublease, as the case may be.

(b) Sublandlord may, at Sublandlord's election, terminate this Sublease by giving Subtenant written notice of termination, in which event this Sublease shall terminate on the date set forth for termination in such notice, in which event Subtenant shall immediately surrender the Leased Premises to Sublandlord, and if Subtenant fails to do so, Sublandlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Leased Premises and expel or remove Subtenant and any other person who may be occupying the Leased Premises or any part thereof, without being liable for prosecution or any claim or damages therefor. Any termination under this subparagraph shall not relieve Subtenant from its obligation to pay to Sublandlord all Base Monthly Rent and Additional Rent then or thereafter due, or any other sums due or thereafter accruing to Sublandlord, or from any claim against Subtenant for damages previously accrued or then or thereafter accruing. In no event shall any one or more of the following actions by Sublandlord, in the absence of a written election by Sublandlord to terminate this Sublease constitute a termination of this Sublease:

(i) Appointment of a receiver or keeper in order to protect Sublandlord's interest hereunder;

(ii) Consent to any subletting of the Leased Premises or assignment of this Sublease by Subtenant, whether pursuant to the provisions hereof or otherwise; or

(iii) Any action taken by Sublandlord or its partners, principals, members, officers, agents, employees, or servants, which is intended to mitigate the adverse effects of any breach of this Sublease by Subtenant, including, without limitation, any action taken to maintain and preserve the Leased Premises on any action taken to relet the Leased Premises or any portion thereof for the account at Subtenant and in the name of Subtenant.

(c) In the event Subtenant breaches this Sublease and abandons the Leased Premises, Sublandlord may terminate this Sublease, but this Sublease shall not terminate unless Sublandlord gives Subtenant written notice of termination. If Sublandlord does not terminate this Sublease by giving written notice of termination, Sublandlord may enforce all its rights and remedies under this Sublease, including the right and remedies provided by California Civil Code Section 1951.4 ("lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations"), as in effect on the Effective Date of this Sublease.

(d) In the event Sublandlord terminates this Sublease, Sublandlord shall be entitled, at Sublandlord's election, to the rights and remedies provided in California Civil Code Section 1951.2, as in effect on the Commencement Date of this Sublease. For purposes of computing damages pursuant

to Section 1951.2, an interest rate equal to the maximum rate of interest then not prohibited by law shall be used where permitted. Such damages shall include, without limitation:

(i) The worth at the time of the award of the unpaid rent which had been earned at the time of termination;

(ii) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Subtenant proves could be reasonably avoided, computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco, at the time of award plus one percent; and

(iii) Any other amount necessary to compensate Sublandlord for all detriment proximately caused by Subtenant's failure to perform Subtenant's obligations under this Sublease, or which in the ordinary course of things would be likely to result therefrom, including without limitation, the following: (i) expenses for cleaning, repairing or restoring the Leased Premises, (ii) expenses for altering, remodeling or otherwise improving the Leased Premises for the purpose of reletting, including removal of existing leasehold improvements and/or installation of additional leasehold improvements (regardless of how the same is funded, including reduction of rent, a direct payment or allowance to a new tenant, or otherwise), (iii) broker's fees allocable to the remainder of the term of this Sublease, advertising costs and other expenses of reletting the Leased Premises; (iv) costs of carrying and maintaining the Leased Premises, such as taxes, insurance premiums, utility charges and security precautions, (v) expenses incurred in removing, disposing of and/or storing any of Subtenant's personal property, inventory or trade fixtures remaining therein; (vi) reasonable attorney's fees, expert witness fees, court costs and other reasonable expenses incurred by Sublandlord (but not limited to taxable costs) in retaking possession of the Leased Premises, establishing damages hereunder, and releasing the Leased Premises; and (vii) any other expenses, costs or damages otherwise incurred or suffered as a result of Subtenant's default.

12.3 Sublandlord's Default And Subtenant's Remedies . In the event Sublandlord fails to perform its obligations under this Sublease, Sublandlord shall nevertheless not be in default under the terms of this Sublease until such time as Subtenant shall have first given Sublandlord written notice specifying the nature of such failure to perform its obligations, and then only after Sublandlord shall have had thirty (30) days following its receipt of such notice within which to perform such obligations; provided, that, if longer than thirty (30) days is reasonably required in order to perform such obligations, Sublandlord shall have such longer period. In the event of Sublandlord's default as above set forth, then, and only then, Subtenant may then proceed in equity or at law to compel Sublandlord to perform its obligations and/or to recover damages proximately caused by such failure to perform, except as and to the extent Subtenant has waived its right to damages as provided in this Sublease, or Sublandlord cannot perform such obligation, which obligation is an obligation of, or by its nature deemed an obligation of, Head Landlord pursuant to the terms, covenants and conditions of the Head Lease.

12.4 Subtenant's Waiver . Sublandlord and Subtenant agree that the provisions of Paragraph 12.3 above are intended to supersede and replace the provisions of California Civil Code Sections 1932(1), 1941 and 1942, and accordingly, Subtenant hereby waives the provisions of California Civil Code Sections 1932(1), 1941 and 1942 and/or any similar or successor law regarding Subtenant's right to terminate this Sublease or to make repairs and deduct the expenses of such repairs from the rent due under this Sublease.

12.5 Sublandlord Exculpation . Notwithstanding any provision of this Sublease to the contrary, the liabilities and obligations of Sublandlord under this Sublease shall be the liabilities of Sublandlord only, and shall not be the liabilities or obligations of any Affiliate of Sublandlord, or any present or future officer, director, employee, trustee, member, retirant, beneficiary, internal investment contractor, manager, investment manager or agent of Sublandlord (collectively, the "Other

Sublandlord Parties”), and in no event shall Sublandlord or Other Sublandlord Parties be liable for lost profits or other consequential damages. Any recourse by Subtenant for any breach or default of Sublandlord under this Sublease or with respect to any liability or obligation related thereto (or related to the Leased Premises or the Building in any way) shall be solely against Sublandlord and the assets of Sublandlord and, there shall be no recourse on account of any such breach or default (or with respect to any such liability or obligation) against any of the Other Sublandlord Parties. For purposes of this Section 12.5, “Affiliate” shall mean any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with Google Inc. or the then Sublandlord under this Sublease., as the case may be. For the purposes of this definition, “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlling” and “controlled” have the meanings correlative to the foregoing. The limitations of liability provided in this Section 12.5 are in addition to, and not in limitation of, any limitation of liability applicable to Sublandlord provided by law or in any other contract, agreement or instrument. Such exculpation of liability shall be absolute and without any exception whatsoever. The provisions of this Section 12.5 shall survive the termination of this Sublease.

12.6 Subtenant Exculpation . Notwithstanding any provision of this Sublease to the contrary, the liabilities and obligations of Subtenant under this Sublease shall be the liabilities of the Subtenant only, and shall not be the liabilities or obligations of any Affiliate of Subtenant, or any present or future officer, director, employee, trustee, member, retirant, beneficiary, internal investment contractor, manager, investment manager or agent of Subtenant (collectively, the “Other Subtenant Parties”), and in no event shall Subtenant or Other Subtenant Parties be liable for lost profits or other consequential damages, except in connection with a holding over by Subtenant (in which event, the terms and conditions of Section 18.2 below shall govern). Any recourse by Sublandlord for any breach or default of Subtenant under this Sublease or with respect to any liability or obligation related thereto (or related to the Leased Premises or the Building in any way) shall be solely against Subtenant and the assets of Subtenant and, there shall be no recourse on account of any such breach or default (or with respect to any such liability or obligation) against any of the Other Subtenant Parties. For purposes of this Section 12.6, “Affiliate” shall mean any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with Juniper Networks, Inc. or the then Subtenant under this Sublease, as the case may be. For the purposes of this definition, “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlling” and “controlled” have the meanings correlative to the foregoing. The limitations of liability provided in this Section 12.6 are in addition to, and not in limitation of, any limitation of liability applicable to Subtenant provided by law or in any other contract, agreement or instrument. Such exculpation of liability shall be absolute and without any exception whatsoever, except as otherwise expressly provided in this Section 12.6. The provisions of this Section 12.6 shall survive the termination of this Sublease.

ARTICLE 13

CORPORATE AUTHORITY
BROKERS AND ENTIRE AGREEMENT

13.1 Corporate Authority . Each individual executing this Sublease on behalf of Subtenant represents and warrants that Subtenant is validly formed and duly authorized and existing, that Subtenant is qualified to do business in the State in which the Leased Premises are located, that Subtenant has the full right and legal authority to enter into this Sublease, and that he or she is duly authorized to execute and deliver this Sublease on behalf of Subtenant and bind Subtenant in accordance with its terms. Subtenant shall, within thirty (30) days after execution of this Sublease, deliver to Sublandlord a

certified copy of the resolution of its board of directors authorizing or ratifying the execution of this Sublease and if Subtenant fails to do so, Sublandlord may at its sole election terminate this Sublease.

13.2 Brokerage Commissions . Subtenant represents, warrants and agrees that it has not had any dealings any real estate broker(s), leasing agent (s), finder(s) or salesmen, other than the Brokers (as named in Article 1) with respect to the lease by it of the Leased Premises pursuant to this Sublease, and that it will assume all obligations and responsibility with respect to the payment of Subtenant's Broker, and that it will indemnify, defend with competent counsel, and hold Sublandlord harmless from any liability for the payment of any real estate brokerage commissions, leasing commissions or finder's fees claimed by any other real estate broker(s), leasing agent(s), finder(s), or salesmen to be earned or due and payable by reason of Subtenant's agreement or promise (implied or otherwise) to pay (or to have Sublandlord pay) such a commission or finder's fee by reason of its leasing the Leased Premises pursuant to this Sublease. Sublandlord represents, warrants and agrees that it has not had any dealings any real estate broker(s), leasing agent(s), finder(s) or salesmen, other than the Brokers with respect to the lease by Subtenant of the Leased Premises pursuant to this Sublease, and that it will assume all obligations and responsibility with respect to the payment of Sublandlord's Broker, and that it will indemnify, defend with competent counsel, and hold Subtenant harmless from any liability for the payment of any real estate brokerage commissions, leasing commissions or finder's fees claimed by any other real estate broker(s), leasing agent(s), finder(s), or salesmen to be earned or due and payable by reason of Sublandlord's agreement or promise (implied or otherwise) to pay (or to have Subtenant pay) such a commission or finder's fee by reason of Subtenant's leasing the Leased Premises pursuant to this Sublease.

13.3 Entire Agreement . This Sublease and the Exhibits (as described in Article 1), which Exhibits are by this reference incorporated herein, constitute the entire agreement between the parties, and there are no other agreements, understandings or representations between the parties relating to the lease by Sublandlord of the Leased Premises to Subtenant, except as expressed herein. No subsequent changes, modifications or additions to this Sublease shall be binding upon the parties unless in writing and signed by both Sublandlord and Subtenant and approved by Head Landlord.

13.4 Sublandlord's Representations . Subtenant acknowledges that neither Sublandlord nor any of its agents, including counsel, made any representations or warranties respecting the Property, the Building or the Leased Premises, upon which Subtenant relied in entering into the Sublease. Subtenant further acknowledges that neither Sublandlord nor any of its agents made any representations as to: (i) whether the Leased Premises may be used for Subtenant's intended use under existing Law, or (ii) the suitability of the Leased Premises for the conduct of Subtenant's business, or (iii) the exact square footage of the Leased Premises, and that Subtenant relies solely upon its own investigations with respect to such matters. Subtenant expressly waives any and all claims for damage by reason of any statement, representation, warranty, promise or other agreement of Sublandlord or Sublandlord's agent(s) (including counsel), if any, not contained in this Sublease or in any Exhibit attached hereto.

ARTICLE 14

OPTION TO EXTEND SUBLEASE EXPIRATION DATE

Sublandlord acknowledges and agrees that Subtenant shall have a one (1) time option (the "Expiration Extension Option"), mutually binding upon the parties upon exercise by written notice delivered to Sublandlord, to extend the Sublease Expiration Date (and surrender of the Leased Premises) pursuant to the terms and conditions of this Section 14.1. The Expiration Extension Option shall be exercised by Subtenant, if at all, by written notice of exercise delivered by Subtenant to Sublandlord prior to June 30, 2015, specifying Subtenant's decision to extend the Sublease Expiration Date (and surrender the Leased Premises to Sublandlord) on any one of the following dates: July 31, 2016, August 31, 2016, September 30, 2016, October 31, 2016, November 30, 2016, or December 31, 2016. In the

event the Expiration Extension Option is timely and properly exercised by Subtenant, the Sublease Expiration Date shall be extended to the applicable date set forth in Subtenant's notice to Sublandlord upon all of the terms and conditions contained in this Lease (except that the Base Monthly Rent for each month beyond June 30, 2016 shall be as set forth in the Base Monthly Rent schedule in Section 1.1 above). Upon the delivery of a written request by either party or request by Head Landlord, Sublandlord and Subtenant shall, subject to Head Landlord's approval rights, enter into an amendment to this Sublease upon commercially reasonable terms describing the revised Sublease Expiration Date, which amendment shall (except for such revised Sublease Expiration Date) be upon all of the terms and conditions of this Sublease.

ARTICLE 15

HEAD LANDLORD CONSENT

Provided tenant named on the face of this Sublease or its Permitted Assignee is the Subtenant then Sublandlord and Subtenant agree that this Sublease shall be modified, amended and revised by the terms, covenants and conditions of a consent to sublease ("Consent Agreement") by and among Head Landlord, Sublandlord and Subtenant. In all instances where Sublandlord shall incur third party consultant costs, fees or expenses, including legal fees, as a result of any action of Subtenant pursuant to enforcing any right or obligation or liability of Subtenant or Head Landlord pursuant to the Consent Agreement the Subtenant shall be fully responsible to reimburse any such Sublandlord costs, fees or expenses in circumstances where the Head Lease remains in full force and effect.

ARTICLE 16

TELEPHONE AND NETWORK CABLE SERVICE

16.1 Service Excluded . Notwithstanding any other provision of this Sublease to the contrary:

(a) So long as the Building is leased to Subtenant:

(i) Sublandlord shall have no responsibility for providing to Subtenant any telephone equipment including wiring, within the Leased Premises or for providing telephone service or connections from the utility vendor to the Leased Premises; and

(ii) Sublandlord makes no warranty as to the quality, continuity or availability of telecommunications services in the Building, and Subtenant hereby waives any claim against Sublandlord for any actual consequential damages (including damages for loss of business) in the event Subtenant's telecommunications services in any way are interrupted, damaged or rendered less effective. Subtenant accepts any telephone equipment or cable in the Leased Premises in its "as-is" and "with all faults" condition, assumes the obligation described in (iii) below and accepts all damage and costs to repair the same. Subtenant shall be solely responsible for contracting with a reliable third party vendor to assume responsibility for the maintenance and repair thereof (which contract shall contain provisions requiring such vendor to inspect the system periodically (the frequency of such inspections to be determined by such vendor based on its experience and professional judgment), and requiring such vendor to meet local and federal requirements for telecommunications material and workmanship). Sublandlord shall not be liable to Subtenant and Subtenant waives all claims against Sublandlord whatsoever, whether for personal injury, property damage, loss of use of the Leased Premises, or otherwise, due to the interruption or failure of telephone and cable services to the Leased Premises. Subtenant hereby holds Sublandlord harmless and agrees to indemnify, protect and defend Sublandlord from and against any liability for any damage, loss or expense due to any failure or interruption of telephone and cable service to the Leased Premises for any reason.

(iii) Prior to the expiration or earlier termination of this Sublease, Subtenant shall deliver all network cable and telephone cable as further described in Exhibit "E". Subtenant shall have the right to use during the Sublease Term (as the same may be extend in accordance with the terms and conditions herein) telephone or network cable currently existing in the Leased Premises.

(b) At such time as the entirety of the Building is no longer leased to Subtenant, Sublandlord shall in its sole discretion have the right, by written notice to Subtenant, to elect on behalf of Head Landlord to assume limited responsibility for the intra-building network cable ("INC") and upon such assumption of responsibility by Head Landlord, this subparagraph (b) shall apply prospectively.

(i) Sublandlord shall arrange for Subtenant access to such quantity of pairs in the Building INC as is determined to be available by Head Landlord in its reasonable discretion. Subtenant's access to the INC shall be solely by arrangements made by Subtenant, as Subtenant may elect, directly with the utility vendor or Head Landlord (or such vendor as Head Landlord may designate), and Subtenant shall pay all reasonable charges as may be imposed in connection therewith. The utility vendor's charges shall be deemed to be reasonable. Subject to the foregoing, Sublandlord shall have no responsibility for providing to Subtenant any telephone equipment, including wiring, or other cable within the Leased Premises or for providing telephone service or connections from the utility vendor to the Leased Premises.

(ii) Subtenant shall not alter, modify, add to or disturb any telephone wiring or cabling in the Leased Premises or elsewhere in the Building without the Sublandlord's and Head Landlord's prior written consent, which consent shall not be unreasonably withheld. Subtenant shall be liable to Sublandlord for any damage to the telephone wiring in the Building due to the act, negligent or otherwise, of Subtenant or any employee, contractor or other agents of Subtenant. Subtenant shall have no access to the telephone closets within the Building, except in the manner and under procedures established by Sublandlord or Head Landlord. Subtenant shall promptly notify Sublandlord of any actual or suspected failure of telephone service to the Leased Premises.

(iii) All costs incurred by Sublandlord or Head Landlord for the installation, maintenance, repair and replacement of telephone wiring in the Building shall be a Property Operating Expense.

(iv) Sublandlord makes no warranty as to the quality, continuity or availability of the telecommunications services or equipment, including wiring, in the Building, and Subtenant hereby waives any claim against Sublandlord for any actual or consequential damages (including damages for loss of business) in the event Subtenant's telecommunications services in any way are interrupted, damaged or rendered less effective. Subtenant acknowledges that Head Landlord meets its duty of care to Subtenant with respect to the Building INC by contracting with a reliable third party vendor to assume responsibility for the maintenance and repair thereof (which contract shall contain provisions requiring such vendor to inspect the INC periodically (the frequency of such inspections to be determined by such vendor based on its experience and professional judgment), and requiring such vendor to meet local and federal requirements for telecommunications material and workmanship). Subject to the foregoing, Sublandlord shall not be liable to Subtenant and Subtenant waives all claims against Sublandlord whatsoever, whether for personal injury, property damage, loss of use of the Leased Premises, of otherwise, due to the interruption or failure of telephone services to the Leased Premises. Subtenant hereby holds Sublandlord harmless and agrees to indemnify, protect and defend Sublandlord from and against any liability for any damage, loss or expense due to any failure or interruption of telephone service to the Leased Premises for any reason. Subtenant agrees to obtain loss of rental insurance adequate to cover any damage, loss or expense occasioned by the interruption of telephone service.

