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As filed with the Securities and Exchange Commission on February 28, 2006.

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

SYNCHRONOSS TECHNOLOGIES, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**7371 (Computer Programming Services)**	**06-1594540**
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

750 Route 202 South
Sixth Floor
Bridgewater, NJ 08807
(866) 620-3940

(Address, including zip code and telephone number, including area code, of registrant's principal executive offices)

Stephen G. Waldis
Chairman of the Board of Directors, President and Chief Executive Officer
750 Route 202 South
Sixth Floor
Bridgewater, NJ 08807
(866) 620-3940

(Name, address, including zip code and telephone number, including area code, of agent for service)

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

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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

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

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, $0.0001 par value	$75,000,000	$8,025

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act.

(2) Includes offering price of shares that the underwriters have the option to purchase to cover over-allotments, if any.

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

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The information in this preliminary prospectus is not complete and may be changed. Neither we nor the selling stockholders may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated , 2006.

Shares

SYNCHRONOSS TECHNOLOGIES, INC.

Common Stock

Synchronoss Technologies, Inc. is offering shares of its common stock and the selling stockholders are offering shares of common stock. We will not receive any proceeds from the sale of shares by selling stockholders. This is the initial public offering of our common stock.

Prior to this offering, there has been no public market for the common stock. The initial public offering price is expected to be between $ and $ per share.

We have applied to list the common stock on The Nasdaq Stock Market's National Market under the symbol "SNCR."

Investing in the common stock involves a high degree of risk. Before buying any shares, you should carefully read the discussion of material risks of investing in our common stock in "Risk Factors" beginning on page of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Synchronoss Technologies, Inc.	Proceeds to Selling Stockholders
Per Share	$	$	$	$
Total	$	$	$	$

To the extent that the underwriters sell more than shares of common stock, the underwriters have the option to purchase up to an additional shares from Synchronoss and selling stockholders at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares of common stock on or about , 2006.

Goldman, Sachs & Co. **Deutsche Bank Securities**

Thomas Weisel Partners LLC

Prospectus dated , 2006.

(Art Work)

You should rely only on information contained in this document or that information to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

Synchronoss, ActivationNow® and PerformancePartner® are trademarks of Synchronoss Technologies, Inc. FORTUNE 500® is a registered trademark of Time Inc. This prospectus also includes other registered and unregistered trademarks of Synchronoss Technologies, Inc. and other persons.

Unless the context otherwise requires, we use the terms “Synchronoss,” the “Company,” “we,” “us” and “our” in this prospectus to refer to Synchronoss Technologies, Inc.

PROSPECTUS SUMMARY

You should read the following summary together with the more detailed information regarding Synchronoss Technologies, Inc. and the common stock being sold in this offering in our financial statements and notes appearing elsewhere in this prospectus and our risk factors beginning on page .

Synchronoss Technologies, Inc.

Our Business

We are a leading provider of e-commerce transaction management solutions to the communications services marketplace. Our proprietary on-demand software platform enables communications service providers, or CSPs, to take, manage and provision orders and other customer-oriented transactions and create complex service bundles. We target complex and high-growth industry segments including wireless, Voice over Internet Protocol, or VoIP, wireline and other markets. We have designed our solution to be flexible, allowing us to meet the rapidly changing and converging services offered by CSPs. By simplifying technological complexities through the automation and integration of disparate systems, we enable CSPs to acquire, retain and service customers quickly, reliably and cost-effectively. Our industry-leading customers include Cingular Wireless, Vonage Holdings, Cablevision Systems, Level 3 Communications, Verizon Business, Clearwire, 360networks, Time Warner Cable and AT&T. Our CSP customers use our platform and technology to service both consumer and business customers, including over 300 of the Fortune 500 companies.

Our CSP customers rely on our services to speed, simplify and automate the process of activating their customers and delivering communications services across interconnected networks, focusing particularly on customers acquired through Internet-based channels. In addition, we offer and are targeting growth in services that automate other aspects of the CSPs' ongoing customer relationships, such as product upgrades and customer care. Our ActivationNow® software platform provides seamless integration between customer-facing CSP applications and "back-office" or infrastructure-related systems and processes. Our platform streamlines these business processes, enhancing the customer experience and allowing us to offer reliable, guaranteed levels of service, which we believe is an important differentiator of our service offering.

The majority of our revenues are generated from fees earned on each transaction processed utilizing our platform. We have increased our revenues rapidly, growing at a compound annual growth rate of 76% from 2001 to 2005. For 2005, we generated revenues of $54.2 million, a 99.4% increase over 2004. Our net income for the period was $12.4 million, versus a loss of approximately $7,000 for the prior year.

Demand Drivers for Our E-Commerce Transaction Management Solutions

Our services are capable of managing a wide variety of transactions across multiple CSP delivery models, allowing us to benefit from increased growth, complexity and technological change in the communications industry. As communications technology has evolved, new access networks, end-devices and applications with multiple features have emerged. This proliferation of services and advancement of technologies are accelerating subscriber growth and increasing the number of transactions between CSPs and their customers. Currently, growth in wireless services, the adoption of VoIP and the increasing importance of e-commerce are strongly driving demand for our transaction management solutions. In addition, we see an opportunity to provide our services to the high-growth market of bundled services (including voice, video, data and wireless) resulting from converging technology markets. We support and target transactions ranging from initial service activations to ongoing customer lifecycle transactions, such as additions, subtractions and changes to services. The need for CSPs to deliver these transactions efficiently increases demand for our on-demand software delivery model.

With the rapid emergence of all-digital, IP-based services, a fundamental separation is occurring between the physical and service layer for deploying telecommunications network services. In order to quickly develop new service creation bundles, CSPs are increasingly relying on intelligent software platform solutions such as our own. The critical driver of adoption of our services is shifting from cost displacement at CSPs to generating new revenues via on-demand service creation. In this environment, our on-demand capabilities will be a major value-added difference to our CSPs and their largest customers.

Our Solution

Our ActivationNow® software platform provides comprehensive e-commerce order processing, transaction management and provisioning. We have designed ActivationNow® to be a flexible, open and on-demand platform, offering a unique solution for managing transactions relating to a wide range of existing communications services as well as the rapid deployment of new services. In addition to handling large volumes of customer transactions quickly and efficiently, our solution is designed to recognize, isolate and address transactions when there is insufficient information or other erroneous process elements. Our solution also offers a centralized reporting platform that provides intelligent, real-time analytics around the entire workflow related to an e-commerce transaction. Our platform's automation and ease of integration allows CSPs to lower the cost of new customer acquisition, enhance the accuracy and reliability of customer transactions, and respond rapidly to competitive market conditions. The following key strengths differentiate us:

Leading Provider of Transaction Management Solutions to the Communications Services Market. We offer what we believe to be the most advanced e-commerce customer transaction management solution to the communications market. Our industry leading position is built upon the strength of our platform and our extensive experience and expertise in identifying and addressing the complex needs of leading CSPs.

Well Positioned to Benefit from High Industry Growth Areas and E-Commerce. We believe we are positioned to capitalize on the development, proliferation and convergence of communications services, including wireless and VoIP and the adoption of e-commerce as a critical customer channel. Our ActivationNow® platform is designed to be flexible and scalable to meet the demanding requirements of the evolving communications services industry, allowing us to participate in the highest growth and most attractive industry segments.

Differentiated Approach to Non-Automated Processes. Due to a variety of factors, CSP systems frequently encounter customer transactions with insufficient information or other erroneous process elements. These so-called exceptions, which tend to be particularly common in the early phases of a service roll-out, require non-automated, often time-consuming handling. We believe our ability to address what we refer to as "exception handling" is one of our key differentiators. Our solution identifies, corrects and processes non-automated transactions and exceptions in real-time. Importantly, as exception handling matures within a service, an increasing number of transactions can become automated, which can result in increased operating leverage for our business.

Transaction-Based Model with High Revenue Visibility. We believe the characteristics of our business model enhance the predictability of our revenues. We are generally the exclusive provider of the services we offer to our customers and benefit from long-term contracts of 12 to 48 months. The majority of our revenues are transaction-based, allowing us to gauge future revenues against patterns of transaction volumes and growth.

Trusted Partner, Deeply Embedded with Major, Influential Customers. We provide our services to market-leading wireline, wireless, cable, broadband and VoIP service providers including Cingular Wireless, Vonage Holdings, Cablevision Systems, Level 3 Communications, Verizon Business, Clearwire, 360networks, Time Warner Cable and AT&T. The high value-added nature of our services and our proven performance track record make us an attractive,

valuable and important partner for our customers. Our transaction management solution is tightly integrated into our customers' critical infrastructure and embedded into their workflows, enabling us to develop deep and collaborative relationships with them.

On-Demand Offering that Enables Rapid, Cost-Effective Implementations. We provide our e-commerce customer transaction management solutions through an on-demand business model, which enables us to deliver our proprietary technology over the Internet as a service. Our customers do not have to make large and risky upfront investments in software, additional hardware, extensive implementation services and additional IT staff at their sites.

Experienced Senior Management Team. Each member of our senior management team has over 12 years of relevant industry experience, including prior employment with companies in the CSP, communications software and communications infrastructure industries.

Our Growth Strategy

Our growth strategy is to establish our ActivationNow® platform as the premium platform for leading providers of communications services, while investing in extensions of the services portfolio. Key elements of this strategy are:

Expand Customer Base and Target New and Converged Industry Segments. The ActivationNow® platform is designed to address service providers and business models across the range of the communications services market, a capability we intend to exploit by targeting new industry segments such as cable operators, or MSOs, wireless broadband/ WiMAX operators and online content providers. Due to our deep domain expertise and ability to integrate our services across a variety of CSP networks, we believe we are well positioned to provide services to converging technology markets, such as providers offering integrated packages of voice, video, data and/or wireless service.