ARTICLE 17

HEAD LEASE

17.1 Head Lease . Subtenant represents and warrants that the copy of the Head Lease (as such term is defined in the Recitals above) provided to Sublandlord or Sublandlord's counsel by Subtenant or Subtenant's counsel is a full and complete copy of the same, and that the Head Lease has not been modified or amended except as expressly set forth in the copy of the Head Lease or in documents to which Sublandlord is a party, including the Consent to Assignment and Third Amendment to Lease dated of even date herewith and the Consent Agreement (defined in Article 15 above). Sublandlord represents and warrants that it has been provided a copy of the Head Lease (as such term is defined in the Recitals above) and had the opportunity to review with Sublandlord's counsel and is familiar with the terms, covenants and conditions of the same prior to entering into this Sublease. This Sublease and all of the rights of the parties hereunder, are subject and subordinate to all of the terms, covenants and conditions of the Head Lease. Each party agrees that it will not, by its act or omission to act, cause a default under the Head Lease.

17.2 Head Lease Covenants . Sublandlord agrees to perform all of the tenant covenants and obligations of the Head Lease which do not require for their performance possession of the Leased Premises and which are not otherwise to be performed by Subtenant on behalf of Sublandlord. To the extent applicable Sublandlord will perform all covenants and obligations of the Head Lease in respect of any Head Lease premises not forming part of the Leased Premises demised to Subtenant under this Sublease, as the same may be amended from time to time. Subtenant shall perform all affirmative covenants and obligations as set forth in this Sublease and refrain from performing any act which is prohibited by the negative covenants of this Sublease or the Head Lease. Where reasonably practicable the Subtenant agrees to use commercially reasonable efforts to perform affirmative covenants which are also covenants of the Sublandlord under the Head Lease at least two (2) business days prior to the date when Sublandlord's performance is required under the Head Lease. Sublandlord shall have the right (subject to any reasonable Subtenant security measures) to enter the Premises to cure any default by Subtenant for its failure to act in accordance with this paragraph. Notwithstanding any of the Sublease covenants, Sublandlord shall not be required to provide any service or to perform any maintenance and repairs which Head Landlord is or may be required to provide or perform under the Head Lease. Sublandlord shall have no responsibility for or be liable to Subtenant for any default, failure or delay on the part of the Head Landlord in the performance or observance by Head Landlord of any of its obligations under the Head Lease, nor shall such default by Head Landlord affect this Sublease or waive or defer the performance of any of Subtenant's obligations under this Sublease, including without limitation, the obligation to pay Rent. Subtenant acknowledges and agrees that any non-liability, release and indemnity or hold harmless provision in the Head Lease for the benefit of the Head Landlord shall be deemed to apply under this Sublease and inure to the benefit of both Sublandlord and Head Landlord.

17.3 Head Landlord . Subtenant expressly waives the provisions of any statute, ordinance or judicial decision, now or hereafter in effect, which would give Subtenant the right to make repairs at the expense of the Sublandlord, or to claim any actual or constructive eviction by virtue of any interruption in access, services or utilities to, or any failure to make repairs in or to, the Leased Premises, the Building, the Outside Areas and the Property. The Sublandlord and Subtenant do contemplate that the Head Landlord will perform Head Landlord's obligations under the Head Lease and in the event of any default or failure of such performance by Head Landlord, the Sublandlord agrees that it will, upon notice from Subtenant, make demand upon Head Landlord within a reasonable period of time to perform its obligations under the Head Lease. Provided that tenant named on the face of this Sublease or its Permitted Assignee is tenant under this Sublease then Sublandlord agrees to use Subtenant's third party consultants and/or attorneys reasonably approved by Sublandlord and prior to commencement of any action or legal action the Sublandlord and Subtenant shall contract with such third party consultants and/or attorneys with Subtenant being solely liable to pay the costs, fees and expenses of the third party consultants and/or attorneys upon commercially reasonable terms. In all other instances, prior to commencement of any action or legal action, Subtenant shall post in

an escrow account a cash deposit in the amount of Sublandlord's reasonable estimate of the costs, fees and expenses of Sublandlord's third party consultants and/or attorneys upon commercially reasonably terms for payment for the services of such consultants and/or attorneys, and provided that Subtenant agrees in writing to the payment of all such costs and expenses related to the same (including all legal fees), the Sublandlord agrees upon deposit of such monies and written agreement to take appropriate legal action in the name of Sublandlord with counsel reasonably selected by Sublandlord and reasonably approved by Subtenant against the Head Landlord to enforce the terms and conditions of the Head Lease.

17.4 Head Landlord Consent or Approval . If Subtenant desires to take any action which requires the consent of the Head Landlord under the terms of the Head Lease or Head Landlord's consent to this Sublease, then in all instances the following shall apply: (a) Sublandlord, independently, shall have the same rights of consent or approval or withholding consent or disapproval as the Head Landlord has under the Head Lease; (b) except as set forth in this Sublease, Subtenant shall not take any such action until it obtains the consent of both the Sublandlord and the Head Landlord; and (c) except as set forth in this Sublease, Subtenant shall request that Sublandlord request the Head Landlord's consent on Subtenant's behalf and Sublandlord shall use reasonable efforts to obtain such consent. Subtenant shall pay all costs incurred by Sublandlord in seeking or procuring Head Landlord's consent. Any approval or consent required of Sublandlord conclusively shall be deemed reasonably withheld if approval or consent also is required of Head Landlord and Head Landlord's approval or consent is not given or deemed given; provided that, if Head Landlord's consent is deemed given under the terms of the Head Lease, and Head Landlord thereafter contests that such consent was deemed given, then Subtenant shall indemnify, defend and hold harmless Sublandlord from and against any claims made or legal actions filed or threatened against Sublandlord by Head Landlord with respect to such deemed consent; and further provided that, nothing contained herein shall prohibit Subtenant, at Subtenant's sole cost and expense, proceeding with a dispute to challenge any failure by Head Landlord to give Head Landlord's approval or consent. This Sublease and the obligations of the parties hereunder are expressly conditioned upon the Sublandlord and the Subtenant obtaining prior written consent of the Head Landlord to the terms and conditions as set forth herein. The Sublandlord will use reasonable efforts upon mutual execution of this Sublease to seek from the Head Landlord consent to this Sublease. Subtenant agrees to promptly deliver to Sublandlord any information reasonably requested by the Head Landlord (in connection with the Head Landlord's consent to this Sublease). Sublandlord and Subtenant agree to enter in commercially reasonable form of consent to lease document requested by the Head Landlord as a condition of the Head Landlord's approval and consent to this Sublease. Where the approval of Head Landlord cannot reasonably be obtained by Sublandlord within one hundred twenty (120) days of the date of mutual execution of this Sublease the Sublandlord and Subtenant shall have the right on written notice to the other party to immediately terminate this Sublease as of the date of delivery of such written notice, whereupon each party shall be immediately released from any and all obligations and liabilities under this Sublease; provided, however, Sublandlord and Subtenant agree to work 'in good faith' to satisfy any reasonable Head Landlord conditions to this Sublease and such one hundred twenty (120) day period shall be extended for a period of not more than ninety (90) days where the Sublandlord is actively participating in 'good faith' discussion or negotiations with Subtenant in order to effect the satisfaction of Head Landlord conditions.

17.5 Head Lease Termination . Sublandlord agrees that it will not agree to any amendment to the Head Lease which materially adversely affects the Subtenant's occupancy of the Leased Premises unless the Sublandlord has first obtained the written consent of the Subtenant to such amendment. However, it is expressly agreed between Sublandlord and Subtenant that: (a) if without fault of the Sublandlord the Head Lease should terminate prior to the expiration date of this Sublease, the Sublandlord shall have no liability to Subtenant; and (b) to the extent that the Head Lease grants Sublandlord any discretionary right to terminate the Head Lease, whether due to casualty, condemnation or otherwise, Sublandlord shall be entitled to exercise or not exercise such right in its sole and absolute discretion; provided, however, Sublandlord acknowledges and agrees that, where

Head Landlord consents to the recognition of Subtenant's occupancy following a termination of the Head Lease upon either the terms and conditions of the Head Lease, or the terms and conditions of this Sublease for the balance of the Sublease Term, Sublandlord shall consent to the same.

17.6 Encumbering Title . Subtenant shall not do any action which in any way encumbers the title of the Head Landlord's ownership interest in and to the Building or the Property nor shall the interest or the estate of Head Landlord or Sublandlord's leasehold interest be in any way subject to any claim by way of recorded lien or encumbrance, whether by operation of law or by virtue of any express or implied contract by the Subtenant, or by reason of any other act or omission of Subtenant. Any claim to, or lien upon, the Leased Premises, or Building, or the Property arising from any act or omission of Subtenant shall be subject to the terms, covenant and condition set forth in Section 6.4 above and shall accrue against the leasehold estate of Subtenant and shall be subject and subordinate to the paramount title and rights of the Head Landlord in and to the Building and the Property and the interest of Sublandlord in the Head Lease.

17.7 No Amendment Or Waiver . Sublandlord and Subtenant hereby agree, for the benefit of Head Landlord, that this Sublease and Head Landlord's approval hereto shall not: (a) be deemed to have amended the Head Lease in any regard (unless Head Landlord shall have expressly agreed in writing to such amendment); or (b) be construed as a waiver of Head Landlord's right to consent to any assignment of the Head Lease by Sublandlord, or as a waiver of Head Landlord's right to consent to any assignment by Subtenant of this Sublease or any sub-subletting of the Leased Premises, or any part thereof.

ARTICLE 18

GENERAL PROVISIONS

18.1 Taxes On Subtenant's Property . Subtenant shall pay before delinquency any and all taxes, assessments, license fees, use fees, permit fees and public charges of whatever nature or description levied, assessed or imposed against Subtenant or Sublandlord by a governmental agency arising out of, caused by reason of, or based upon Subtenant's leasehold estate in this Sublease, Subtenant's ownership of property, improvements made by Subtenant to the Leased Premises or the Outside Areas, improvements made by Sublandlord or Head Landlord for Subtenant's use within the Leased Premises or the Outside Areas, Subtenant's use (or estimated use) of public facilities or services or Subtenant's consumption (or estimated consumption) of public utilities, energy, water or other resources (collectively, "Subtenant's Interest"). Upon demand by Sublandlord, Subtenant shall furnish Sublandlord with satisfactory evidence of these payments. If any such taxes, assessments, fees or public charges are levied against Sublandlord, Sublandlord's property, the Building or the Property, or if the assessed value of the Building or the Property is increased by the inclusion therein of a value placed upon Subtenant's Interest, regardless of the validity thereof, Sublandlord shall have the right to require Subtenant to pay such taxes, and if not paid and satisfactory evidence of payment delivered to Sublandlord at least ten days prior to delinquency, then Sublandlord shall have the right to pay such taxes on Subtenant's behalf and to invoice Subtenant for the same. Subtenant shall, within the earlier to occur of (a) thirty (30) days of the date it receives an invoice from Sublandlord setting forth the amount of such taxes, assessments, fees, or public charge so levied, or (b) the due date of such invoice, pay to Sublandlord, as Additional Rent, the amount set forth in such invoice. Failure by Subtenant to pay the amount so invoiced within such time period shall be conclusively deemed a default by Subtenant under this Sublease. Subtenant shall have the right to bring suit in any court of competent jurisdiction to recover from the taxing authority the amount of any such taxes, assessments, fees or public charges so paid.

18.2 Holding Over . This Sublease shall terminate without further notice on the Sublease Expiration Date (as set forth in Article 1). Any holding over by Subtenant after expiration of the Sublease Term shall neither constitute a renewal nor extension of this Sublease nor give Subtenant any rights in or

to the Leased Premises except as expressly provided in this Section 18.2. Any such holding over to which Sublandlord and Head Landlord have consented to in writing shall be construed to be a tenancy from month to month, on the same terms and conditions herein specified insofar as applicable, except that the Base Monthly Rent shall be increased for the first two (2) months of such holding over to an amount equal to one hundred fifty percent (150%) of the Base Monthly Rent payable during the last full month immediately preceding such holding over and thereafter the Base Monthly Rent shall be increased for the remainder of such holding over to an amount equal to two hundred percent (200%) of the Base Monthly Rent payable during the last full month immediately preceding such holding over. Subtenant acknowledges and agrees that if Subtenant holds over without Sublandlord's consent, such holding over may compromise or otherwise affect Sublandlord's ability to recapture the Leased Premises for Sublandlord's use, including, without limitation, entering into new leases with prospective subtenants regarding the Leased Premises due to be surrendered by Subtenant. Therefore, if Subtenant fails to surrender the Leased Premises within thirty (30) days of the Sublease Expiration Date, then, in addition to the increased Base Monthly Rent and other amounts due under this Sublease accruing therefrom, Subtenant shall be liable for any claims for lost profits or other consequential damages of Sublandlord resulting from Subtenant holding over in the Leased Premises or any portion thereof; and Subtenant shall protect, defend, indemnify and hold Sublandlord harmless from and against all claims resulting from such failure, including, without limiting the foregoing, any claims made by Sublandlord or any succeeding subtenant founded upon such failure to surrender, and any losses suffered by Sublandlord, including lost profits, or consequential damages resulting from such failure to surrender.

18.3 Subordination To Mortgages . This Sublease is subject to and subordinate to all ground leases, mortgages and deeds of trust which affect the Building or the Property and which are of public record as of the Effective Date of this Sublease, and to all renewals, modifications, consolidations, replacements and extensions thereof. However, if the Head Landlord under the Head Lease or any lender holding any such mortgage or deed of trust shall advise Sublandlord that it desires or requires this Sublease to be made prior and superior thereto, then, upon written request of Sublandlord to Subtenant, Subtenant shall promptly execute, acknowledge and deliver any and all customary or reasonable documents or instruments which Sublandlord and Head Landlord or such lender deems necessary or desirable to make this Sublease prior thereto. Subtenant hereby consents to Head Landlord's ground leasing the land underlying the Building or the Property and/or encumbering the Building or the Property as security for future loans on such terms as Head Landlord shall desire, all of which future ground leases, mortgages or deeds of trust shall be subject to and subordinate to this Sublease. However, if any lessor under any such future ground lease or any lender holding such future mortgage or deed of trust shall desire or require that this Sublease be made subject to and subordinate to such future ground lease, mortgage or deed of trust, then Subtenant agrees, within ten (10) days after Sublandlord's written request therefor, to execute, acknowledge and deliver to Sublandlord and Head Landlord any and all documents or instruments reasonably requested by Sublandlord, Head Landlord or by such lessor or lender as may be necessary or proper to assure the subordination of this Sublease to such future ground lease, mortgage or deed of trust, but only if such lessor or lender agrees to recognize Sublandlord's rights under the Head Lease and agrees not to disturb Sublandlord's quiet possession of the Leased Premises so long as Sublandlord is not in default under the Head Lease. If Head Landlord assigns the Head Lease as security for a loan, Subtenant agrees to execute such documents as are reasonably requested by the lender and to provide reasonable provisions in this Sublease protecting such lender's security interest which are customarily required by institutional lenders making loans secured by a deed of trust provided that such documents do not materially increase Subtenant's obligations under this Sublease.

18.4 Subtenant's Attornment Upon Foreclosure . Subtenant shall, upon request, attorn (i) to any purchaser of the Building or the Property at any foreclosure sale or private sale conducted pursuant to any security instruments encumbering the Building or the Property, (ii) to any grantee or transferee designated in any deed given in lieu of foreclosure of any security interest encumbering the Building or the Property, or (iii) to the lessor under an underlying ground lease of the land underlying the

Building or the Property, should such ground lease be terminated; provided that such purchaser, grantee or lessor recognizes Subtenant's rights under this Sublease.

18.5 Mortgagee Protection . In the event of any default on the part of Sublandlord, Subtenant will give notice by registered mail to any Lender or lessor under any underlying ground lease who shall have requested, in writing, to Subtenant that it be provided with such notice, and Subtenant shall offer such Lender or lessor a reasonable opportunity to cure the default, including time to obtain possession of the Leased Premises by power of sale or judicial foreclosure or other appropriate legal proceedings if reasonably necessary to effect a cure.

18.6 Estoppel Certificate . Subtenant will, following any request by Head Landlord or Sublandlord, promptly execute and deliver to Head Landlord an estoppel certificate substantially in form attached as Exhibit "D", (i) certifying that this Sublease is unmodified and in full force and effect, or, if modified, stating the nature of such modification and certifying that this Sublease, as so modified, is in full force and effect, (ii) stating the date to which the rent and other charges are paid in advance, if any, (iii) acknowledging that there are not, to Subtenant's knowledge, any uncured defaults on the part of Sublandlord hereunder, or specifying such defaults if any are claimed, and (iv) certifying such other information about this Sublease as may be reasonably requested by Sublandlord, Head Landlord's Lender or prospective lenders, investors or purchasers of the Building or the Property. Subtenant's failure to execute and deliver such estoppel certificate within ten (10) days after request therefor by Head Landlord pursuant to the terms of the Head Lease, which failure continues for five (5) business days after Subtenant's receipt of a second notice from Head Landlord and or Sublandlord to execute an estoppel certificate for the benefit of Head Landlord, shall be a material default by Subtenant under this Sublease, and Sublandlord shall have all of the rights and remedies available to Sublandlord as Sublandlord would otherwise have in the case of any other material default by Subtenant, including the right to terminate this Sublease and sue for damages proximately caused thereby, it being agreed and understood by Subtenant that Subtenant's failure to so deliver such estoppel certificate in a timely manner could result in Sublandlord or Head Landlord being unable to perform committed obligations to other third parties which were made by them in reliance upon this covenant of Subtenant. Sublandlord and Subtenant intend that any statement delivered pursuant to this paragraph may be relied upon by any Lender or purchaser or prospective Lender or purchaser of the Building, the Property, or any interest in them.

18.7 Subtenant's Financial Information . Subtenant shall, within ten (10) business days after Sublandlord's request therefor, deliver to Sublandlord a copy of Subtenant's (and any guarantor's) current financial statements (including a balance sheet, income statement and statement of cash flow, all prepared in accordance with generally accepted accounting principles) and any such other information reasonably requested by Sublandlord regarding Subtenant's financial condition. Sublandlord shall be entitled to disclose such financial statements or other information to Head Landlord and its Lender, to any present or prospective principal of or investor in Head Landlord, or to any prospective Lender or purchaser of the Building, the Property, or any portion thereof or interest therein. Any such financial statement or other information which is marked "confidential" or "company secrets" (or is otherwise similarly marked by Subtenant) shall be confidential and shall not be disclosed by Sublandlord to any third party except as specifically provided in this paragraph and then only if the person to whom disclosure is made first agrees to be bound by the requirements of this Section unless the same becomes a part of the public domain without the fault of Sublandlord.