Continue to Exploit VoIP Industry Opportunities. We believe that customer demand for our existing VoIP services will continue to grow. Continued rapid VoIP industry growth will expand the market and demand for our services. Being the trusted partner to VoIP industry leaders, including Vonage Holdings, positions us well to benefit from the evolving needs, requirements and opportunities of the VoIP industry.

Enhance Current Wireless Industry Leadership. We currently process hundreds of thousands of wireless transactions every month, which are driven by increasing wireless subscribers and wireless subscriber churn resulting from local number portability, or LNP, service provider competition and other factors. Beyond traditional wireless service providers, we believe the fast-growing mobile virtual network operator, or MVNO, marketplace presents us with attractive growth opportunities.

Further Penetrate our Existing Customer Base. We derive significant growth from our existing customers as they continue to expand into new distribution channels, require new service offerings and increase transaction volumes. As CSPs expand consumer, business and indirect distribution, they require new transaction management solutions which drive increasing amounts of transactions over our platform. Many customers purchase multiple services from us, and we believe we are well-positioned to cross-sell additional services to customers who do not currently purchase our full services portfolio. In addition, the increasing importance and expansion of Internet-based e-commerce has led to increased focus by CSPs on their e-channel distribution, thus providing another opportunity for us to further penetrate existing customers.

Expand Into New Geographic Markets. Our current customers operate primarily in North America. We intend to utilize our extensive experience and expertise to penetrate new geographic markets.

Maintain Technology Leadership. We intend to build upon our technology leadership by continuing to invest in research and development to increase the automation of processes and workflows, thus driving increased interest in our solutions by making it more economical for CSPs to use us as a third party solutions provider.

Our Corporate Information

We were incorporated in Delaware in 2000. Our principal executive offices are located at 750 Route 202 South, Sixth Floor, Bridgewater, New Jersey 08807 and our telephone number is (866) 620-3940. Our Web site address is www.synchronoss.com. The information on, or that can be accessed through, our Web site is not part of this prospectus.

The Offering

Common stock offered by us	shares.
Common stock offered by the selling stockholders	shares.
Total	shares.
Over-allotment option offered by us	shares.
Over-allotment option offered by the selling stockholders	shares.
Total	shares.
Use of proceeds	Working capital and general corporate purposes. See “Use of Proceeds.”
Dividend policy	Currently, we do not anticipate paying cash dividends.
Risk factors	You should read the “Risk Factors” section of this prospectus for a discussion of factors that you should consider carefully before deciding to invest in shares of our common stock.
Proposed Nasdaq National Market symbol	SNCR

The number of shares of our common stock to be outstanding following this offering is based on 23,971,651 shares of our common stock outstanding as of December 31, 2005 assuming the automatic conversion of all outstanding shares of our preferred stock into 13,549,256 shares of our common stock upon the closing of this offering, excluding:

- 1,079,480 shares of common stock issuable upon exercise of options outstanding as of December 31, 2005 at a weighted average exercise price of $1.40 per share;
- 980,923 shares of common stock reserved as of December 31, 2005 for future issuance under our stock-based compensation plans; and
- 94,828 shares of common stock issuable upon the exercise of a warrant, with an exercise price of $2.90 per share.

Unless otherwise indicated, this prospectus reflects and assumes the following:

- the automatic conversion of all outstanding shares of our preferred stock into 13,549,256 shares of common stock, upon the closing of the offering;
- the filing of our restated certificate of incorporation and the adoption of our amended and restated bylaws immediately prior to the effectiveness of this offering; and
- no exercise by the underwriters of their over-allotment option.

Summary Financial Data

The following selected financial data should be read in conjunction with, and are qualified by reference to, the financial statements and related notes and "Management's Discussions and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this prospectus.

	Year Ended December 31,		
	2003	2004	2005
	(in thousands, except per share data)		
Statements of Operations Data:			
Net revenues	$ 16,550	$ 27,191	$ 54,218
Costs and expenses			
Cost of services ($9, $2,610 and $8,089 were purchased from a related party in 2003, 2004 and 2005, respectively)*	7,655	17,688	30,205
Research and development	3,160	3,324	5,689
Selling, general and administrative	4,053	4,340	7,544
Depreciation and amortization	2,919	2,127	2,305
Total costs and expenses	17,787	27,479	45,743
(Loss) income from operations	(1,237)	(288)	8,475
Interest and other income	321	320	258
Interest expense	(128)	(39)	(133)
(Loss) income before income tax benefit	(1,044)	(7)	8,600
Income tax benefit	—	—	3,829
Net (loss) income	(1,044)	(7)	12,429
Preferred stock accretion	(35)	(35)	(34)
Net (loss) income attributable to common stockholders	$ (1,079)	$ (42)	$ 12,395
Basic net (loss) income per share	$ (0.11)	$ (0.00)	$ 0.53
Diluted net (loss) income per share	$ (0.11)	$ (0.00)	$ 0.47
Shares used in computing basic net (loss) income per share**	9,838	10,244	23,508
Shares used in computing diluted net (loss) income per share**	9,838	10,244	26,204
Pro forma net income			$ 12,429
Pro forma net income per share:			
Basic			$ 0.49
Diluted			$ 0.47
Pro forma weighted average common shares outstanding:			
Basic			25,508
Diluted			26,204

	2003	2004	2005	2005 Pro Forma	2005 Pro Forma as adjusted
Balance Sheet Data:					
Cash, cash equivalents and marketable securities	$ 13,556	$ 10,521	$ 16,002	$ 16,002	
Working capital	7,944	8,077	21,774	21,774	
Total assets	22,402	22,784	40,208	40,208	
Total stockholders' equity (deficiency)	(17,783)	(17,916)	(4,864)	30,073	

* Cost of services excludes depreciation and amortization which is shown separately.

** See Note 2 in our audited financial statements for the basis of our EPS presentation.

The pro forma column in the balance sheet data table above reflects the automatic conversion of all outstanding shares of our Series A and Series 1 convertible preferred stock into an aggregate of 13,549,256 shares of common stock upon completion of our initial public offering.

Pro forma net income per share is computed using the weighted average number of common shares outstanding, including the effects of the automatic conversion of all outstanding Series A and Series 1 convertible preferred stock into shares of the Company's common stock as if such conversion had occurred on January 1, 2005.

The pro forma as adjusted column in the balance sheet data table above reflects (i) the conversion of all outstanding shares of preferred stock into common stock upon the effectiveness of this offering and (ii) our sale of shares of common stock in this offering, at an assumed initial public offering price of $ per share and after deducting estimated underwriting discounts and commissions and offering expenses payable by us and the application of our net proceeds from this offering.

RISK FACTORS

This offering and an investment in our common stock involve a high degree of risk. You should carefully consider the following risk factors and the other information in this prospectus before investing in our common stock. Our business and results of operations could be seriously harmed by any of the following risks. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment.

Risks Related to Our Business and Industry

We have Substantial Customer Concentration, with One Customer Accounting for a Substantial Portion of our 2005 Revenues.

We currently derive a significant portion of our revenues from one customer, Cingular Wireless. Our relationship with Cingular Wireless dates back to January 2001 when we began providing service to AT&T Wireless, which was subsequently acquired by Cingular Wireless. For the three months ended December 31, 2005, Cingular Wireless accounted for approximately 75% of our revenues, compared to 74% for the three months ended September 30, 2005, 84% for the three months ended June 30, 2005 and 89% for the three months ended March 31, 2005. Our three largest customers accounted for between approximately 94% and 98% of our revenues in each of the quarters of 2005. We are the primary provider of e-commerce transaction management solutions for Cingular Wireless under an agreement which was renewed and is effective as of September 1, 2005 and runs through January of 2008. Under the terms of this agreement, Cingular Wireless may terminate its relationship with us for convenience.

A Slow Down in Market Acceptance and Government Regulation of Voice over Internet Protocol Technology Could Negatively Impact Our Ability to Grow Our Revenues.

Serving providers of Voice over Internet Protocol is an important part of our business plan. A slow down in market acceptance and increased government regulation of VoIP technology could negatively impact our ability to achieve and maintain profitability and grow our revenues. The success of one key element of our growth strategy depends upon the success of VoIP as an alternative to traditional forms of telephone communication. The regulatory status of VoIP is not clear and, in early 2004, the Federal Communications Commission ("FCC") opened a proceeding to establish the regulatory framework for Internet Protocol-enabled services, including VoIP. In this proceeding, the FCC will address various regulatory issues, including universal service, intercarrier compensation, numbering, disability access, consumer protection, and customer access to 911 emergency services. The outcome that the FCC reaches on these issues could have a material impact on our customers and potential customers and an adverse effect on our business. In addition, if access charges and tariffs are imposed on the use of Internet Protocol-enabled service, including VoIP, the cost of providing VoIP services would increase, which could have an adverse effect on our business.

Market reluctance to embrace VoIP as an alternative to traditional forms of telephone communication and limitations and/or expenses incurred as a result of increased governmental regulation could negatively impact the growth prospects of a key target customer base, potentially impacting in a negative way our ability to successfully market certain of our products and services.

If We Do Not Adapt to Rapid Technological Change in the Communications Industry, We Could Lose Customers or Market Share.

Our industry is characterized by rapid technological change and frequent new service offerings. Significant technological changes could make our technology and services obsolete, less marketable or less competitive. We must adapt to our rapidly changing market by continually improving the features, functionality, reliability and responsiveness of our transaction management services, and by developing new features, services and applications to meet changing customer needs. We may not

be able to adapt to these challenges or respond successfully or in a cost-effective way. Our failure to do so would adversely affect our ability to compete and retain customers or market share.