18.8 Transfer By Sublandlord . Sublandlord and its successors-in-interest shall have the right to transfer their leasehold interest, or any portion thereof at any time and to any person or entity. In the event of any such transfer, the Sublandlord originally named herein (and in the case of any subsequent transfer, the transferor), from the date of such transfer, (i) shall be automatically relieved, without any further act by any person or entity, of all liability for the performance of the obligations of the Sublandlord hereunder which may accrue after the date of such transfer so long as the transferee has agreed to assume and perform all such obligations which may accrue after the date of such transfer

and (ii) shall be relieved of all liability for the performance of the obligations of the Sublandlord hereunder which have accrued before the date of transfer if its transferee agrees to assume and perform all such prior obligations of the Sublandlord hereunder. Subtenant agrees that it shall attorn to any such transferee upon such transfer. After the date of any such transfer, the term "Sublandlord" as used herein shall mean the transferee of such leasehold interest.

18.9 Force Majeure . The obligations of each of the parties under this Sublease (other than the obligations to pay money) shall be temporarily excused if such party is prevented or delayed in performing such obligations by reason of any strikes, lockouts or labor disputes; government restrictions, regulations, controls, action or inaction; civil commotion; or extraordinary weather, fire or other acts of God.

18.10 Notices . Any notice required or permitted to be given under this Sublease shall be in writing and (i) personally delivered, (ii) sent by United States mail, registered or certified mail, postage prepaid, return receipt requested, (iii) sent by Federal Express or similar nationally recognized overnight courier service, or (iv) transmitted by facsimile with a hard copy sent within one (1) business day by any of the foregoing means, and in all cases addressed as follows, and such notice shall be deemed to have been given upon the date of actual receipt or delivery (or refusal to accept delivery) at the address specified below (or such other addresses as may be specified by notice in the foregoing manner) as indicated on the return receipt or air bill:

If to Subtenant : Juniper Networks, Inc.
1133 Innovation Way
Building A
Sunnyvale
California 94089
Attention: Sr. Director REWS

With a copy to: Juniper Networks, Inc.
1133 Innovation Way
Building A
Sunnyvale
California 94089
Attention: General Counsel

With a copy of default notices to:

Reed Smith LLP
101 Second Street
Suite 1800
San Francisco
California 94105
Attention: Simon T. Adams Esq.

If to Sublandlord: Google Inc.
1600 Amphitheatre Parkway

Mountain View
California 94043
Attention: General Counsel

With a copy to: Google Inc.
1600 Amphitheatre Parkway

Mountain View

California 94043
Attention: Legal Department / RE Matters

With a copy to: Allen Matkins Leck Gamble Mallory & Natsis LLP

Three Embarcadero Center, 12 th Floor
San Francisco, California 94111-4074
Attention: Lee A. Edlund, Esq.

Any notice given in accordance with the foregoing shall be deemed received upon actual receipt or refusal to accept delivery.

18.11 Attorneys' Fees . In the event any party shall bring any action, arbitration proceeding or legal proceeding alleging a breach of any provision of this Sublease, to recover rent, to terminate this Sublease, or to enforce, protect, determine or establish any term or covenant of this Sublease or rights or duties hereunder of either party, the prevailing party shall be entitled to recover from the non-prevailing party as a part of such action or proceeding, or in a separate action for that purpose brought within one year from the determination of such proceeding, reasonable attorneys' fees, expert witness fees, court costs and other reasonable expenses incurred by the prevailing party.

18.12 Definitions . Any term that is given a special meaning by any provision in this Sublease shall, unless otherwise specifically stated, have such meaning wherever used in this Sublease or in any Exhibit or amendment hereto. In addition to the terms defined in Article 1, the following terms shall have the following meanings:

(a) The term "Real Property Tax" or "Real Property Taxes" shall each mean the sum of Subtenant's Property Share (as to the land component of the Property) and Subtenant's Expense Share (as to the Building and other improvements in the Outside Areas) of (i) all taxes, assessments, levies and other charges of any kind or nature whatsoever, general and special, foreseen and unforeseen (including all instruments of principal and interest required to pay any general or special assessments for public improvements and any increases resulting from reassessments caused by any change in ownership or new construction), now or hereafter imposed by any governmental or quasi-governmental authority or special district having the direct or indirect power to tax or levy assessments, which are levied or assessed for whatever reason against the Property or any portion thereof, or Head Landlord's interest therein, or the fixtures, equipment and other property of Head Landlord that is an integral part of the Property and located thereon, or Head Landlord's business of owning, leasing or managing the Property or the gross receipts, income or rentals from the Property, (ii) all charges, levies or fees imposed by any governmental authority against Head Landlord by reason of or based upon the use of or number of parking spaces within the Property, the amount of public services or public utilities used or consumed (e.g. water, gas, electricity, sewage or waste water disposal) at the Property, the number of person employed by tenants of the Property, the size (whether measured in area, volume, number of tenants or whatever) or the value of the Property, or the type of use or uses conducted within the Property, and all costs and fees (including attorneys' fees) reasonably incurred by Head Landlord in contesting any Real Property Tax and in negotiating with public authorities as to any Real Property Tax. If, at any time during the Sublease Term, the taxation or assessment of the Property prevailing as of the Effective Date of this Sublease shall be altered so that in lieu of or in addition to any the Real Property Tax described above there shall be levied, awarded or imposed (whether by reason of a change in the method of taxation or assessment, creation of a new tax or charge, or any other cause) an alternate, substitute, or additional use or charge (i) on the value, size, use or occupancy of the Property or Head Landlord's interest therein or (ii) on or measured by the gross receipts, income or rentals from the Property, or on Head Landlord's business of owning, leasing or managing the Property or (iii) computed in any manner with respect to the operation of the Property, then any such tax or charge, however designated, shall be included within the meaning of the terms "Real Property Tax" or "Real Property Taxes" for purposes of this Sublease. If any Real Property Tax is partly based upon property or rents unrelated to the Property, then only

that part of such Real Property Tax that is fairly allocable to the Property shall be included within the meaning of the terms “Real Property Tax” or “Real Property Taxes.” Notwithstanding the foregoing, the terms “Real Property Tax” or “Real Property Taxes” shall not include estate, inheritance, transfer, gift or franchise taxes of Head Landlord or the federal or state income tax imposed on Head Landlord’s income from all sources.

(b) The term “Sublandlord’s Insurance Costs” shall mean Subtenant’s Expense Share of the costs to Head Landlord to carry and maintain the policies of fire and property damage insurance for the Building and Subtenant’s Property Share of the costs to Head Landlord to carry and maintain the policies of fire and property damage insurance on the Property and general liability and any other insurance required or permitted to be carried by Head Landlord pursuant to the Head Lease, together with any deductible amounts paid by Head Landlord upon the occurrence of any insured casualty or loss. Any deductible amount in excess of twenty five (25%) of the total casualty shall be amortized over the useful life of the repair or replacement required to restore the Property after such casualty, and the amortized portion shall be included on a monthly basis in Sublandlord’s Insurance Costs.

(c) The term “Property Maintenance Costs” shall mean Subtenant’s Property Share of all costs and expenses (except Head Landlord’s Insurance Costs and Real Property Taxes) paid or incurred by Head Landlord in protecting, operating, maintaining, repairing and preserving the Property and all parts thereof, including without limitation, (i) market rate professional management fees of no more than two percent (2%) of Base Monthly Rent, (ii) the amortizing portion of any costs incurred by Head Landlord in the making of any modifications, alterations or improvements required by any governmental authority, which are so amortized during the Head Lease term, (iii) any and all on-going operation or maintenance costs imposed on the Property by or through any development agreement, use permit, site development agreement, traffic mitigation plan, entitlement, or Private Restrictions (including but not limited to shuttle and emergency transportation), and (iv) such other costs as may be paid or incurred with respect to operating, maintaining, and preserving the Property, repairing and resurfacing paved areas, and repairing and replacing, when necessary, electrical, plumbing, heating, ventilating and air conditioning systems serving the Building, provided that the cost of any capital improvement shall be amortized over the useful life of such improvement and the amortizing portion of the cost shall be included in Property Maintenance Costs. If any costs and expenses are partly based upon property or rents unrelated to the Property, then only that part of such Property Maintenance Costs that is fairly allocable to the Property shall be included within the meaning of the terms “Property Maintenance Costs.” Notwithstanding the foregoing provisions of this Section, the following are specifically excluded from the definition of Property Maintenance Costs and Subtenant shall have no obligation to pay directly or reimburse Sublandlord or Head Landlord for all or any portion of the following except to the extent any of the foregoing are caused by the actions or inactions of Subtenant, or result from the failure of Subtenant to comply with the terms of the Sublease: (a) costs of development or construction on the Property (other than on-going operation or maintenance costs as set forth in (iii) above); (b) the costs to repair or replace the structural portions of the Building or other buildings on the Property, including, without limitation, the foundation, footings, roof structure, roof screens, roof screen penetrations, and load bearing and exterior walls of the Building or any other building located on the Property; (c) depreciation, amortization or other expense reserves; (d) interest, charges and fees incurred on debt, payments on mortgages and rent under ground leases; (e) costs and expenses for which Subtenant reimburses Sublandlord or Head Landlord directly or which Subtenant pays directly to a third person or costs for which Head Landlord has a right of reimbursement from others; (f) costs occasioned by the active negligence or willful misconduct of Head Landlord or any other occupant of the Property or violations of Law by Head Landlord or any other occupant of the Property or violations of Law by Head Landlord or any other occupant of the Property; (g) or costs to correct any construction defect in the Leased Premises, the Building or the Property; or (h) capital costs incurred by Head Landlord to bring the Building or the Property in to compliance with the “Use Permit” (as such term is defined in Head Lease), any CC&R’s, underwriter’s requirements, or Laws applicable to the Leased Premises, the Building or the Property

at the time the building permit for the “Base Building” (as such term is defined in the Head Lease) was issued.

(d) The term “Property Operating Expenses” shall mean and include all Real Property Taxes; plus all Sublandlord’s Insurance Costs, plus all Property Maintenance Costs.

(e) The term “Law” shall mean any judicial decisions and any statute, constitution, ordinance, resolution, regulation, rule, administrative order, or other requirements of any municipal, county, state, federal, or other governmental agency or authority having jurisdiction over the parties to this Sublease, the Leased Premises, the Building, the Outside Areas or the Property, or any of them, in effect either at the Effective Date of this Sublease or at any time during the Sublease Term, including, without limitation, any regulation, order, or policy of any quasi-official entity or body (e.g. a board of fire examiners or a public utility or special district).

(f) The term “Lender” shall mean the holder of any promissory note or other evidence of indebtedness secured by the Property or any portion thereof.

(g) The term “Private Restrictions” shall mean (as they may exist from time to time) any and all covenants, conditions and restrictions, private agreements, easements, and any other recorded documents or instruments affecting the use of the Property, the Building, the Leased Premises, or the Outside Areas.

(h) The term “Rent” shall mean collectively Base Monthly Rent and all Additional Rent.

18.13 General Waivers . One party’s consent to or approval of any act by the other party requiring the first party’s consent or approval shall not be deemed to waive or render unnecessary the first party’s consent to or approval of any subsequent similar act by the other party. No waiver of any provision hereof, or any waiver of any breach of any provision hereof, shall be effective unless in writing and signed by the waiving party. The receipt by Sublandlord of any rent or payment with or without knowledge of the breach of any other provision hereof shall not be deemed a waiver of any such breach. No waiver of any provision of this Sublease shall be deemed a continuing waiver unless such waiver specifically states so in writing and is signed by both Sublandlord and Subtenant. No delay or omission in the exercise of any right or remedy accruing to either party upon any breach by, the other party under this Sublease shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by either party of any breach of any provision of this Sublease shall not be deemed to be a waiver of any subsequent breach of the same or any other provisions herein contained.

18.14 Miscellaneous . Should any provisions of this Sublease prove to be invalid or illegal, such invalidity or illegality shall in no way affect, impair or invalidate any other provisions hereof, and such remaining provisions shall remain in full force and effect. Time is of the essence with respect to the performance of every provision of this Sublease in which time of performance is a factor. Any copy of this Sublease which is executed by the parties shall be deemed an original for all purposes. This Sublease shall, subject to the provisions regarding assignment, apply to and bind the respective heirs, successors, executors, administrators and assigns of Sublandlord and Subtenant. The term “party” shall mean Sublandlord or Subtenant as the context implies. If Subtenant consists of more than one person or entity, then all members of Subtenant shall be jointly and severally liable hereunder. This Sublease shall be construed and enforced in accordance with the Laws of the State in which the Leased Premises are located. The captions in this Sublease are for convenience only and shall not be construed in the construction or interpretation of any provision hereof. When the context of this Sublease requires, the neuter gender includes the masculine, the feminine, a partnership, corporation, limited liability company, joint venture, or other form of business entity, and the singular includes the plural. The terms “must,” “shall,” “will,” and “agree” are mandatory. The term “may” is permissive. When a party is required to do something by this Sublease, it shall do so at its sole cost

and expense without right of reimbursement from the other party unless specific provision is made therefor. Where Head Landlord's consent is required hereunder, the consent of any Lender may also be required. Sublandlord and Subtenant shall both be deemed to have drafted this Sublease, and the rule of construction that a document is to be construed against the drafting party shall not be employed in the construction or interpretation of this Sublease. Where Subtenant is obligated not to perform any act or is not permitted to perform any act, Subtenant is also obligated to restrain any others reasonably within its control, including employees, agents, invitees, contractors, and subcontractors from performing such act. Sublandlord shall not become or be deemed a partner or a joint venturer with Subtenant by reason of any of the provisions of this Sublease.

18.15 Cooperation . Notwithstanding anything to the contrary contained herein, Subtenant consents to and agrees to fully cooperate with Sublandlord and Head Landlord and their respective officers, directors, employees, agents and contractors in Sublandlord's efforts, if any, to give effect to the terms of this Sublease. Sublandlord's efforts may include, without limitation, cooperation with requests made by Head Landlord, the restriping or reconfiguration of the parking areas, signage and application for permits and other approvals at the Property and all reasonable actions of the Head Landlord to ensure the maintenance and repair of the Building and Outside Areas. Subtenant agrees to execute such documents and take such actions as reasonably necessary to assist Sublandlord and Head Landlord with such efforts and actions. Subtenant agrees that such efforts and actions of Sublandlord and Head Landlord shall not constitute constructive eviction of Subtenant from the Leased Premises, or the Building.

18.16 Confidentiality . Sublandlord and Subtenant agree that the terms of this Sublease shall be kept strictly confidential. Neither Sublandlord nor Subtenant shall divulge the terms of this Sublease to any person other than such party's officers, directors, employees, attorneys, accountants, consultants and/or real estate brokers, and/or current or prospective assignees, subtenants, master landlords, lenders or purchasers, in each instance who have a need to know any such terms and who agree to keep such information confidential. Notwithstanding the foregoing, the terms of this Sublease may be disclosed, without any liability whatsoever for such disclosures to any government entity, agency or any other person whom disclosure is required by law or by regulatory or judicial process, including in connection with enforcing the terms of this Sublease or disclosures and filings made to the U.S. Securities and Exchange Commission as a publically traded company with stock registered on a nationally recognized stock exchange.

18.17 Subtenant's Costs Of Sublease . Subtenant agrees to be responsible for (and to reimburse Head Landlord in a timely manner) the fees due to Head Landlord pursuant to the terms and conditions of the Head Lease for consent to this Sublease.

18.18 CASp Inspection . For purposes of Section 1938 of the California Civil Code, Sublandlord hereby discloses to Subtenant and Subtenant hereby acknowledges and agrees that the Leased Premises has not undergone inspection by a Certified Access Specialist ("CASp").

18.19 Energy Disclosure Requirements .

(a) Nonresidential Building Energy Use Disclosure Requirement Compliance . Subtenant hereby acknowledges that Sublandlord may be required to disclose certain information concerning the energy performance of the Building pursuant to California Public Resources Code Section 25402.10 and the regulations adopted pursuant thereto (collectively the "Energy Disclosure Requirements"); however, Subtenant has been occupying the Building pursuant to the Head Lease, which Subtenant has assigned to Sublandlord concurrently herewith. Accordingly, Subtenant, and not Sublandlord, is in the best position to have the information necessary to make the required disclosures. Accordingly, Subtenant hereby agrees to make all such disclosures on behalf of Sublandlord and, accordingly, Subtenant acknowledges prior receipt of the Data Verification Checklist, as defined in the Energy Disclosure Requirements (the "Energy Disclosure Information"),

and agrees that Sublandlord has timely complied in full with Sublandlord's obligations under the Energy Disclosure Requirements. Subtenant acknowledges and agrees that (i) Sublandlord makes no representation or warranty regarding the energy performance of the Building or the accuracy or completeness of the Energy Disclosure Information, (ii) the Energy Disclosure Information is for the current occupancy and use of the Building and that the energy performance of the Building may vary depending on future occupancy and/or use of the Building, and (iii) Sublandlord shall have no liability to Subtenant for any errors or omissions in the Energy Disclosure Information. If and to the extent not prohibited by applicable laws, Subtenant hereby waives any right Subtenant may have to receive the Energy Disclosure Information, including, without limitation, any right Subtenant may have to terminate this Sublease as a result of Sublandlord's failure to disclose such information. Further, Subtenant hereby releases Sublandlord from any and all losses, costs, damages, expenses and/or liabilities relating to, arising out of and/or resulting from the Energy Disclosure Requirements, including, without limitation, any liabilities arising as a result of Sublandlord's failure to disclose the Energy Disclosure Information to Subtenant prior to the execution of this Sublease. Subtenant's acknowledgment of the "as-is" condition of the Leased Premises pursuant to the terms of this Sublease shall be deemed to include the energy performance of the Building.