The Success of Our Business Depends on the Continued Growth of Consumer and Business Transactions Related to Communications Services on the Internet.

The future success of our business depends upon the continued growth of consumer and business transactions on the Internet, including attracting consumers who have historically purchased wireless services and devices through traditional retail stores. Specific factors that could deter consumers from purchasing wireless services and devices on the Internet include concerns about buying wireless devices without a face-to-face interaction with sales personnel and the ability to physically handle and examine the devices and concerns about the security of online transactions and the privacy of personal information.

Our business growth would be impeded if the performance or perception of the Internet was harmed by security problems such as “viruses,” “worms” and other malicious programs, reliability issues arising from outages and damage to Internet infrastructure, delays in development or adoption of new standards and protocols to handle increased demands of Internet activity, increased costs, decreased accessibility and quality of service, or increased government regulation and taxation of Internet activity. The Internet has experienced, and is expected to continue to experience, significant user and traffic growth, which has, at times, caused user frustration with slow access and download times. If Internet activity grows faster than Internet infrastructure or if the Internet infrastructure is otherwise unable to support the demands placed on it, or if hosting capacity becomes scarce, our business growth may be adversely affected.

In addition, we may be exposed to risks associated with Internet credit card fraud and identity theft, that could cause us to incur unexpected expenditures and loss of revenues. Under current credit card practices, a merchant is liable for fraudulent credit card transactions when, as is the case with the transactions we process, that merchant does not obtain a cardholder’s signature. Although our CSP customers currently bear the risk for a fraudulent credit card transaction, in the future we may be forced to share some of that risk with our CSP customers. Any failure to prevent fraudulent credit card transactions would adversely affect our business and our revenues. Names, addresses, telephone numbers, credit card data and other personal identification information, or PII, is collected, processed and stored in our systems. The steps we have taken to protect PII may not be sufficient to prevent the misappropriation or improper disclosure of such PII. If such misappropriation or disclosure were to occur our business could be harmed through reputational injury, litigation and possible damages claimed by the affected end customers. We do not currently carry insurance to protect us against this risk.

If the Wireless Services Industry Experiences a Decline in Subscribers, Our Business May Suffer.

The wireless services industry has faced an increasing number of challenges, including a slowdown in new subscriber growth. According to the Telephone Industry Association’s 2005 Telecommunications Market Review and Forecast, because a majority of the U.S. population is already subscribing to mobile phone service, growth in the number of wireless communications subscribers will begin to slow and drop to single-digit increases beginning in 2005, with growth averaging 5.2% on a compound annual growth rate basis through 2008, resulting in roughly 200 million wireless communications subscribers in 2008. This reduction in the potential pool of transactions to be handled by Synchronoss is compounded by improved wireless industry churn rates.

We Have a Short Operating History and Have Incurred Net Losses and We May Not Be Profitable in the Future.

We have a limited operating history and have experienced net losses through 2004. Although we were profitable during 2005, as of December 31, 2005, we had an accumulated deficit of $5.7 million. We may continue to incur losses and we cannot assure you that we will be profitable in future periods. We may not be able to adequately control costs and expenses or achieve or maintain adequate operating margins. As a result, our ability to achieve and sustain profitability will depend on our ability to generate and sustain substantially higher revenues while maintaining reasonable cost and expense levels. If we fail to generate sufficient revenues or achieve profitability, we will continue to incur significant losses. We may then be forced to reduce operating expenses by taking actions not contemplated in our business plan, such as discontinuing sales of certain of our wireless services, curtailing our marketing efforts or reducing the size of our workforce.

If We are Unable to Expand Our Sales Capabilities, We May Not Be Able to Generate Increased Revenues.

We must expand our sales force to generate increased revenues from new customers. We currently have a very small team of dedicated sales professionals. Our services require a sophisticated sales effort targeted at the senior management of our prospective customers. New hires will require training and will take time to achieve full productivity. We cannot be certain that new hires will become as productive as necessary or that we will be able to hire enough qualified individuals in the future. Failure to hire qualified sales personnel will preclude us from expanding our business and growing our revenues.

The Consolidation in the Communications Industry Can Reduce the Number of Customers and Adversely Affect Our Business.

The communications industry continues to experience consolidation and an increased formation of alliances among communications service providers and between communications services providers and other entities. These consolidations and alliances may cause us to lose customers or require us to reduce prices as a result of enhanced customer leverage, which would have a material adverse effect on our business. We may not be able to offset the effects of any price reductions. We may not be able to expand our customer base to make up any revenue declines if we lose customers or if our transaction volumes decline.

If We Fail to Compete Successfully With Existing or New Competitors, Our Business Could Be Harmed.

If we fail to compete successfully with established or new competitors, it could have a material adverse effect on our results of operations and financial condition. The communications industry is highly competitive and fragmented, and we expect competition to increase. We compete with independent providers of information systems and services and with the in-house departments of communications services companies. Rapid technological changes, such as advancements in software integration across multiple and incompatible systems, and economies of scale may make it more economical for CSPs to develop their own in-house processes and systems, which may render some of our products and services less valuable or eventually obsolete. Our competitors include firms that provide comprehensive information systems and managed services solutions, systems integrators, clearinghouses and service bureaus. Many of our competitors have long operating histories, large customer bases, substantial financial, technical, sales, marketing and other resources, and strong name recognition.

Current and potential competitors have established, and may establish in the future, cooperative relationships among themselves or with third parties to increase their ability to address the needs of our prospective customers. In addition, our competitors have acquired, and may continue to acquire

in the future, companies that may enhance their market offerings. Accordingly, new competitors or alliances among competitors may emerge and rapidly acquire significant market share. As a result, our competitors may be able to adapt more quickly than us to new or emerging technologies and changes in customer requirements, and may be able to devote greater resources to the promotion and sale of their products. These relationships and alliances may also result in transaction pricing pressure which could result in large reductions in the selling price of our services. Our competitors or our customers' in-house solutions may also provide services at a lower cost, significantly increasing pricing pressure on us. We may not be able to offset the effects of this potential pricing pressure. Our failure to adapt to changing market conditions and to compete successfully with established or new competitors may have a material adverse effect on our results of operations and financial condition.

Failures or Interruptions of Our Systems and Services Could Materially Harm Our Revenues, Impair Our Ability to Conduct Our Operations and Damage Relationships with Our Customers.

Our success depends on our ability to provide reliable services to our customers and process a high volume of transactions in a timely and effective manner. Although Synchronoss is in the process of constructing a disaster recovery facility, our network operations are currently located in a single facility in Bethlehem, Pennsylvania that is susceptible to damage or interruption from human error, fire, flood, power loss, telecommunications failure, terrorist attacks and similar events. We could also experience failures or interruptions of our systems and services, or other problems in connection with our operations, as a result of:

- damage to or failure of our computer software or hardware or our connections and outsourced service arrangements with third parties;
- errors in the processing of data by our system;
- computer viruses or software defects;
- physical or electronic break-ins, sabotage, intentional acts of vandalism and similar events;
- increased capacity demands or changes in systems requirements of our customers; or
- errors by our employees or third-party service providers.

In addition, our business interruption insurance may be insufficient to compensate us for losses that may occur. Any interruptions in our systems or services could damage our reputation and substantially harm our business and results of operations.

If We Fail to Meet Our Service Level Obligations Under Our Service Level Agreements, We Would Be Subject to Penalties and Could Lose Customers.

We have service level agreements with many of our customers under which we guarantee specified levels of service availability. These arrangements involve the risk that we may not have adequately estimated the level of service we will in fact be able to provide. If we fail to meet our service level obligations under these agreements, we would be subject to penalties, which could result in higher than expected costs, decreased revenues and decreased operating margins. We could also lose customers.

The Financial and Operating Difficulties in the Telecommunications Sector May Negatively Affect Our Customers and Our Company.

Recently, the telecommunications sector has been facing significant challenges resulting from excess capacity, poor operating results and financing difficulties. The sector's financial status has at times been uncertain and access to debt and equity capital has been seriously limited. The impact of these events on us could include slower collection on accounts receivable, higher bad debt expense, uncertainties due to possible customer bankruptcies, lower pricing on new customer

contracts, lower revenues due to lower usage by the end customer and possible consolidation among our customers, which will put our customers and operating performance at risk. In addition, because we operate in the communications sector, we may also be negatively impacted by limited access to debt and equity capital.

Our Reliance on Third-Party Providers for Communications Software, Services, Hardware and Infrastructure Exposes Us to a Variety of Risks We Cannot Control.

Our success depends on software, equipment, network connectivity and infrastructure hosting services supplied by our vendors and customers. In addition, we rely on third party vendors to perform a substantial portion of our exception handling services. We may not be able to continue to purchase the necessary software, equipment and services from vendors on acceptable terms or at all. If we are unable to maintain current purchasing terms or ensure service availability with these vendors and customers, we may lose customers and experience an increase in costs in seeking alternative supplier services.

Our business also depends upon the capacity, reliability and security of the infrastructure owned and managed by third parties, including our vendors and customers, that is used by our technology interoperability services, network services, number portability services, call processed services and enterprise solutions. We have no control over the operation, quality or maintenance of a significant portion of that infrastructure and whether those third parties will upgrade or improve their software, equipment and services to meet our and our customers' evolving requirements. We depend on these companies to maintain the operational integrity of our services. If one or more of these companies is unable or unwilling to supply or expand its levels of services to us in the future, our operations could be severely interrupted. In addition, rapid changes in the communications industry have led to industry consolidation. This consolidation may cause the availability, pricing and quality of the services we use to vary and could lengthen the amount of time it takes to deliver the services that we use.