(b) Subtenant’s Cooperation with Future Energy Use Disclosures by Sublandlord and Head Landlord . Subtenant acknowledges that, pursuant to the Energy Disclosure Requirements, Sublandlord and/or Head Landlord may be required in the future to disclose information concerning Subtenant's energy usage to certain third parties, including, without limitation, prospective purchasers, lenders and tenants of the Building ("Subtenant Energy Use Disclosure"). Subtenant shall cooperate with Sublandlord and Head Landlord with respect to any Subtenant Energy Use Disclosure. Without limiting the generality of the foregoing, Subtenant shall, within ten (10) days following request from Sublandlord or Head Landlord, disclose to Sublandlord and Head Landlord all information requested by Sublandlord and Head Landlord in connection with such Subtenant Energy Use Disclosure, including, but not limited to, the amount of power or other utilities consumed within the Leased Premises for which the meters for such utilities are in Subtenant's name, the number of employees working within the Leased Premises, the operating hours for Subtenant's business in the Leased Premises, and the type and number of equipment operated by Subtenant in the Leased Premises. Subtenant acknowledges that this information shall be provided on a non-confidential basis and may be provided by Sublandlord and/or Head Landlord to the applicable utility providers, the California Energy Commission (and other governmental entities having jurisdiction with respect to the Energy Disclosure Requirements), and any third parties to whom Sublandlord or Head Landlord is required to make any Subtenant Energy Use Disclosure. Subtenant hereby (A) consents to all such Subtenant Energy Use Disclosures, and (B) acknowledges that Sublandlord shall not be required to notify Subtenant of any Subtenant Energy Use Disclosure. Subtenant agrees that none of the Other Sublandlord Parties shall be liable for, and Subtenant hereby releases the Other Sublandlord Parties from, any and all loss, cost, damage, expense and liability relating to, arising out of and/or resulting from any Subtenant Energy Use Disclosure. In addition, Subtenant represents to Sublandlord that any and all information provided by Subtenant to Sublandlord or Head Landlord pursuant to this Section 18.19(b) shall be, to the best of Subtenant's knowledge, true and correct in all material respects, Subtenant acknowledges that Sublandlord and Head Landlord shall rely on such information, and Subtenant shall indemnify, defend and hold harmless Sublandlord and the Other Sublandlord Parties from and against all claims, demands, liabilities, damages, losses, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred in connection with or arising from any breach of the foregoing representation and/or Subtenant's failure to timely provide any information requested by Sublandlord or Head Landlord pursuant to this Section 18.19(b). The terms of this Section 18.19 shall survive the expiration or earlier termination of this Sublease.

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the respective dates below set forth with the intent to be legally bound thereby as of the Effective Date of this Sublease first above set forth.

SUBTENANT:

Juniper Networks, Inc.,
a Delaware corporation

By: /s/ Mitchell L. Gaynor
Name: Mitchell L. Gaynor
Title: Executive Vice President
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

SUBLANDLORD:

Google Inc.,
a Delaware corporation

By: /s/ David Radcliffe
Name: David Radcliffe
Title: V.P. Real Estate
Date: 8/18/14

EXHIBIT "A"

SITE PLAN

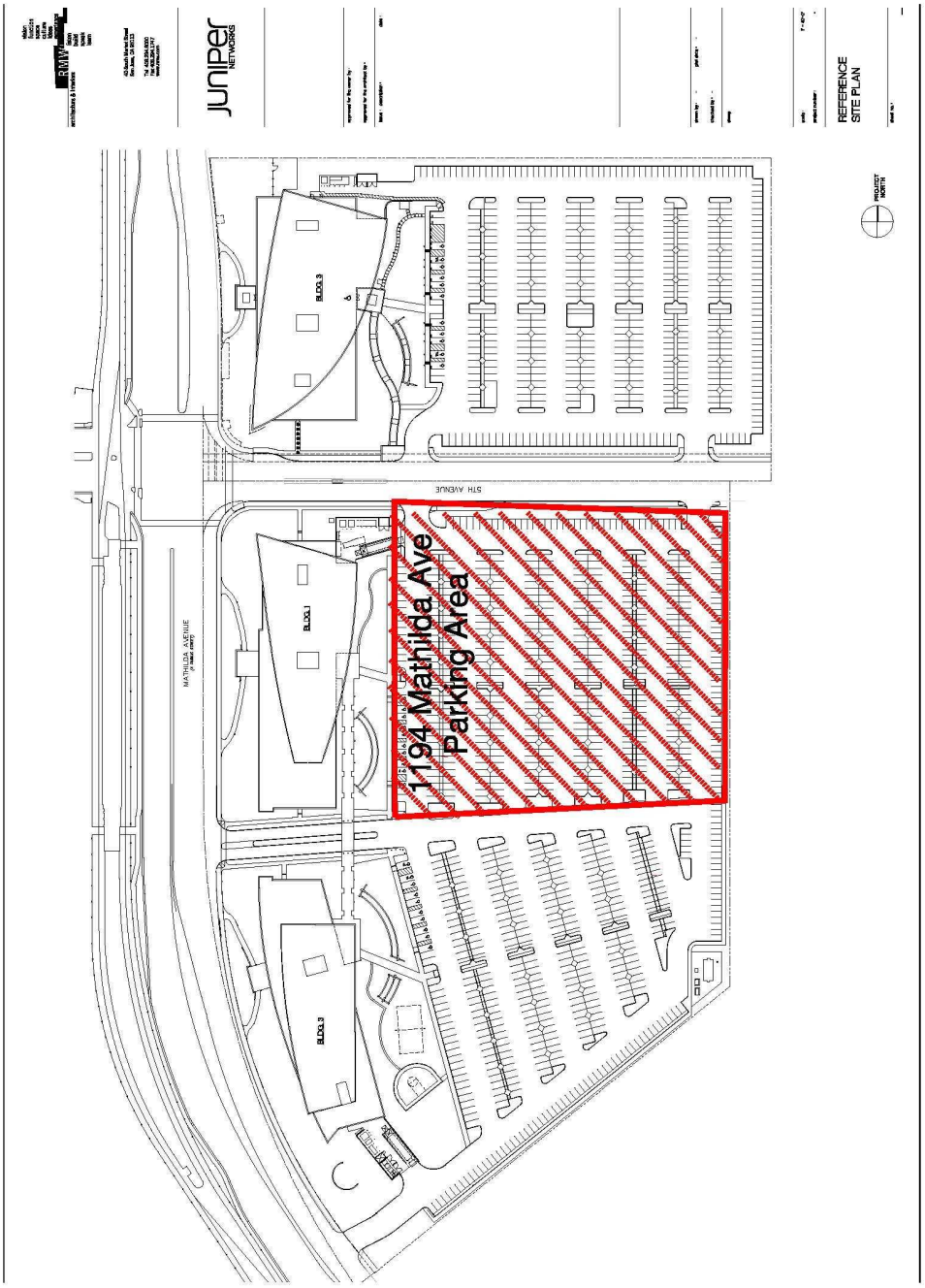
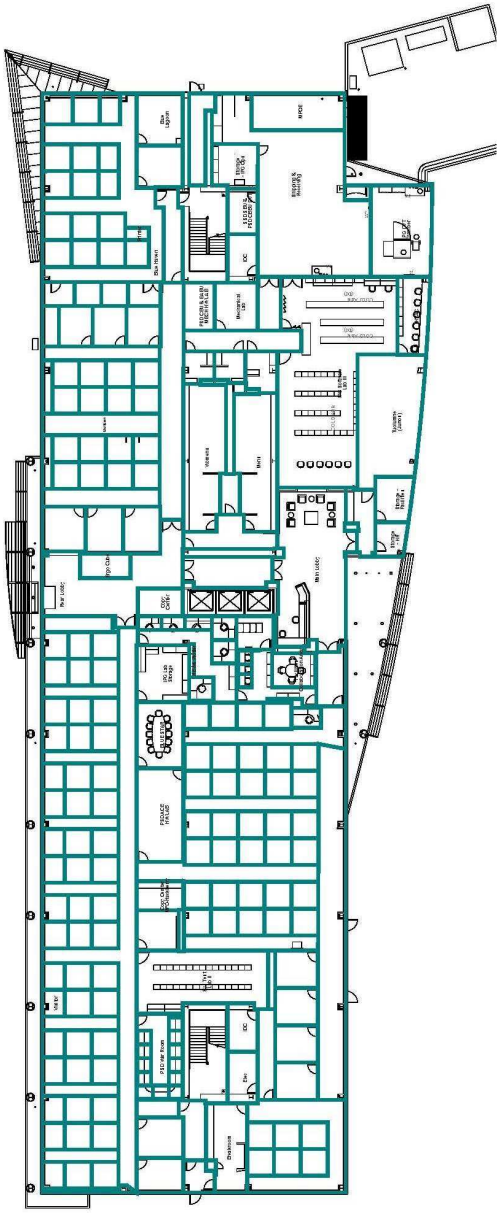
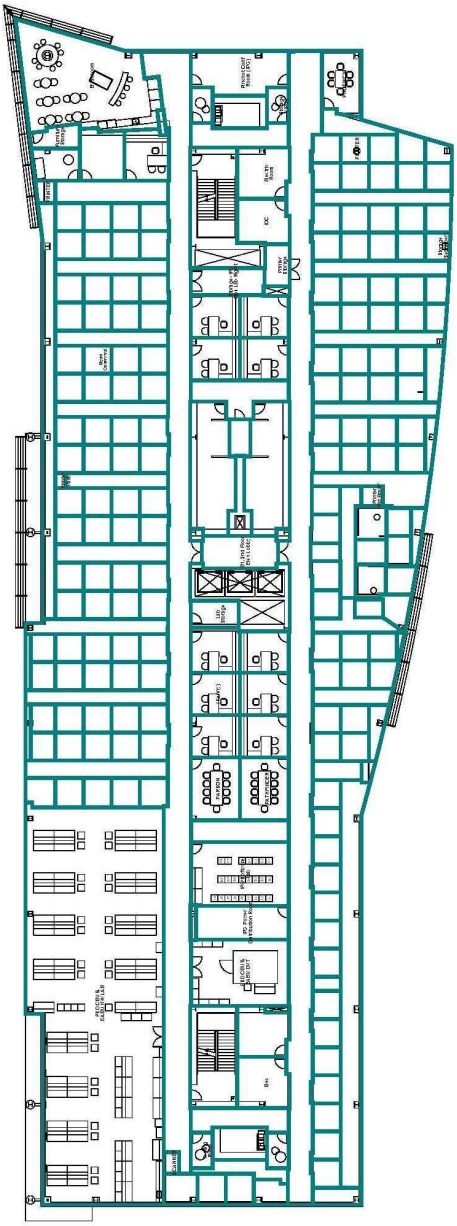
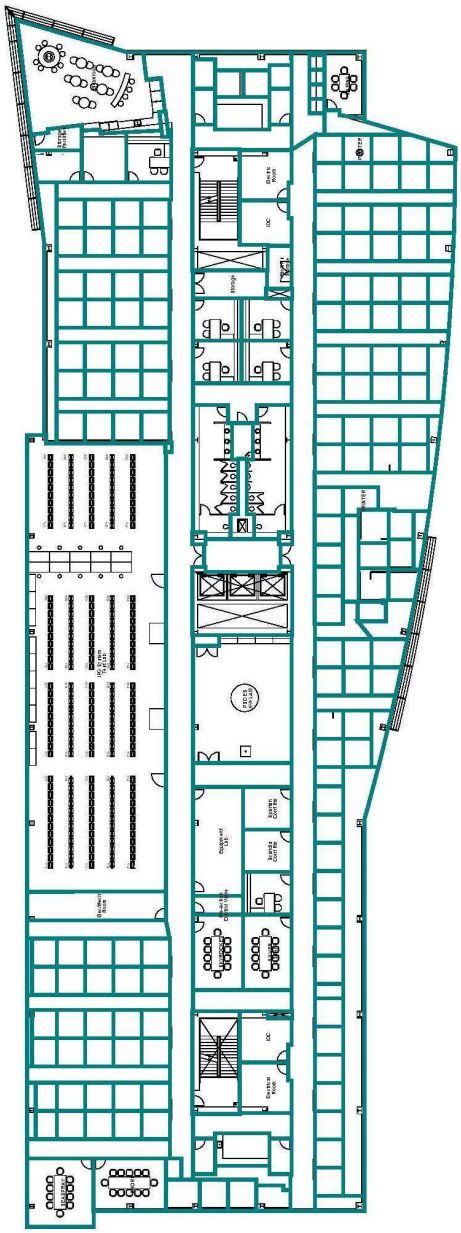


EXHIBIT "B"

LEASED PREMISES







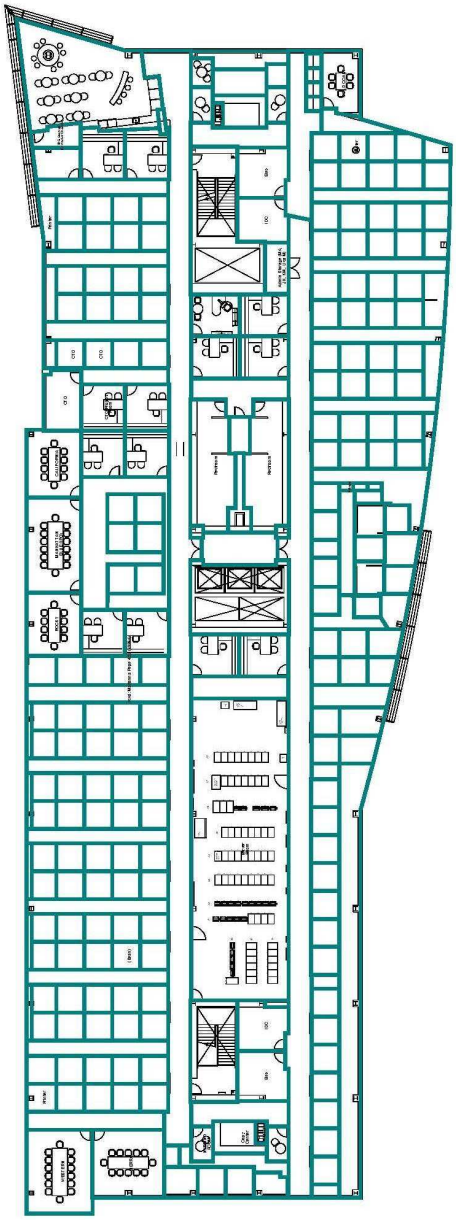


EXHIBIT "C"

SUBLEASE COMMENCEMENT DATE CERTIFICATE

This Sublease Commencement Date Certificate is entered into by Sublandlord and Subtenant pursuant to the terms of the Sublease.

1. (a) Sublandlord: Google Inc.
   (b) Subtenant: Juniper Networks, Inc.
   (c) Sublease: Sublease dated August 18, 2014
   (d) Leased Premises: 1194 N. Mathilda Avenue, Sunnyvale, California.

2. CONFIRMATION OF SUBLEASE COMMENCEMENT

Sublandlord and Subtenant confirm that the Sublease Commencement Date is _____ , 2014, and the Expiration Date is June 30, 2016 (subject to extension pursuant to Section 14.1 of the Sublease, and subject to acceleration pursuant to Section 14.2 of the Sublease) and that Article 1 of the Sublease is amended accordingly.

Sublandlord and Subtenant have executed this Sublease Commencement Date Certificate as of the dates set forth below.

SUBTENANT:

Juniper Networks, Inc.,

a Delaware corporation

By: _____

Name: _____

Title: _____

Date: _____

SUBLANDLORD:

Google Inc.,

a Delaware corporation

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT "D"

FORM OF ESTOPPEL CERTIFICATE

, 20 __

__
__

Re 1194 N. Mathilda Avenue

Sunnyvale, California

Ladies and Gentlemen:

Reference is made to that certain Sublease, dated as of [_____], between [_____], a _____ ("Sublandlord"), and the undersigned (herein referred to as the "Sublease"). A copy of the Sublease [and all amendment thereto] is[are] attached hereto as Exhibit A . At the request of Sublandlord in connection with [__State reasons for request for estoppel certificate__], the undersigned hereby certifies to Sublandlord and to[__State names of other parties requiring certification__] and each of your respective successors and assigns as follows:

1. The undersigned is the tenant under the Sublease.

2. The Sublease is in full force and effect and has not been amended, modified, supplemented or superseded except as indicated in Exhibit A .

3. To the actual knowledge of the undersigned without duty of inquiry or investigation there is no defense, offset, claim or counterclaim by or in favor of the undersigned against Sublandlord under the Sublease or against the obligations of the undersigned under the Sublease. The undersigned has no renewal, extension, or expansion option, no right of first offer or right of first refusal and no other similar right to renew or extend the term of the Sublease or expand the property demised thereunder except as may be expressly set forth in the Sublease.

4. The undersigned is not aware of any default now existing of the undersigned or of Sublandlord under the Sublease, nor of any event which with notice or the passage of time or both would constitute a default of the undersigned or of Sublandlord under the Sublease except __

____

5. The undersigned has not received notice of a prior transfer, assignment, hypothecation, or pledge by Sublandlord of any of Sublandlord's interest in the Sublease.

6. The monthly rent due under the Sublease is $ ___and has been paid through ___, and all additional rent due and payable under the Sublease has been paid through

__.

7. The term of the Sublease commenced on ___, and expires on

___, unless sooner terminated pursuant to the provisions of the Sublease. Sublandlord

has performed all work required by the Sublease for the undersigned's initial occupancy of the demised property.

8. The undersigned has deposited the sum of $ ___with Sublandlord as security for the performance of its obligations as tenant under the Sublease, and no portion of such deposit has been applied by Sublandlord to any obligation under the Sublease.

9. Except as set forth in the Sublease, there is no free rent period pending, nor is Subtenant entitled to any Sublandlord's contribution.

The above certifications are made to Sublandlord and Lender knowing that Sublandlord and Lender will rely thereon in accepting an assignment of the Sublease.

Very truly yours,

[_____], a _____

By: __

Name: __

Title: __

EXHIBIT A

SUBLEASE

[*** Attach Sublease and all Amendments Here ***]

EXHIBIT "E"

LEASED PREMISES SURRENDER WORK

Without limiting the obligations of Subtenant set forth elsewhere in this Sublease, prior to the expiration or upon the sooner termination of this Sublease, Subtenant, at Subtenant's sole cost and expense, shall perform the following work:

Subtenant shall 'safe-off' electrical at the last junction box.

Subtenant shall coil data cabling at the ceiling and floor.

Subtenant shall remove floor mounted lab racks to the structure with Lab HVAC to remain in place and be surrendered to Sublandlord.

Subtenant shall remove all other equipment and trade fixtures installed in the Leased Premises, the Building or the Outside Areas after the Effective Date.

EXHIBIT 10.8

CONSENT TO SUBLEASE

This Consent to Sublease (this " **Agreement** ") is executed as of August 18, 2014 (the " **Agreement Date** "), between **FSP-SUNNYVALE OFFICE PARK, LLC** , a Delaware limited liability company (" **Landlord** "), **GOOGLE INC.** , a Delaware corporation (" **Tenant** "), and **JUNIPER NETWORKS, INC.** , a Delaware corporation (" **Subtenant** ").

RECITALS:

A. Subtenant and Landlord are parties to that certain Lease dated as of June 18, 1999 (the " **Original Lease** "), as amended by that certain First Amendment to Lease dated February 28, 2000 (the " **First Amendment** "), as further amended by that certain Lease Commencement Date Certificate dated July 26, 2000 (the " **Commencement Certificate** "), as further amended by that certain Second Amendment to Lease dated as of October 14, 2009 (the " **Second Amendment** "), and as further amended by that certain Consent to Assignment and Third Amendment to Lease of even date herewith (the " **Consent and Amendment** ") (the Original Lease, the First Amendment, the Commencement Certificate, the Second Amendment, and the Consent and Amendment are collectively known as the " **Lease** "), under which Landlord is leasing to Subtenant the entire office building, consisting of 144,315 rentable square feet of space (the " **Leased Premises** "), located at 1194 Mathilda Avenue, Sunnyvale, California 94089 and commonly known as 1194 Mathilda (the " **Building** "). Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Lease.

B. Pursuant to that certain Assignment and Assumption of Lease Agreement of even date herewith and applicable to the Building (the " **Assignment** "), Subtenant is assigning the Lease to Tenant, contingent upon the consent of Landlord and Bank of America, N.A., a national banking association (Landlord's current lender and hereinafter " **Lender** ") to the Sublease upon the terms and conditions set forth in this Agreement. Landlord has consented to the Assignment in the Consent and Amendment. Tenant then desires to sublet the entire Leased Premises to Subtenant, and Subtenant desires to sublease the entire Leased Premises back from Tenant, as further detailed in the Sublease, defined below, and on the terms and conditions contained herein.

AGREEMENTS:

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Consent** . Subject to the terms and conditions contained in this Agreement, Landlord hereby consents to the subletting by Tenant of the Leased Premises to Subtenant pursuant to that certain Sublease Agreement dated August 18, 2014 between Tenant and Subtenant, the exact form of which is attached hereto as Exhibit A (the " **Sublease** "). Landlord's consent contained herein shall not waive its rights as to any subsequent assignment, sublease or other transfer and shall not be construed as a consent to any amendments or modifications of the terms, covenants and conditions of the Lease contained in the Sublease unless such amendments or modifications are expressly set forth in this Agreement. Subtenant shall not further sublease the Leased Premises, assign its interest as the Subtenant under the Sublease or otherwise transfer its interest in the Leased Premises or the Sublease to any person or entity without the prior written consent of Landlord, which consent shall be governed in accordance with Article 7 of the Original Lease.

2. **Subordinate to Lease** . Subtenant's sublease of the Leased Premises is subject and subordinate to the Lease and to the matters to which the Lease is or shall be subordinate. It is specifically understood that Tenant shall remain fully liable for the obligation to pay Landlord for any special services provided to Subtenant in the course of Subtenant's use and occupancy of the Leased Premises, whether or not specifically provided for in the Lease, and Tenant hereby covenants and agrees that Landlord may honor Subtenant's request for any such special services without the specific consent of Tenant. Tenant and Subtenant acknowledge that (%4) Landlord may provide such services at the direct request of Subtenant (including billing Subtenant for such services), (%4) Landlord may establish records identifying Subtenant as if Subtenant was a tenant of Landlord, (%4) such actions are merely for the convenience of

Landlord, Tenant, and Subtenant, and (%4) the parties shall maintain their respective capacities as Landlord, Tenant, and Subtenant, unless an express intent to the contrary is expressed in a written agreement executed by all the affected parties.

3. **No Obligations Created** . Each of the parties to this Agreement agrees and acknowledges that Landlord shall have no obligation or liability under the terms of the Sublease. Without limiting the generality of the foregoing, Landlord shall have no liability under (and shall not be bound by) any modifications, deletions or waivers of any provision of the Lease which Landlord has not agreed to specifically in writing. Nothing in this Agreement or otherwise shall create privity of estate between Landlord and Subtenant, and Subtenant irrevocably waives any claims based on, or alleged to have arisen from, such an estate. Subtenant hereby releases, acquits and forever discharges Landlord and its agents, employees, officers, directors, partners, shareholders, members and affiliates from any and all claims, liabilities and obligations first arising as of the Assignment Date (as defined in Section 2 of the Assignment) and arising out of or in any way related to the Sublease which Subtenant or any party claiming by, through or under Subtenant now has or may ever have in the future against Landlord or any of such other parties. Subtenant acknowledges that Landlord would not have entered this Agreement without such release.

4. **Indemnity and Insurance** . Subtenant hereby assumes, with respect to Landlord, all of the indemnity and insurance obligations of the "Tenant" under the Lease, provided that the foregoing shall not be construed as relieving or releasing Tenant from any such obligations.

5. **Payments under the Lease** . If at any time Tenant is in default under the terms of the Lease, Landlord shall have the right to deliver written notice to Subtenant requiring Subtenant to pay all rent due under the Lease directly to Landlord. Subtenant agrees (and Tenant hereby irrevocably directs Subtenant) to pay such sums directly to Landlord if requested by Landlord (and Subtenant shall have the right to rely upon any such written notice received from Landlord without receipt of confirmation from Tenant and notwithstanding contradictory instructions received from Tenant), and Tenant agrees that any such sums paid by Subtenant may be applied by Landlord against any sums owed by Tenant under the Lease as hereinafter provided, but in all instances such sums paid by Subtenant shall be deemed to have been applied against Subtenant's obligations under the Sublease. Any such sums received by Landlord from Subtenant shall be received by Landlord on behalf of Tenant and shall be applied by Landlord to any sums past due under the Lease, in such order of priority as required under the Lease or, if the Lease is silent in such regard, then in such order of priority as Landlord deems appropriate. The receipt of such funds by Landlord shall in no manner be deemed to create a direct lease or sublease between Landlord and Subtenant.

6. **Attornment by Subtenant** . In the event of termination, re-entry or dispossession by Landlord under the Lease, Landlord shall take over all of the right, title and interest of Tenant, as sublandlord, under the Sublease, and Subtenant shall attorn to Landlord pursuant to the then executory provisions of the Sublease (or, at Landlord's election, the Lease but only for the remaining term of the Sublease, as the same may be extended by Subtenant pursuant to the terms and conditions of Article 14 of the Sublease), except that Landlord shall not, except to the extent modified in a signed writing (%4) be liable for any previous act or omission of Tenant under the Sublease, (%4) be subject to any counterclaim, offset or defense that Subtenant might have against Tenant, (%4) be bound by any previous modification of the Sublease or by any rent or additional rent or advance rent which Subtenant might have paid for more than the current month to Tenant, and all such rent shall remain due and owing, notwithstanding such advance payment, (%4) be bound by any security or advance rental deposit made by Subtenant which is not delivered or paid over to Landlord and with respect to which Subtenant shall look solely to Tenant for refund or reimbursement, or (%4) be obligated to perform any work in the Leased Premises, and in connection with such attornment, Subtenant shall execute and deliver to Landlord any commercially reasonable instruments Landlord may reasonably request to evidence and confirm such attornment. Subtenant shall be deemed, automatically upon and as a condition of its occupying or using the Leased Premises or any part thereof, to have agreed to be bound by the terms and conditions set forth in this Section 6. The provisions of this Section 6 shall be self-operative, and no further instrument shall be required to give effect to this provision.

7. **Condition of Leased Premises** . Landlord makes no representations or warranties, express or implied, concerning the condition of the Leased Premises and Subtenant accepts the Leased Premises in their " **AS−IS** " condition as of the date hereof.

8. **Subordination** . Tenant hereby subordinates to the interest of Landlord any statutory lien, contractual lien, security interest or other rights which Tenant may claim with respect to any property of Subtenant.

9. **Statements and Notices** . Landlord agrees to deliver the year-end reconciliation statements described in Section 3.3 of the Original Lease, notices pertaining to any casualty or condemnation pursuant to Articles 10 and 11 of the Original Lease, and any default notices pursuant to Article 12 of the Original Lease, to both Tenant and Subtenant.

10. **Subtenant Obligations** . Subtenant agrees to deliver the (a) estoppel certificate described in Section 13.6 of the Lease, (b) financial statements described in Section 13.7 of the Lease, (c) writings described in Section 13.3 of the Lease (including subordination, non-disturbance and attornment agreements), within the respective period prescribed in the Lease after Landlord requests same, with copies to Tenant. Each of Subtenant's obligations under this Section 10 shall be considered an obligation under the Lease and, if Subtenant fails to sign and return any documents within said prescribed period, and if such failure continues for an additional five (5) business days after Subtenant's receipt of a second notice from Landlord (which shall be in lieu of, and not in addition to, any second notice required by the respective Lease section), then such failure shall constitute a Subtenant event of default under Section 12.1 of the Lease. Tenant agrees, as an obligation and covenant under the Lease, to use commercially reasonable efforts to enforce Subtenant's obligations under this Section 10.

11. **Waiver of Subrogation** . For purposes of this Agreement only, Section 9.3 of the Original Lease (entitled "Mutual Waiver of Subrogation") is hereby deleted in its entirety and replaced with the following:

> **Waiver of Subrogation** . Landlord hereby releases Tenant and Subtenant, their partners, principals, members, shareholders, officers, directors, employees, agents, servants, and attorneys, and Tenant and Subtenant hereby release Landlord and its respective partners, principals, members, shareholders, officers, directors, employees, agents, servants, and attorneys from any and all liability for loss, damage, or injury to the property of the other in or about the Leased Premises or the Property which is caused by or results from a peril or event or happening which is covered by any insurance actually carried and in force at the time of the loss by the party sustaining such loss, required to be carried by the party sustaining such loss, or permitted to be self-insured for such loss.

12. **Exculpation** .

12.1 **CalPERS Exculpation** . Notwithstanding any provision of the Lease or this Agreement to the contrary, the liabilities and obligations of Landlord hereunder and under the Lease shall be the liabilities of Landlord only, and shall not be the liabilities or obligations of, the California Public Employees' Retirement System, an agency of the State of California (" **CalPERS** "), CommonWealth Partners, LLC, CommonWealth Pacific LLC, CWP Capital Management, LLC, any Affiliate of any of such parties, or any present or future officer, director, employee, trustee, member, retirant, beneficiary, internal investment contractor, manager, investment manager or agent of any of the same (collectively, the " **Other Landlord Parties** "), and in no event shall Landlord, Other Landlord Parties or CalPERS be liable for lost profits or other consequential damages. Any recourse by Tenant or Subtenant for any breach or default of Landlord under the Lease or this Agreement or with respect to any liability or obligation related thereto (or related to the Leased Premises or the Building in any way) shall be solely against Landlord and the assets of Landlord and, there shall be no recourse on account of any such breach or default (or with respect to any such liability or obligation) against any of the Other Landlord Parties. For purposes of this Section 12.1, " **Affiliate** " shall mean any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with CalPERS or any of CommonWealth Pacific, LLC or CWP Capital Management, LLC, as the case may be. For the purposes of this definition, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have the meanings correlative to the foregoing. The limitations of liability provided in this Section 12.1 are in addition to, and not in limitation of, any limitation of liability applicable to Landlord or CalPERS provided by law or in any other contract, agreement or instrument. Such exculpation of liability shall be absolute and without any

exception whatsoever. The provisions of this Section 12.1 shall survive the termination of the Lease or this Agreement.

12.2 **Tenant Exculpation** . Notwithstanding any provision of the Lease (including, without limitation, Section 12.2 of the Original Lease) or this Agreement to the contrary, as between Landlord (on the one hand) and Tenant and Subtenant (on the other hand), but not as between Tenant and Subtenant (whose respective liability to each other is addressed in the Sublease), the liabilities and obligations of Tenant hereunder, and under the Lease and the Sublease, shall be the liabilities of the Tenant under the Lease only, and shall not be the liabilities or obligations of any Affiliate of Tenant or Subtenant, or any present or future officer, director, employee, trustee, member, retirant, beneficiary, internal investment contractor, manager, investment manager or agent of Tenant or Subtenant or any Affiliate of the same (collectively, the " **Other Tenant Parties** "), and in no event shall Subtenant, Tenant or Other Tenant Parties be liable for lost profits or other consequential damages, except in connection with a holding over by Tenant or Subtenant (in which event, the terms and conditions of Section 13.2 of the Original Lease, as revised by Section 10.13 of the Consent and Amendment, or the terms of Section 18.2 of the Sublease, as applicable, shall govern). Any recourse by Landlord for any breach or default of Tenant or Subtenant under the Lease or the Sublease or with respect to any liability or obligation related thereto (or related to the Leased Premises or the Building in any way) shall be solely against Tenant and the assets of Tenant, and there shall be no recourse on account of any such breach or default (or with respect to any such liability or obligation) against any of the Other Tenant Parties. For purposes of this Section 11.2, " **Affiliate** " shall mean any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with Google Inc. or the then Tenant under the Lease, as the case may be. For the purposes of this definition, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have the meanings correlative to the foregoing. The limitations of liability provided in this Section 12.2 are in addition to, and not in limitation of, any limitation of liability applicable to Tenant or Subtenant provided by law or in any other contract, agreement or instrument. Such exculpation of liability shall be absolute and without any exception whatsoever, except as otherwise expressly provided in this Section 12.2. The provisions of this Section 12.2 shall survive the termination of the Sublease, the Lease or this Agreement.

13. **CASp Inspection** . For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant and Subtenant, and Tenant and Subtenant hereby acknowledge, that the Leased Premises has not undergone inspection by a Certified Access Specialist (" **CASp** ").

14. **Conditions Precedent** . Subtenant's delivery to Landlord of the following items shall be conditions precedent to Landlord's consent as provided in Section 1 and the effectiveness of this Agreement:

14.1 Landlord and Subtenant agreement upon the terms of payment by Subtenant to Landlord for all attorneys' fees incurred by Landlord associated with this Agreement, as provided in that certain Attachment To Consent To Assignment And Amendment To Lease attached as Exhibit D to the Consent and Amendment;

14.2 certificate(s) of insurance from Subtenant satisfying all the requirements of the Lease (as amended by the Consent and Amendment); and

14.3 a photocopy of the original executed Sublease.

Further, Subtenant shall deliver to Landlord a new certificate of occupancy for the Leased Premises to the extent required from the applicable governmental authority, which new certificate of occupancy will be delivered no later than thirty (30) days following Subtenant's receipt of the same. To the extent required from the applicable governmental authority, Subtenant shall use diligent, good-faith efforts to obtain and deliver the new certificate of occupancy to Landlord as promptly as is reasonably possible.

15. **Brokerage** . Neither Tenant nor Subtenant has dealt with any broker or agent in connection with the negotiation or execution of this Agreement, other than Jones Lang LaSalle Americas, Inc. and CBRE, Inc. Subtenant assumes all obligations and responsibility with respect to payment of Jones Lang LaSalle America, Inc. commission to be paid by Subtenant pursuant to separate written agreement. Tenant assumes all obligations and responsibility with respect to payment of CBRE, Inc. commission to be paid by Tenant pursuant to separate written agreement. In no event shall Landlord be liable for any leasing or brokerage commission with respect to the negotiation and execution of the Sublease or this Agreement. Tenant and Subtenant shall each jointly and severally indemnify, defend and hold Landlord harmless from and against all costs, expenses, attorneys' fees and other liability for commissions or other compensation claimed by any other broker or agent claiming the same by, through or under the indemnifying party with respect to the Sublease or this Agreement.

16. **Notices** . All notices and other communications given pursuant to the Lease and this Agreement shall be in writing and shall be (%4) mailed by first class, United States mail, postage prepaid, certified, with return receipt requested, and addressed to the parties hereto at the address listed below, (%4) hand delivered to the intended addressee, or (%4) sent by a nationally recognized overnight courier service. Notice sent by certified mail, postage prepaid, shall be effective three business days after being deposited in the United States mail; all other notices shall be effective upon delivery to the address of the addressee (even if such addressee refuses delivery thereof). The parties hereto may change their addresses by giving notice thereof to the other in conformity with this provision. The addresses for notice set forth below shall supersede and replace any addresses for notice set forth in the Lease.

Landlord :	FSP-Sunnyvale Office Park, LLC c/o CommonWealth Partners, LLC 515 Flower St., 32 nd Floor Los Angeles, CA 90071 Attention: Asset Manager – 1194 Mathilda−Sunnyvale
With a copy of default notices to:	Vinson & Elkins L.L.P. 2001 Ross Ave., Suite 3700 Dallas, TX 75201 Attention: Paul A. Martin Re: Google Inc. Lease Agreement−Sunnyvale, CA
With a copy to (for all rent and other payments by check):	FSP-Sunnyvale Office Park, LLC Lockbox # 074621 P.O. Box 844621 Los Angeles, CA 90084-4621
And a copy to (for all rent and other payments by wire/ACH):	Wells Fargo Bank, NA 420 Montgomery Street San Francisco, CA 94104 Acct#: 498-4656009 ABA#: 121000248
Tenant :	Google Inc. 1600 Amphitheatre Parkway Mountain View, CA 94043 Attention: Lease Administration
With a copy to:	Google Inc. 1600 Amphitheatre Parkway

	Mountain View, CA 94043 Attention: Legal Department / RE Matters
With a copy of all default notices to:	Gamble Mallory & Natsis LLP Three Embarcadero Center, 12 th Floor San Francisco, CA 94111-4074 Attention: Lee A. Edlund Re: Google Inc. Lease Agreement−Sunnyvale, CA
Subtenant :	Juniper Networks, Inc. 1133 Innovation Way, Building A Sunnyvale, CA 94089 Attention: Sr. Director REWS
With a copy to:	Juniper Networks, Inc. 1133 Innovation Way, Building A Sunnyvale, CA 94089 Attention: General Counsel
With a copy of default notices to:	Reed Smith LLP 101 Second Street, Suite 1800 San Francisco, CA 94105 Attention: Simon T. Adams Re: Juniper Networks Lease Agreement−Sunnyvale, CA

17. **Amendments; No Electronic Records** . Neither this Agreement nor the Sublease may be amended or modified except by an instrument in writing signed by all the parties hereto. Landlord, Tenant and Subtenant hereby agree not to conduct the transactions or communications contemplated by this Agreement, the Lease or the Sublease by electronic means except for electronic signatures as specifically set forth in Section 24 or in the Consent and Amendment; nor shall the use of the phrase “in writing” or the word “written” be construed to include electronic communications except for electronic signatures as specifically set forth in Section 24 or in the Consent and Amendment.