Our Failure to Protect Confidential Information and Our Network Against Security Breaches Could Damage Our Reputation and Substantially Harm Our Business and Results of Operations.

A significant barrier to online commerce is concern about the secure transmission of confidential information over public networks. The encryption and authentication technology licensed from third parties on which we rely to securely transmit confidential information, including credit card numbers, may not adequately protect customer transaction data. Any compromise of our security could damage our reputation and expose us to risk of loss or litigation and possible liability which could substantially harm our business and results of operation. Although we carry general liability insurance, our insurance may not cover potential claims of this type or may not be adequate to cover all costs incurred in defense of potential claims or to indemnify us for all liability that may be imposed. In addition, anyone who is able to circumvent our security measures could misappropriate proprietary information or cause interruptions in our operations. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches.

If We Are Unable to Protect Our Intellectual Property Rights, Our Competitive Position Could Be Harmed or We Could Be Required to Incur Significant Expenses to Enforce Our Rights.

Our success depends to a significant degree upon the protection of our software and other proprietary technology rights, particularly our ActivationNow® software platform. We rely on trade secret, copyright and trademark laws and confidentiality agreements with employees and third parties, all of which offer only limited protection. The steps we have taken to protect our intellectual property may not prevent misappropriation of our proprietary rights or the reverse engineering of our solutions. Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights in other countries are uncertain and may afford little or no effective protection of our

proprietary technology. Consequently, we may be unable to prevent our proprietary technology from being exploited abroad, which could require costly efforts to protect our technology. Policing the unauthorized use of our products, trademarks and other proprietary rights is expensive, difficult and, in some cases, impossible. Litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of the proprietary rights of others. Such litigation could result in substantial costs and diversion of management resources, either of which could harm our business. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property.

Claims By Others That We Infringe Their Proprietary Technology Could Harm Our Business.

Third parties could claim that our current or future products or technology infringe their proprietary rights. We expect that software developers will increasingly be subject to infringement claims as the number of products and competitors providing software and services to the communications industry increases and overlaps occur. Any claim of infringement by a third party, even those without merit, could cause us to incur substantial costs defending against the claim, and could distract our management from our business. Furthermore, a party making such a claim, if successful, could secure a judgment that requires us to pay substantial damages. A judgment could also include an injunction or other court order that could prevent us from offering our services. Any of these events could seriously harm our business. Third parties may also assert infringement claims against our customers. These claims may require us to initiate or defend protracted and costly litigation on behalf of our customers, regardless of the merits of these claims. If any of these claims succeed, we may be forced to pay damages on behalf of our customers. We also generally indemnify our customers if our services infringe the proprietary rights of third parties.

If anyone asserts a claim against us relating to proprietary technology or information, while we might seek to license their intellectual property, we might not be able to obtain a license on commercially reasonable terms or on any terms. In addition, any efforts to develop non-infringing technology could be unsuccessful. Our failure to obtain the necessary licenses or other rights or to develop non-infringing technology could prevent us from offering our services and could therefore seriously harm our business.

We May Seek to Acquire Companies or Technologies, Which Could Disrupt Our Ongoing Business, Disrupt Our Management and Employees and Adversely Affect Our Results of Operations.

We may acquire companies where we believe we can acquire new products or services or otherwise enhance our market position or strategic strengths. We have not made any acquisitions to date, and therefore our ability as an organization to make acquisitions is unproven. We may not be able to find suitable acquisition candidates and we may not be able to complete acquisitions on favorable terms, if at all. If we do complete acquisitions, we cannot be sure that they will ultimately enhance our products or strengthen our competitive position. In addition, any acquisitions that we make could lead to difficulties in integrating personnel and operations from the acquired businesses and in retaining and motivating key personnel from these businesses. Acquisitions may disrupt our ongoing operations, divert management from day-to-day responsibilities, increase our expenses and harm our results of operations or financial condition. Future acquisitions could result in potentially dilutive issuances of equity securities and the incurrence of debt, which may reduce our cash available for operations and other uses, and contingent liabilities and an increase in amortization expense related to identifiable assets acquired, which could harm our business, financial condition and results of operation.

Our Potential Expansion into International Markets May Be Subject to Uncertainties That Could Increase Our Costs to Comply with Regulatory Requirements in Foreign Jurisdictions, Disrupt Our Operations, and Require Increased Focus from Our Management.

Our growth strategy involves the growth of our operations in foreign jurisdictions. International operations and business expansion plans are subject to numerous additional risks, including economic and political risks in foreign jurisdictions in which we operate or seek to operate, the difficulty of enforcing contracts and collecting receivables through some foreign legal systems, unexpected changes in regulatory requirements, fluctuations in currency exchange rates, potential difficulties in enforcing intellectual property rights in foreign countries, and the difficulties associated with managing a large organization spread throughout various countries. If we continue to expand our business globally, our success will depend, in large part, on our ability to anticipate and effectively manage these and other risks associated with our international operations. However, any of these factors could adversely affect our international operations and, consequently, our operating results.