18. **Waiver of Jury Trial . TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO, AND ALL PARTIES CLAIMING BY, THROUGH OR UNDER THE PARTIES HERETO (INCLUDING THEIR RESPECTIVE SUCCESSORS, ASSIGNS AND SUBTENANTS), AFTER CONSULTATION WITH COUNSEL, KNOWINGLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF OR WITH RESPECT TO THE LEASE, THE SUBLEASE, THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.**

19. **Ratification** . Tenant and Subtenant hereby ratify and confirm their respective obligations under the Lease, and represent and warrant to Landlord that, as of the date hereof, they have no defenses thereto. Additionally, Tenant and Subtenant further confirm and ratify that, as of the date hereof, (%4) the Lease is and remains in good standing and in full force and effect, (%4) neither of such parties has any claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord, Tenant or Subtenant, and (%4) all tenant finish-work allowances provided to Tenant under the Lease or otherwise, if any, have been paid in full by Landlord to Tenant, and Landlord has no further obligations with respect thereto.

20. **Prohibited Persons and Transactions** . Landlord, Tenant and Subtenant each represents and warrants that neither it nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign

Assets Control (" **OFAC** ") of the Department of the Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not assign or otherwise transfer the Lease to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

21. **Binding Effect; Governing Law** . Except as modified hereby, the Lease shall remain in full effect and this Agreement shall be binding upon Landlord, Tenant, and Subtenant and their respective successors and assigns. If any inconsistency exists or arises between the terms of this Agreement and the terms of the Lease, the terms of this Agreement shall prevail. This Agreement shall be governed by the laws of the state in which the Leased Premises are located.

22. **Confidentiality** . Landlord, Tenant and Subtenant agree that the terms of the Sublease and this Agreement shall be kept strictly confidential. Landlord, Tenant and Subtenant shall not divulge the terms of the Sublease or this Agreement to any person other than such party's officers, directors, employees, attorneys, accountants, consultants and/or real estate brokers, and/or current or prospective assignees, subtenants, master landlords, lenders or purchasers, in each instance who have a need to know any such terms and who agree to keep such information confidential. Notwithstanding the foregoing, the terms of the Sublease and this Agreement may be disclosed, without any liability whatsoever for such disclosures to any government entity, agency or any other person whom disclosure is required by law or by regulatory or judicial process, including in connection with enforcing the terms of the Lease, the Sublease or this Agreement, or in connection with disclosures and filings made to the U.S. Securities and Exchange Commission as a publically traded company with stock registered on a nationally recognized stock exchange.

23. **Entire Agreement** . This Agreement and the Sublease contain all of the agreements, understandings, representations and warranties of the parties with respect to the subject matter thereof.

24. **Counterparts** . This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one document. To facilitate execution of this Agreement, the parties may execute and exchange by electronic mail PDF counterparts of the signature pages. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

25. **Rental Recognition** . Notwithstanding the terms and conditions set forth in this Agreement, Landlord, Tenant and Subtenant acknowledge and agree that Subtenant, as tenant under the Lease, shall have paid Landlord rental obligations under the Lease immediately prior to assignment of the Lease to Tenant (by way of the Consent and Amendment) and therefore the parties hereto agree for and among themselves that any over payment of rental paid by Subtenant, as tenant, pursuant to the Lease shall be retained by Landlord and shall be immediately recognized by Landlord and Tenant as rental paid by Tenant under the Lease and recognized by Tenant and Subtenant as rental paid by Subtenant under the Sublease, as arising from the period commencing on the Assignment Date until the same is fully exhausted.

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EXECUTED as of the Agreement Date first written above.

LANDLORD: **FSP-SUNNYVALE OFFICE PARK, LLC** , a Delaware limited liability company

By: /s/ Joseph A. Corrente

Name: Joseph A. Corrente

Title: Executive Vice President

TENANT: **GOOGLE INC.,** a Delaware corporation

By: /s/ David Radcliffe

Name: David Radcliffe

Title: V.P. Real Estate

SUBTENANT: **JUNIPER NETWORKS, INC.** , a Delaware corporation

By: /s/ Mitchell L. Gaynor

Name: Mitchell L. Gaynor

Title: Executive Vice President

CONSENT OF LENDER

Bank of America, N.A., a national banking association, as Administrative Agent, the holder of certain liens secured by the Building, joins in the execution of this Agreement for the purpose of consenting to the terms contained herein and acknowledges that the existing Subordination, Non-Disturbance and Attornment Agreement shall remain in full force and effect and shall be enforceable by Google Inc., as the successor and assign of Juniper Networks, Inc.

BANK OF AMERICA, N.A. , a national banking association,
as Administrative Agent

By: /s/ Julia Elterman
Name: Julia Elterman
Title: SVP

EXHIBIT A

SUBLEASE

EXHIBIT 10.9

JUNIPER NETWORKS, INC.

2006 EQUITY INCENTIVE PLAN

As amended October 2, 2014

1. *Purposes of the Plan*. The purposes of this Equity Incentive Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Service Providers and Outside Directors and to promote the success of the Company's business.

Awards to Service Providers granted hereunder may be Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Shares, Performance Units, Deferred Stock Units or Dividend Equivalents, at the discretion of the Administrator and as reflected in the terms of the written option agreement. This Equity Incentive Plan also provides for the automatic, non-discretionary award of certain Awards to Outside Directors as further specified herein.

2. *Definitions*. As used herein, the following definitions shall apply:

(a) "*Administrator*" shall mean the Board or any of its Committees as shall be administering the Plan, in accordance with Section 4 of the Plan.

(b) "*Annual Revenue*" shall mean the Company's or a business unit's net sales for the Fiscal Year, determined in accordance with generally accepted accounting principles.

(c) "*Applicable Laws*" shall mean the legal requirements relating to the administration of equity incentive plans under California corporate and securities laws and the Code.

(d) "*Award*" shall mean, individually or collectively, a grant under the Plan of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Shares, Performance Units, Deferred Stock Units or Dividend Equivalents.

(e) "*Award Agreement*" shall mean the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(f) "*Awarded Stock*" shall mean the Common Stock subject to an Award.

(g) "*Board*" shall mean the Board of Directors of the Company.

(h) "*Cash Position*" shall mean the Company's level of cash and cash equivalents.

(i) "*Code*" shall mean the Internal Revenue Code of 1986, as amended.

(j) "*Common Stock*" shall mean the Common Stock of the Company.

(k) "*Committee*" shall mean the Committee appointed by the Board of Directors or a sub-committee appointed by the Board's designated committee in accordance with Section 4(a) of the Plan, if one is appointed.

(l) "*Company*" shall mean Juniper Networks, Inc.

(m) "*Consultant*" shall mean any person, including an advisor, engaged by the Company or a Parent or Subsidiary to render services and who is compensated for such services; provided, however, that the term

"Consultant" shall not include Outside Directors, unless such Outside Directors are compensated for services to the Company other than through payment of director's fees and Award grants under Section 11 hereof.

(n) " *Continuous Status as a Director* " means that the Director relationship is not interrupted or terminated.

(o) " *Deferred Stock Unit* " means a deferred stock unit Award granted to a Participant pursuant to Section 16.

(p) " *Director* " shall mean a member of the Board.

(q) " *Disability* " means total and permanent disability as defined in Section 22(e)(3) of the Code.

(r) " *Dividend Equivalent* " shall mean a credit, payable in cash, made at the discretion of the Administrator, to the account of a Participant in an amount equal to the cash dividends paid on one Share for each Share represented by an Award held by such Participant. Dividend Equivalents may be subject to the same vesting restrictions as the related Shares subject to an Award, at the discretion of the Administrator.

(s) " *Employee* " shall mean any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. An Employee shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, any Subsidiary, or any successor. For purposes of Incentive Stock Options, no such leave may exceed ninety days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then three (3) months following the 91st day of such leave any Incentive Stock Option held by the Participant shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option.

(t) " *Exchange Act* " shall mean the Securities Exchange Act of 1934, as amended.

(u) " *Fair Market Value* " shall mean, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on a stock exchange, the fair market value per Share shall be the closing price on such exchange, as reported in the Wall Street Journal on the date of determination or, if the date of determination is not a trading day, the immediately preceding trading day;

(ii) If there is a public market for the Common Stock, the fair market value per Share shall be the mean of the bid and asked prices, or closing price in the event quotations for the Common Stock are reported on the National Market System, of the Common Stock on the date of determination, as reported in the Wall Street Journal (or, if not so reported, as otherwise reported by the National Association of Securities Dealers Automated Quotation (NASDAQ) System); or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value shall be determined in good faith by the Administrator.

(v) " *Fiscal Year* " shall mean a fiscal year of the Company.

(w) " *Full Value Award* " shall mean a grant of Restricted Stock, a Restricted Stock Unit, a Performance Share or a Deferred Stock Unit hereunder.

(x) " *Incentive Stock Option* " shall mean an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(y) " *Nonstatutory Stock Option* " shall mean an Option not intended to qualify as an Incentive Stock Option.

(z) " *Officer* " shall mean a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(aa) " *Option* " shall mean a stock option granted pursuant to the Plan.

(bb) " *Optioned Stock* " shall mean the Common Stock subject to an Option.

(cc) " *Outside Director* " means a Director who is not an Employee or Consultant.

(dd) " *Parent* " shall mean a "parent corporation", whether now or hereafter existing, as defined in Section 424(e) of the Code.

(ee) " *Participant* " shall mean an Employee or Consultant who receives an Award.

(ff) " *Performance Goals* " shall mean the goal(s) (or combined goal(s)) determined by the Administrator (in its discretion) to be applicable to a Participant with respect to an Award. As determined by the Administrator, the performance measures for any performance period will be any one or more of the following objective performance criteria, applied to either the Company as a whole or, except with respect to stockholder return metrics, to a region, business unit, affiliate or business segment, and measured either on an absolute basis or relative to a pre-established target, to a previous period's results or to a designated comparison group, and, with respect to financial metrics, which may be determined in accordance with United States Generally Accepted Accounting Principles (" *GAAP* "), in accordance with accounting principles established by the International Accounting Standards Board (" *IASB Principles* ") or which may be adjusted when established to exclude any items otherwise includable under GAAP or under IASB Principles: (i) cash flow (including operating cash flow or free cash flow), (ii) cash position, (iii) revenue (on an absolute basis or adjusted for currency effects), (iv) revenue growth, (v) contribution margin, (vi) gross margin, (vii) operating margin (viii) operating expenses or operating expenses as a percentage of revenue, (ix) earnings (which may include earnings before interest and taxes, earnings before taxes and net earnings), (x) earnings per share, (xi) operating income, (xii) net income, (xiii) stock price, (xiv) return on equity, (xv) total stockholder return, (xvi) growth in stockholder value relative to a specified publicly reported index (such as the S&P 500 Index), (xvii) return on capital, (xviii) return on assets or net assets, (xix) return on investment, (xx) economic value added, (xxi) operating profit or net operating profit, (xxii) operating margin, (xxiii) market share, (xxiv) contract awards or backlog, (xxv) overhead or other expense reduction, (xxvi) credit rating, (xxvii) objective customer indicators, (xxviii) new product invention or innovation, (xxix) attainment of research and development milestones, (xxx) improvements in productivity, (xxxi) attainment of objective operating goals, and (xxxii) objective employee metrics. The Performance Goals may differ from Participant to Participant and from Award to Award. In particular, the Administrator may appropriately adjust any evaluation of performance under a Performance Goal to exclude (a) any extraordinary non-recurring items, (b) the effect of any merger, acquisition, or other business combination or divestiture or (ii) the effect of any changes in accounting principles affecting the Company's or a business units', region's, affiliate's or business segment's reported results.

(gg) " *Performance Share* " shall mean a performance share Award granted to a Participant pursuant to Section 14.

(hh) " *Performance Unit* " means a performance unit Award granted to a Participant pursuant to Section 15.

(ii) " *Plan* " shall mean this 2006 Equity Incentive Plan, as amended.

(jj) " *Plan Minimum Vesting Requirements* " shall mean the minimum vesting requirements for Full Value Awards under Plan Section 4(b)(vi) hereunder.

(kk) " *Restricted Stock* " shall mean a restricted stock Award granted to a Participant pursuant to Section 12.

(ll) " *Restricted Stock Unit* " shall mean a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 13. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(mm) " *Rule 16b-3* " shall mean Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(nn) " *Section 16(b)* " shall mean Section 16(b) of the Exchange Act.

(oo) " *Service Provider* " means an Employee or Consultant.

(pp) " *Share* " shall mean a share of the Common Stock, as adjusted in accordance with Section 21 of the Plan.

(qq) " *Stock Appreciation Right* " or " *SAR* " shall mean a stock appreciation right granted pursuant to Section 9 below.

(rr) " *Subsidiary* " shall mean a "subsidiary corporation", whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. *Stock Subject to the Plan* . Subject to the provisions of Section 21 of the Plan, the maximum aggregate number of shares which may be optioned and sold under the Plan is 149,500,000 shares of Common Stock plus any Shares subject to any options under the Company's 2000 Nonstatutory Stock Option Plan and 1996 Stock Incentive Plan that are outstanding on the date this Plan becomes effective and that subsequently expire unexercised **,** up to a maximum of an additional 75,000,000 Shares. All of the shares issuable under the Plan may be authorized, but unissued, or reacquired Common Stock.

Any Shares subject to Options or SARs shall be counted against the numerical limits of this Section 3 as one Share for every Share subject thereto. Any Shares subject to Performance Shares, Restricted Stock or Restricted Stock Units with a per share or unit purchase price lower than 100% of Fair Market Value on the date of grant shall be counted against the numerical limits of this Section 3 as two and one-tenth Shares for every one Share subject thereto. To the extent that a Share that was subject to an Award that counted as two and one-tenth Shares against the Plan reserve pursuant to the preceding sentence is recycled back into the Plan under the next paragraph of this Section 3, the Plan shall be credited with two and one-tenth Shares.

If an Award expires or becomes unexercisable without having been exercised in full, or, with respect to Restricted Stock, Performance Shares or Restricted Stock Units, is forfeited to or repurchased by the Company at its original purchase price due to such Award failing to vest, the unpurchased Shares (or for Awards other than Options and SARs, the forfeited or repurchased shares) which were subject thereto shall become available for future grant or sale under the Plan (unless the Plan has terminated). With respect to SARs, when an SAR is exercised, the shares subject to a SAR grant agreement shall be counted against the numerical limits of Section 3 above, as one share for every share subject thereto, regardless of the number of shares used to settle the SAR upon exercise (i.e., shares withheld to satisfy the exercise price of an SAR shall not remain available for issuance under the Plan). Shares that have actually been issued under the Plan under any Award shall not be returned to the Plan and shall not become available for future distribution under the Plan; provided, however, that if Shares of Restricted Stock, Performance Shares or Restricted Stock Units are repurchased by the Company at their original purchase price or are forfeited to the Company due to such Awards failing to vest, such Shares shall become available for future grant under the Plan. Shares used to pay the exercise price of an Option shall not become available for future grant or sale under the Plan. Shares used to satisfy tax withholding obligations shall not become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than stock, such cash payment shall not reduce the number of Shares available for issuance under the Plan. Any payout of Dividend Equivalents or Performance Units, because they are payable only in cash, shall not reduce the number of Shares available for issuance under the Plan. Conversely, any forfeiture of Dividend Equivalents or Performance Units shall not increase the number of Shares available for issuance under the Plan.

4. *Administration of the Plan* .

(a) *Procedure* .

(i) *Multiple Administrative Bodies*. If permitted by Applicable Laws, the Plan may be administered by different bodies with respect to Directors, Officers who are not Directors, and Employees who are neither Directors nor Officers.

(ii) *Section 162(m)*. To the extent that the Administrator determines it to be desirable to qualify Awards granted hereunder as "performance-based compensation" within the meaning of Section 162(m) of the Code, the Plan shall be administered by a Committee consisting solely of two or more "outside directors" within the meaning of Section 162(m) of the Code.

(iii) *Administration With Respect to Officers Subject to Section 16(b)*. With respect to Option grants made to Employees who are also Officers subject to Section 16(b) of the Exchange Act, the Plan shall be administered by (A) the Board, if the Board may administer the Plan in compliance with Rule 16b-3, or (B) a committee designated by the Board to administer the Plan, which committee shall be constituted to comply with Rule 16b-3. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. From time to time the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and substitute new members, fill vacancies (however caused), and remove all members of the Committee and thereafter directly administer the Plan, all to the extent permitted by Rule 16b-3.

(iv) *Administration With Respect to Other Persons*. With respect to Award grants made to Employees or Consultants who are not Officers of the Company, the Plan shall be administered by (A) the Board, (B) a committee designated by the Board, or (C) a sub-committee designated by the designated committee, which committee or sub-committee shall be constituted to satisfy Applicable Laws. Once appointed, such Committee shall serve in its designated capacity until otherwise directed by the Board. The Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and substitute new members, fill vacancies (however caused), and remove all members of the Committee and thereafter directly administer the Plan, all to the extent permitted by Applicable Laws.

(v) *Administration With Respect to Automatic Grants to Outside Directors*. Automatic grants to Outside Directors shall be pursuant to Section 11 hereof and therefore shall not be subject to any discretionary administration.

(b) *Powers of the Administrator*. Subject to the provisions of the Plan (including the non-discretionary automatic grant to Outside Director provisions of Section 11), and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator shall have the authority, in its discretion:

(i) to determine the Fair Market Value in accordance with Section 2(v) of the Plan;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine whether and to what extent Awards are granted hereunder;

(iv) to determine the number of shares of Common Stock to be covered by each Award granted hereunder;

(v) to approve forms of agreement for use under the Plan;

(vi) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards vest or may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions (subject to compliance with applicable laws, including Code Section 409A), and any restriction or limitation regarding any Award or the shares of Common Stock relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine; provided, however, that with respect to Full Value Awards vesting solely based on continuing as a Service Provider, they will vest in full no earlier (except if accelerated pursuant to Section 21 hereof or pursuant to change of control severance agreements entered into by and between the Company and any Service Provider) than the three (3) year anniversary of the grant date; provided, further, that if vesting is not solely based on continuing as a Service Provider, they will vest

in full no earlier (except if accelerated pursuant to Section 21 hereof or pursuant to change of control severance agreements entered into by and between the Company and any Service Provider) than the one (1) year anniversary of the grant date;

(vii) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(viii) to prescribe, amend and rescind rules and regulations relating to the Plan;

(ix) to modify or amend each Award (subject to Section 7 and Section 24(c) of the Plan);

(x) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xi) to determine the terms and restrictions applicable to Awards;

(xii) to determine whether Awards will be adjusted for Dividend Equivalents and whether such Dividend Equivalents shall be subject to vesting; and

(xiii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) *Effect of Administrator's Decision*. All decisions, determinations and interpretations of the Administrator shall be final and binding on all Participants and any other holders of any Awards granted under the Plan.

(d) *Exception to Plan Minimum Vesting Requirements*.

(i) Full Value Awards that result in issuing up to 5% of the maximum aggregate number of shares of Stock authorized for issuance under the Plan (the "*5% Limit*") may be granted to any one or more Service Providers or Outside Directors without respect to the Plan Minimum Vesting Requirements.

(ii) All Full Value Awards that have their vesting discretionarily accelerated, and all Options and SARs that have their vesting discretionarily accelerated 100%, other than, in either case, pursuant to (A) a merger or asset sale transaction described in Section 21(c) hereof (including vesting acceleration in connection with employment termination following such event), (B) a Participant's death, or (C) a Participant's Disability, are subject to the 5% Limit.

(iii) Notwithstanding the foregoing, the Administrator may accelerate the vesting of Full Value Awards such that the Plan Minimum Vesting Requirements are still satisfied, without such vesting acceleration counting toward the 5% Limit.

(iv) The 5% Limit applies in the aggregate to Full Value Award grants that do not satisfy Plan minimum vesting requirements and to the discretionary vesting acceleration of Awards.

5. *Eligibility*. Awards may be granted only to Service Providers. Incentive Stock Options may be granted only to Employees. A Service Provider who has been granted an Award may, if he or she is otherwise eligible, be granted an additional Award or Awards. Outside Directors may only be granted Awards as specified in Section 11 hereof.

6. *Code Section 162(m) Provisions*.

(a) *Option and SAR Annual Share Limit*. Subject to Section 7 below, no Participant shall be granted, in any Fiscal Year, Options and Stock Appreciation Rights to purchase more than 2,000,000 Shares; provided, however, that such limit shall be 4,000,000 Shares in the Participant's first Fiscal Year of Company service.

(b) *Restricted Stock, Performance Share and Restricted Stock Unit Annual Limit*. No Participant shall be granted, in any Fiscal Year, more than 1,000,000 Shares in the aggregate of the following: (i) Restricted Stock,

(ii) Performance Shares, or (iii) Restricted Stock Units; provided, however, that such limit shall be 2,000,000 Shares in the Participant's first Fiscal Year of Company service.

(c) *Performance Units Annual Limit*. No Participant shall receive Performance Units, in any Fiscal Year, having an initial value greater than $2,000,000, provided, however, that such limit shall be $4,000,000 in the Participant's first Fiscal Year of Company service.

(d) *Section 162(m) Performance Restrictions*. For purposes of qualifying grants of Restricted Stock, Performance Shares, Performance Units or Restricted Stock Units as "performance-based compensation" under Section 162(m) of the Code, the Administrator, in its discretion, may set restrictions based upon the achievement of Performance Goals. The Performance Goals shall be set by the Administrator on or before the latest date permissible to enable the Restricted Stock, Performance Shares, Performance Units or Restricted Stock Units to qualify as "performance-based compensation" under Section 162(m) of the Code. In granting Restricted Stock, Performance Shares, Performance Units or Restricted Stock Units which are intended to qualify under Section 162(m) of the Code, the Administrator shall follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the Award under Section 162(m) of the Code (e.g., in determining the Performance Goals).

(e) *Changes in Capitalization*. The numerical limitations in Sections 6(a) and (b) shall be adjusted proportionately in connection with any change in the Company's capitalization as described in Section 16(a).

7. *No Repricing*. The exercise price for an Option or SAR may not be reduced without the consent of the Company's stockholders. This shall include, without limitation, a repricing of the Option or SAR as well as an Option or SAR exchange program whereby the Participant agrees to cancel an existing Option in exchange for an Option, SAR or other Award. If an Option or SAR is cancelled in the same Fiscal Year in which it was granted (other than in connection with a transaction described in Section 14), the cancelled Option or SAR as well as any replacement Option or SAR will be counted against the limits set forth in section 6(a) above. Moreover, if the exercise price of an Option or SAR is reduced, the transaction will be treated as a cancellation of the Option or SAR and the grant of a new Option or SAR.

8. *Stock Options*.

(a) *Type of Option*. Each Option shall be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designations, to the extent that the aggregate Fair Market Value of Shares subject to a Participant's incentive stock options granted by the Company, any Parent or Subsidiary, that become exercisable for the first time during any calendar year (under all plans of the Company or any Parent or Subsidiary) exceeds $100,000, such excess Options shall be treated as Nonstatutory Stock Options. For purposes of this Section 8(a), incentive stock options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the time of grant.

(b) *Term of Option*. The term of each Option shall be stated in the Notice of Grant; provided, however, that the term shall be seven (7) years from the date of grant or such shorter term as may be provided in the Notice of Grant. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option shall be five (5) years from the date of grant or such shorter term as may be provided in the Notice of Grant.

(c) *Exercise Price and Consideration*.

(i) The per Share exercise price for the Shares to be issued pursuant to exercise of an Option shall be such price as is determined by the Administrator, but shall be subject to the following:

(A) In the case of an Incentive Stock Option

(1) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price shall be no less than 110% of the Fair Market Value per Share on the date of grant.

(2) granted to any Employee, the per Share exercise price shall be no less than 100% of the Fair Market Value per Share on the date of grant.

(B) In the case of a Nonstatutory Stock Option, the per Share exercise price shall be no less than 100% of the Fair Market Value per Share on the date of grant.

(ii) The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator and may consist entirely of cash; check; delivery of a properly executed exercise notice together with such other documentation as the Committee and the broker, if applicable, shall require to effect an exercise of the option and delivery to the Company of the sale proceeds required; or any combination of such methods of payment, or such other consideration and method of payment for the issuance of Shares to the extent permitted under Applicable Laws. Consideration to be paid for the Shares purchased by the exercise of an automatic stock option grant to an Outside Director will be limited to those methods set forth in Section 11.

9. *Stock Appreciation Rights.*

(a) *Grant of SARs* . Subject to the terms and conditions of the Plan, SARs may be granted to Participants at any time and from time to time as shall be determined by the Administrator, in its sole discretion. Subject to Section 6(a) hereof, the Administrator shall have complete discretion to determine the number of SARs granted to any Participant.

(b) *Exercise Price and other Terms* . The per share exercise price for the Shares to be issued pursuant to exercise of an SAR shall be determined by the Administrator and shall be no less than 100% of the Fair Market Value per share on the date of grant. Otherwise, subject to Section 6(a) of the Plan, the Administrator, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of SARs granted under the Plan; provided, however, that no SAR may have a term of more than seven(=7) years from the date of grant.

(c) *Payment of SAR Amount* . Upon exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) The number of Shares with respect to which the SAR is exercised.

(d) *Payment upon Exercise of SAR* . At the discretion of the Administrator, but only as specified in the Award Agreement, payment for a SAR may be in cash, Shares or a combination thereof. If the Award Agreement is silent as to the form of payment, payment of the SAR may only be in Shares.

(e) *SAR Agreement* . Each SAR grant shall be evidenced by an Award Agreement that shall specify the exercise price, the term of the SAR, the conditions of exercise, whether it may be settled in cash, Shares or a combination thereof, and such other terms and conditions as the Administrator, in its sole discretion, shall determine.

(f) *Expiration of SARs* . A SAR granted under the Plan shall expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement.

10. *Exercise of Option or SAR* .

(a) Procedure for Exercise; Rights as a Shareholder . Any Option or SAR granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator, including performance criteria with respect to the Company and/or the Participant, and as shall be permissible under the terms of the Plan.

An Option or SAR may not be exercised for a fraction of a Share.

An Option or SAR shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Option or SAR by the person entitled to exercise the Option or SAR and, with respect to Options only, full payment for the Shares with respect to which the Option is exercised has been received by the Company. With respect to Options only, full payment may, as authorized by the Administrator, consist of any consideration and method of payment allowable under Section 8(d) of the Plan. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the stock certificate evidencing such Shares, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Optioned Stock, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 21 of the Plan.

(b) *Termination of Status as a Service Provider* . If an Employee or Consultant ceases to serve as a Service Provider, he or she may, but only within 90 days (or such other period of time as is determined by the Administrator and as set forth in the Option or SAR Agreement) after the date he or she ceases to be a Service Provider, exercise his or her Option or SAR to the extent that he or she was entitled to exercise it at the date of such termination. To the extent that he or she was not entitled to exercise the Option or SAR at the date of such termination, or if he or she does not exercise such Option or SAR (which he or she was entitled to exercise) within the time specified herein, the Option or SAR shall terminate.

(c) *Disability* . If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR within such period of time as is specified in the Award Agreement to the extent the Option or SAR is vested on the date of termination (but in no event later than the expiration of the term of such Option or SAR as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option or SAR shall remain exercisable for twelve (12) months following the Participant's termination. If, on the date of termination, the Participant is not vested as to his or her entire Option or SAR, the Shares covered by the unvested portion of the Option or SAR shall revert to the Plan. If, after termination, the Participant does not exercise his or her Option or SAR within the time specified herein, the Option shall terminate, and the Shares covered by such Option or SAR shall revert to the Plan.

(d) *Death of Participant* . If a Participant dies while a Service Provider, the Option or SAR may be exercised following the Participant's death within such period of time as is specified in the Award Agreement (but in no event may the option be exercised later than the expiration of the term set forth in the Award Agreement), by the Participant's designated beneficiary, provided such beneficiary has been designated prior to Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option or SAR may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option or SAR is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option or SAR shall remain exercisable for twelve (12) months following Participant's death. If the Option or SAR is not so exercised within the time specified herein, the Option or SAR shall terminate, and the Shares covered by such Option or SAR shall revert to the Plan.

11. *Automatic Grants to Outside Directors* .

(a) *Procedure for Grants* . All grants of Awards to Outside Directors under this Plan shall be automatic and non-discretionary and shall be made strictly in accordance with the provisions in this Section 11:

(i) No person shall have any discretion to select which Outside Directors shall be granted Awards or to determine the number of Shares to be covered by Awards granted to Outside Directors.

(ii) At each of the Company's annual stockholder meetings, each Outside Director who is elected at (or whose term continues after) such meeting shall be automatically granted Restricted Stock Units for a number of Shares equal to the Annual Value (rounded down to the nearest whole share). Each award specified in this subsection (ii) is generically referred to as an " *Annual Award* ". The " *Annual Value* " means the number equal to $225,000 divided by the average daily closing price over the six month period ending on the last day of the fiscal year preceding the date of grant.

(iii) Each person who first became or becomes an Outside Director (including a Director who has transitioned from an employee Director to an Outside Director) on or after May 21, 2014 shall automatically be granted on the later of October 2, 2014 or the date such person becomes an Outside Director, Restricted Stock Units (each such award specified in this subsection (iii) is referred to as an " *Initial Award* ") for a number of Shares equal to a number determined by multiplying the Annual Value used for calculating the Annual Awards granted at the annual stockholder meeting immediately preceding the date of such Initial Award (the " *Last Annual Meeting Date* ") by a fraction, the numerator of which is 365 minus the number of days between the Last Annual Meeting Date and the date the person first became or becomes an Outside Director, and the denominator of which is 365, rounded down to the nearest whole Share.

(iv) Notwithstanding the provisions of subsections (ii) or (iii) hereof, in the event that an automatic grant hereunder would cause the number of Shares subject to outstanding Awards plus the number of Shares previously purchased upon exercise of Options or issued upon vesting of Restricted Stock Units or other full-value Awards to exceed the number of Shares available for issuance under the Plan, then each such automatic grant shall be for that number of Shares determined by dividing the total number of Shares remaining available for grant by the number of Outside Directors receiving Awards on the applicable automatic grant date. Any further grants shall then be deferred until such time, if any, as additional Shares become available for grant under the Plan.

(v) Each Annual Award and Initial Award shall become 100% vested on the earlier of (A) the one year anniversary of the grant date, and (B) the day prior to the date of the Company's next annual stockholder meeting, subject in either case to the Participant maintaining Continuous Status as a Director through the vesting date.

(b) Prior Automatic Stock Option Grants . Any Stock Options previously granted under this Section 11 shall continue to be governed by the terms of the Plan as in effect when such Stock Options were granted and the terms of the applicable Stock Option agreements, provided, however, that the section entitled "Consideration for Exercising Outside Director Stock Options," applicable to Stock Options previously granted under this Section 11 shall be amended and restated in its entirety as follows:

" Consideration for Exercising Outside Director Stock Options . The consideration to be paid for the Shares to be issued upon exercise of an automatic Outside Director Option shall consist entirely of cash, check, delivery of other Shares with an aggregate Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised, withholding by the Company of Shares with an aggregate Fair Market Value on the date of exercise equal to the exercise price otherwise due upon the exercise of the Option, or to the extent permitted by Applicable Laws, delivery of a properly executed exercise notice, together with such other documentation as the Administrator and the broker, if applicable, shall require to effect an exercise of the Option and delivery to the Company of the sale proceeds required to pay the exercise price, or any combination of such methods of payment."

(c) Reservation of Rights . The Board reserves the right to amend this Section 11 to again provide for the automatic grant of Stock Options or other Awards to Outside Directors.

12. *Restricted Stock* .

(a) *Grant of Restricted Stock* . Subject to the terms and conditions of the Plan, Restricted Stock may be granted to Participants at any time as shall be determined by the Administrator, in its sole discretion. Subject to Section 6(b) hereof as well as the Plan Minimum Vesting Requirements set forth in Sections 4(b)(vi) and 4(d) hereof, the

Administrator shall have complete discretion to determine (i) the number of Shares subject to a Restricted Stock award granted to any Participant, and (ii) the conditions that must be satisfied, which typically will be based principally or solely on continued provision of services but may include a performance-based component, upon which is conditioned the grant, vesting or issuance of Restricted Stock.

(b) *Other Terms*. The Administrator, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of Restricted Stock granted under the Plan; provided that Restricted Stock may only be issued in the form of Shares. Restricted Stock grants shall be subject to the terms, conditions, and restrictions determined by the Administrator at the time the stock or the restricted stock unit is awarded. The Administrator may require the recipient to sign a Restricted Stock Award agreement as a condition of the award. Any certificates representing the Shares of stock awarded shall bear such legends as shall be determined by the Administrator.

(c) *Restricted Stock Award Agreement*. Each Restricted Stock grant shall be evidenced by an agreement that shall specify the purchase price (if any) and such other terms and conditions as the Administrator, in its sole discretion, shall determine; provided; however, that if the Restricted Stock grant has a purchase price, such purchase price must be paid no more than seven (7) years following the date of grant.

13. *Restricted Stock Units*.

(a) *Grant*. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units under the Plan, it shall advise the Participant in writing or electronically of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units and the form of payout, which, subject to Section 6(b) hereof, may be left to the discretion of the Administrator.

(b) *Vesting Criteria and Other Terms*. Subject to the Plan Minimum Vesting Requirements set forth in Sections 4(b)(vi) and 4(d) hereof, the Administrator shall set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment), or any other basis determined by the Administrator in its discretion.

(c) *Earning Restricted Stock Units*. Upon meeting the applicable vesting criteria, the Participant shall be entitled to receive a payout as specified in the Restricted Stock Unit Award Agreement. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) *Form and Timing of Payment*. Payment of earned Restricted Stock Units shall be made as soon as practicable after the date(s) set forth in the Restricted Stock Unit Award Agreement. The Administrator, in its sole discretion, but only as specified in the Award Agreement, may pay earned Restricted Stock Units in cash, Shares, or a combination thereof. If the Award Agreement is silent as to the form of payment, payment of the Restricted Stock Units may only be in Shares.

(e) *Cancellation*. On the date set forth in the Restricted Stock Unit Award Agreement, all unearned Restricted Stock Units shall be forfeited to the Company.

14. *Performance Shares*.

(a) *Grant of Performance Shares*. Subject to the terms and conditions of the Plan, Performance Shares may be granted to Participants at any time as shall be determined by the Administrator, in its sole discretion. Subject to Section 6(b) hereof as well as the Plan Minimum Vesting Requirements set forth in Sections 4(b)(vi) and 4(d) hereof, the Administrator shall have complete discretion to determine (i) the number of Shares subject to a Performance Share award granted to any Participant, and (ii) the conditions that must be satisfied, which typically

will be based principally or solely on achievement of performance milestones but may include a service-based component, upon which is conditioned the grant or vesting of Performance Shares. Performance Shares shall be granted in the form of units to acquire Shares. Each such unit shall be the equivalent of one Share for purposes of determining the number of Shares subject to an Award. Until the Shares are issued, no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the units to acquire Shares.

(b) *Other Terms*. The Administrator, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of Performance Shares granted under the Plan. Performance Share grants shall be subject to the terms, conditions, and restrictions determined by the Administrator at the time the stock is awarded, which may include such performance-based milestones as are determined appropriate by the Administrator. The Administrator may require the recipient to sign a Performance Shares Award Agreement as a condition of the award. Any certificates representing the Shares of stock awarded shall bear such legends as shall be determined by the Administrator.

(c) *Performance Share Award Agreement*. Each Performance Share grant shall be evidenced by an Award Agreement that shall specify such other terms and conditions as the Administrator, in its sole discretion, shall determine.

15. *Performance Units*.

(a) *Grant of Performance Units*. Performance Units are similar to Performance Shares, except that they shall be settled in a cash equivalent to the Fair Market Value of the underlying Shares, determined as of the vesting date. Subject to the terms and conditions of the Plan, Performance Units may be granted to Participants at any time and from time to time as shall be determined by the Administrator, in its sole discretion. The Administrator shall have complete discretion to determine the conditions that must be satisfied, which typically will be based principally or solely on achievement of performance milestones but may include a service-based component, upon which is conditioned the grant or vesting of Performance Units. Performance Units shall be granted in the form of units to acquire Shares. Each such unit shall be the cash equivalent of one Share of Common Stock. No right to vote or receive dividends or any other rights as a stockholder shall exist with respect to Performance Units or the cash payable thereunder.

(b) *Number of Performance Units*. Subject to Section 6(c) hereof, the Administrator will have complete discretion in determining the number of Performance Units granted to any Participant.

(c) *Other Terms*. The Administrator, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of Performance Units granted under the Plan. Performance Unit grants shall be subject to the terms, conditions, and restrictions determined by the Administrator at the time the grant is awarded, which may include such performance-based milestones as are determined appropriate by the Administrator. The Administrator may require the recipient to sign a Performance Unit agreement as a condition of the award. Any certificates representing the units awarded shall bear such legends as shall be determined by the Administrator.

(d) *Performance Unit Award Agreement*. Each Performance Unit grant shall be evidenced by an agreement that shall specify such terms and conditions as the Administrator, in its sole discretion, shall determine.

16. *Deferred Stock Units*.

(a) *Description*. Deferred Stock Units shall consist of a Restricted Stock, Restricted Stock Unit, Performance Share or Performance Unit Award that the Administrator, in its sole discretion permits to be paid out in installments or on a deferred basis, in accordance with rules and procedures established by the Administrator, subject to the Plan Minimum Vesting Requirements set forth in Sections 4(b)(vi) and 4(d) hereof. Deferred Stock Units shall remain subject to the claims of the Company's general creditors until distributed to the Participant.

(b) *162(m) Limits*. Deferred Stock Units shall be subject to the annual 162(m) limits applicable to the underlying Restricted Stock, Restricted Stock Unit, Performance Share or Performance Unit Award as set forth in Section 6 hereof.

17. *Leaves of Absence*. If as a condition to be granted an unpaid leave of absence by the Company, a Participant agrees that vesting shall be suspended during all or a portion of such leave of absence, (except as otherwise required by Applicable Laws) vesting of Awards granted hereunder shall cease during such agreed upon portion of the unpaid leave of absence and shall only recommence upon return to active service.

18. *Part-Time Service*. Unless otherwise required by Applicable Laws, if as a condition to being permitted to work on a less than full-time basis, the Participant agrees that any service-based vesting of Awards granted hereunder shall be extended on a proportionate basis in connection with such transition to a less than a full-time basis, vesting shall be adjusted in accordance with such agreement. Such vesting shall be proportionately re-adjusted prospectively in the event that the Employee subsequently becomes regularly scheduled to work additional hours of service.

19. *Non-Transferability of Awards*. Except as determined otherwise by the Administrator in its sole discretion (but never a transfer in exchange for value), Awards may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant, without the prior written consent of the Administrator.

20. *Stock Withholding to Satisfy Withholding Tax Obligations*. When a Participant incurs tax liability in connection with the exercise, vesting or payout, as applicable, of an Award, which tax liability is subject to tax withholding under applicable tax laws, and the Participant is obligated to pay the Company an amount required to be withheld under applicable tax laws, the Participant may satisfy the withholding tax obligation by electing to have the Company withhold from the Shares to be issued upon exercise of the Option or SAR or the Shares to be issued upon payout or vesting of the other Award, if any, that number of Shares having a Fair Market Value equal to the amount required to be withheld. The Fair Market Value of the Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined (the " *Tax Date* ").

All elections by a Participant to have Shares withheld for this purpose shall be made in writing in a form acceptable to the Administrator and shall be subject to the following restrictions:

(a) the election must be made on or prior to the applicable Tax Date; and

(b) all elections shall be subject to the consent or disapproval of the Administrator.

In the event the election to have Shares subject to an Award withheld is made by a Participant and the Tax Date is deferred under Section 83 of the Code because no election is filed under Section 83(b) of the Code, the Participant shall receive the full number of Shares with respect to which the Option or SAR is exercised or other Award is vested but such Participant shall be unconditionally obligated to tender back to the Company the proper number of Shares on the Tax Date.

21. *Adjustments Upon Changes in Capitalization, Dissolution, Merger or Asset Sale*.

(a) *Changes in Capitalization*. Subject to any required action by the shareholders of the Company, the number of shares of Common Stock covered by each outstanding Award, and the number of shares of Common Stock which have been authorized for issuance under the Plan but as to which no Awards have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Award, as well as the price per share of Common Stock covered by each such outstanding Award, the annual share limitations under Sections 6(a) and (b) hereof, and the number of Shares subject to Annual Award grants to Outside Directors under Section 11 hereof shall be proportionately adjusted for any increase or decrease in the number of issued shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock, or any other increase or decrease in the number of issued shares of Common Stock effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no

issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares of Common Stock subject to an Award.

(b) *Dissolution or Liquidation*. In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Participant as soon as practicable prior to the effective date of such proposed transaction. The Administrator in its discretion (but not with respect to Options granted to Outside Directors) may provide for a Participant to have the right to exercise his or her Option or SAR until ten (10) days prior to such transaction as to all of the Awarded Stock covered thereby, including Shares as to which the Award would not otherwise be exercisable. In addition, the Administrator may provide that any Company repurchase option or forfeiture rights applicable to any Award shall lapse 100%, and that any Award vesting shall accelerate 100%, provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated. To the extent it has not been previously exercised (with respect to Options and SARs) or vested (with respect to other Awards), an Award will terminate immediately prior to the consummation of such proposed action.

(c) *Merger or Asset Sale*.

(i) *Stock Options and SARs*. In the event of a merger of the Company with or into another corporation, or the sale of substantially all of the assets of the Company, each outstanding Option and SAR shall be assumed or an equivalent option or SAR substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Option or SAR, the Participant shall fully vest in and have the right to exercise the Option or SAR as to all of the Awarded Stock, including Shares as to which it would not otherwise be vested or exercisable. If an Option or SAR becomes fully vested and exercisable in lieu of assumption or substitution in the event of a merger or asset sale, the Administrator shall notify the Participant in writing or electronically that the Option or SAR shall be fully vested and exercisable for a period of thirty (30) days from the date of such notice, and the Option or SAR shall terminate upon the expiration of such period. With respect to Options granted to Outside Directors, in the event that the Outside Director is required to terminate his or her position as an Outside Director at the request of the acquiring entity within 12 months following such merger or asset sale, each outstanding Option held by such Outside Director shall become fully vested and exercisable, including as to Shares as to which it would not otherwise be exercisable, unless the Board, in its discretion, determines otherwise.

(ii) *Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, Deferred Stock Units and Dividend Equivalents*. In the event of a merger of the Company with or into another corporation, or the sale of substantially all of the assets of the Company, each outstanding Restricted Stock, Restricted Stock Unit, Performance Share, Performance Unit, Dividend Equivalent and Deferred Stock Unit award (and any related Dividend Equivalent) shall be assumed or an equivalent Restricted Stock, Restricted Stock Unit, Performance Share, Performance Unit, Dividend Equivalent and Deferred Stock Unit award (and any related Dividend Equivalent) substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Restricted Stock, Restricted Stock Unit, Performance Share, Performance Unit, Dividend Equivalent and Deferred Stock Unit award (and any related Dividend Equivalent), the Participant shall fully vest in the Restricted Stock, Restricted Stock Unit, Performance Share, Performance Unit, Dividend Equivalent and Deferred Stock Unit award (and any related Dividend Equivalent), including as to Shares (or with respect to Dividend Equivalents and Performance Units, the cash equivalent thereof) which would not otherwise be vested. For the purposes of this paragraph, a Restricted Stock, Restricted Stock Unit, Performance Share, Performance Unit, Dividend Equivalent and Deferred Stock Unit award (and any related Dividend Equivalent) shall be considered assumed if, following the merger or asset sale, the award confers the right to purchase or receive, for each Share (or with respect to Dividend Equivalents and Performance Units, the cash equivalent thereof) subject to the Award immediately prior to the merger or asset sale, the consideration (whether stock, cash, or other securities or property) received in the merger or asset sale by holders of the Company's common stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or asset sale is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the

consideration to be received, for each Share and each unit/right to acquire a Share subject to the Award (other than Dividend Equivalents and Performance Units) to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of the Company's common stock in the merger or asset sale.

22. *Time of Granting Awards*. The date of grant of an Award shall, for all purposes, be the date on which the Administrator makes the determination granting such Award. Notice of the determination shall be given to each Employee or Consultant to whom an Award is so granted within a reasonable time after the date of such grant.

23. *Term of Plan*. The Plan shall continue in effect until March 1, 2016 .

24. *Amendment and Termination of the Plan*.

(a) *Amendment and Termination*. The Board may at any time amend, alter, suspend or terminate the Plan.

(b) *Shareholder Approval*. The Company shall obtain shareholder approval of any Plan amendment to the extent necessary and desirable to comply with Rule 16b-3 or with Section 422 of the Code (or any successor rule or statute or other applicable law, rule or regulation, including the requirements of any exchange or quotation system on which the Common Stock is listed or quoted). Such shareholder approval, if required, shall be obtained in such a manner and to such a degree as is required by the applicable law, rule or regulation.

(c) *Effect of Amendment or Termination*. No amendment, alteration, suspension or termination of the Plan shall impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company.

25. *Conditions Upon Issuance of Shares*. Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Shares pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act, the Exchange Act, the rules and regulations promulgated thereunder, state securities laws, and the requirements of any stock exchange upon which the Shares may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise or payout, as applicable, of an Award, the Company may require the person exercising such Option or SAR, or in the case of another Award (other than a Dividend Equivalent or Performance Unit), the person receiving the Shares upon vesting, to render to the Company a written statement containing such representations and warranties as, in the opinion of counsel for the Company, may be required to ensure compliance with any of the aforementioned relevant provisions of law, including a representation that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares, if, in the opinion of counsel for the Company, such a representation is required.

26. *Reservation of Shares*. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan. Inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

EXHIBIT 10.10

JUNIPER NETWORKS, INC.

SEVERANCE AGREEMENT

This Severance Agreement (the "Agreement") is made and entered into by and between XXXXXXX (the "Employee") and Juniper Networks, Inc., a Delaware Corporation (the "Company"), effective on the last date signed below.

RECITALS

The Compensation Committee believes that it is imperative to provide the Employee with certain severance benefits upon certain terminations of employment. These benefits will provide the Employee with enhanced financial security and incentive and encouragement to remain with the Company.

Certain capitalized terms used in the Agreement are defined below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Term of Agreement . This Agreement shall terminate upon the later of (i) January 1, 2017 or (ii) if Employee is terminated involuntarily by Company without Cause prior to January 1, 2017, the date that all of the obligations of the parties hereto with respect to this Agreement have been satisfied.

2. At-Will Employment . The Company and the Employee acknowledge that the Employee's employment is and shall continue to be at-will, as defined under applicable law, except as may otherwise be specifically provided by applicable law or under the terms of any written formal employment agreement or offer letter between the Company and the Employee (an "Employment Agreement"). This Agreement does not constitute an agreement to employ Employee for any specific time.

3. Severance Benefits .

(a) In the event the Employee is terminated involuntarily by Company without Cause, as defined below, and provided the Employee executes and does not revoke a full release of claims with the Company (in a form satisfactory to the Company) (the "Release"), the Employee will be entitled to receive the severance benefits set out in subsections (i) and (ii). For purposes of this Agreement, "Cause" is defined as: (i) willfully engaging in gross misconduct that is demonstrably injurious to Company; (ii) willful act or acts of dishonesty or malfeasance undertaken by the individual; (iii) conviction of or a plea of nolo contendere to a felony; or (iv) willful and continued refusal or failure to substantially perform duties with Company (other than incapacity due to physical or mental illness); provided that the action or conduct described in clause (iv) above will constitute "Cause" only if such failure continues after the Company's CEO, COO or Board of Directors has provided the individual with a written demand for substantial performance setting forth in detail the specific respects in which it believes the individual has willfully and not substantially performed the individual's duties thereof and has been provided a reasonable opportunity (to be not less than 30 days) to cure the same.

(i) A cash payment in a lump sum (less any withholding taxes) equal to [12 months for Grade 15 / 15 months for Grade 16 / 16.5 months for Grade 17] of base salary (as in effect immediately prior to the termination).

(ii) In lieu of continuation of benefits, Employee shall receive $18,000 (whether or not Employee elects COBRA).

(b) Release Effectiveness . The receipt of any severance pursuant to Section 3(a) will be subject to Employee signing and not revoking the Release and further subject to the Release becoming effective within fifty-two (52) days following Employee's termination of employment.

(c) Timing of Severance Payments . Any cash severance payment to which Employee is entitled shall be paid by the Company to Employee in a single lump sum in cash on the fifty-third (53rd) day after Employee's termination of employment.

(d) Change of Control Benefits . In the event the Employee receives severance and other benefits pursuant to a change in control agreement that are greater than or equal to the amounts payable hereunder, then the Employee shall not be entitled to receive severance or any other benefits under this Agreement.

(e) Section 409A .

(i) Notwithstanding anything to the contrary in this Agreement, if Employee is a "specified employee" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the final regulations and any guidance promulgated thereunder ("Section 409A") at the time of Employee's termination (other than due to death) or resignation, then the severance payable to Employee, if any, pursuant to this Agreement, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "Deferred Compensation Separation Benefits") that are payable within the first six (6) months following Employee's termination of employment, will become payable on or within ten days following the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee's termination of employment. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following his termination but prior to the six (6) month anniversary of his termination, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee's death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(ii) Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations shall not constitute Deferred Compensation Separation Benefits for purposes of clause (i) above.

(iii) Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that do not exceed the Section 409A Limit shall not constitute Deferred Compensation Separation Benefits for purposes of clause (i) above. "Section 409A Limit" will mean the lesser of two (2) times: (i) Employee's annualized compensation based upon the annual rate of pay paid to Employee during the Employee's taxable year preceding the Employee's taxable year of Employee's termination of employment as determined under, and with such adjustments as are set forth in, Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Employee's employment is terminated.

(iv) The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. The Company and Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Employee under Section 409A.

4. Successors .

(a) The Company's Successors . Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 4 (a) or which becomes bound by the terms of this Agreement by operation of law. The term "Company" shall also include any direct or indirect that is majority owned by Juniper Networks, Inc.

(b) The Employee's Successors . The terms of this Agreement and all rights of the Employee hereunder shall inure to the benefit of, and be enforceable by, the Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

5. Notice . All notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given upon receipt or, if earlier, (a) five (5) days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by first class mail, postage prepaid, (b) upon delivery, if delivered by hand, (c) one (1) business day after the business day of deposit with Federal Express or similar overnight courier, freight prepaid or (d) one (1) business day after the business day of facsimile transmission, if delivered by facsimile transmission with copy by first class mail, postage prepaid, and shall be addressed (i) if to Employee, at his or her last known residential address and (ii) if to the Company, at the address of its principal corporate offices (attention: Secretary), or in any such case at such other address as a party may designate by ten (10) days' advance written notice to the other party pursuant to the provisions above.

6. Miscellaneous Provisions .

(a) No Duty to Mitigate . The Employee shall not be required to mitigate the amount of any payment contemplated by this Agreement, nor shall any such payment be reduced by any earnings that the Employee may receive from any other source.

(b) Waiver . No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Employee and by an authorized officer of the Company (other than the Employee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings . All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Entire Agreement . This Agreement constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter hereof.

(e) Choice of Law . The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California. The Superior Court of Santa Clara County and/or the United States District Court for the Northern District of California shall have exclusive jurisdiction and venue over all controversies in connection with this Agreement.

(f) Severability . The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(g) Withholding . All payments made pursuant to this Agreement will be subject to withholding of applicable income and employment taxes.

(h) Counterparts . This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year set forth below.

COMPANY	JUNIPER NETWORKS, INC.	
	By:	_____
	Name:	Mitchell L. Gaynor
	Title:	EVP, General Counsel & Secretary
	Date:	_____
EMPLOYEE	Name:	_____
	Date:	_____

EXHIBIT 12.1

Juniper Networks, Inc.
Statements of Computation of Ratio of Earnings to Fixed Charges
(In millions, except ratios)

	Nine Months Ended September 30,	Years Ended December 31,				
	2014 (*)	2013 (*)	2012 (*)	2011 (*)	2010 (*)	2009 (*)
Earnings for computation of ratio:						
Pre-tax income from continuing operations before adjustment for noncontrolling interests in consolidated subsidiaries or income from equity investees	$ 608.1	$ 518.4	$ 266.0	$ 572.0	$ 769.5	$ 317.6
Fixed charges	63.4	76.1	72.0	69.2	16.8	17.0
Amortization of capitalized interest	0.4	0.4	—	—	—	—
Less:						
Interest capitalized	(2.2)	(1.9)	(7.1)	(1.2)	—	—
Noncontrolling interest in pre-tax income of subsidiaries that have not incurred fixed charges	—	—	—	—	(1.3)	—
Total earnings	$ 669.7	$ 593.0	$ 330.9	$ 640.0	$ 785.0	$ 334.6
Fixed charges:						
Interest expense	$ 49.6	$ 58.1	$ 52.2	$ 48.9	$ —	$ —
Interest capitalized	2.2	1.9	—	—	—	—
Amortized premiums, discounts, and capitalized expenses relating to indebtedness	0.6	0.3	0.8	0.6	—	—
Estimate of interest within rental expense	11.0	15.8	19.0	19.7	16.8	17.0
Total fixed charges	$ 63.4	$ 76.1	$ 72.0	$ 69.2	$ 16.8	$ 17.0
Ratio of earnings to fixed charges	10.6	7.8	4.6	9.2	46.8	19.7

(*) For these ratios, "earnings" represents income before taxes before adjustment for noncontrolling interests in equity investments and fixed charges, adjusted for interest capitalized and noncontrolling interest in pre-tax income of subsidiaries that have not incurred fixed charges.

EXHIBIT 31.1

Certification of Chief Executive Officer
Pursuant to
Exchange Act Rules 13a-14(a) and 15d-14(a),
As Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Rami Rahim, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Juniper Networks, 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(s) 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(s) 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.

Date: November 10, 2014

/s/ Rami Rahim
Rami Rahim
Chief Executive Officer

EXHIBIT 31.2

Certification of Chief Financial Officer
Pursuant to
Exchange Act Rules 13a-14(a) and 15d-14(a),
As Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Robyn M. Denholm, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Juniper Networks, 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(s) 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(s) 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.

Date: November 10, 2014

/s/ Robyn M. Denholm
Robyn M. Denholm
Executive Vice President, Chief Financial and Operations Officer

EXHIBIT 32.1

Certification of Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350 As Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Rami Rahim, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Juniper Networks, Inc. on Form 10-Q for the three months ended September 30, 2014 , fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Juniper Networks, Inc.

/s/ Rami Rahim
Rami Rahim
Chief Executive Officer
November 10, 2014

EXHIBIT 32.2

Certification of Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350 As Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Robyn M. Denholm, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Juniper Networks, Inc. on Form 10-Q for the three months ended September 30, 2014 , fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Juniper Networks, Inc.

/s/ Robyn M. Denholm
Robyn M. Denholm
Executive Vice President, Chief Financial and Operations Officer
November 10, 2014