We May Need Additional Capital in the Future and it May Not Be Available on Acceptable Terms.

We have historically relied on outside financing and cash flow from operations to fund our operations, capital expenditures and expansion. However, we may require additional capital in the future to fund our operations, finance investments in equipment or infrastructure, or respond to competitive pressures or strategic opportunities. We cannot assure you that additional financing will be available on terms favorable to us, or at all. In addition, the terms of available financing may place limits on our financial and operating flexibility. If we are unable to obtain sufficient capital in the future, we may not be able to continue to meet customer demand for service quality, availability and competitive pricing. We also may be forced to reduce our operations or may not be able to expand or acquire complementary businesses or be able to develop new services or otherwise respond to changing business conditions or competitive pressures.

Our Senior Management is Important to Our Customer Relationships, and the Loss of One or More of Our Senior Managers Could Have a Negative Impact on Our Business.

We believe that our success depends in part on the continued contributions of our Chairman of the Board of Directors, President and Chief Executive Officer, Stephen G. Waldis, and other members of our senior management. We rely on our executive officers and senior management to generate business and execute programs successfully. In addition, the relationships and reputation that members of our management team have established and maintain with our customers and our regulators contribute to our ability to maintain good customer relations. The loss of Mr. Waldis or any other members of senior management could impair our ability to identify and secure new contracts and otherwise to manage our business.

If We Are Unable to Manage Our Growth, Our Revenues and Profits Could Be Adversely Affected.

Sustaining our growth will place significant demands on our management as well as on our administrative, operational and financial resources. For us to continue to manage our growth, we must continue to improve our operational, financial and management information systems and expand, motivate and manage our workforce. If we are unable to manage our growth successfully without compromising our quality of service and our profit margins, or if new systems that we implement to assist in managing our growth do not produce the expected benefits, our revenues and profits could be adversely affected.

We Will Incur Significant Increased Costs as a Result of Operating as a Public Company, and Our Management Will Be Required to Devote Substantial Time to New Compliance Initiatives.

We have never operated as a public company. As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. In addition, the Sarbanes-Oxley Act of 2002, as well as new rules subsequently implemented by the Securities and Exchange Commission and the Nasdaq Stock Market's National Market, have imposed various new requirements on public companies, including requiring changes in corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these new compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect these new rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantial costs to maintain the same or similar coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

In addition, the Sarbanes-Oxley Act requires, among other things, that we report on the effectiveness of our internal control over financial reporting and disclosure controls and procedures. In particular, for the year ending on December 31, 2007, we must perform system and process evaluation and testing of our internal control over financial reporting to allow management and our independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. Our testing, or the subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. Our compliance with Section 404 will require that we incur substantial accounting expense and expend significant management time on compliance related issues. We currently do not have an internal audit group, and we will evaluate the need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge. Moreover, if we are not able to comply with the requirements of Section 404 in a timely manner, or if we or our independent registered public accounting firm identifies deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock could decline and we could be subject to sanctions or investigations by the Nasdaq Stock Market's National Market, the Securities and Exchange Commission or other regulatory authorities, which would require additional financial and management resources.

Government Regulation of the Internet and e-commerce is Evolving and Unfavorable Changes Could Substantially Harm Our Business and Results of Operations.

We and our customers are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet and e-commerce. Existing and future laws and regulations may impede the growth of the Internet and other online services. These regulations and laws may cover taxation, restrictions on imports and exports, customs, tariffs, user privacy, data protection, pricing, content, copyrights, distribution, electronic contracts and other communications, consumer protection, the provision of online payment services, broadband residential Internet access and the characteristics and quality of products and services. It is not clear how existing laws governing issues such as property ownership, sales and other taxes, libel and personal privacy apply to the Internet and e-commerce. Unfavorable resolution of these issues may cause the demand for our services to change in ways that we cannot easily predict and our revenues could decline.

Changes in the Accounting Treatment of Stock Options Could Adversely Affect Our Results of Operations.

The Financial Accounting Standards Board has recently made stock option expensing mandatory in accordance with Statement of Financial Accounting Standards ("SFAS") No. 123(R),

Share-Based Payment, for financial reporting purposes, effective in 2006 ("SFAS 123(R)"). Such stock option expensing would require us to value our employee stock option grants and then amortize that value against our reported earnings over the vesting period in effect for those options. We have not been required to fair value our stock options through December 31, 2005. When we are required to expense employee stock options, this change in accounting treatment could materially and adversely affect our reported results of operations as the stock-based compensation expense would be charged directly against our reported earnings. Participation by our employees in our employee stock purchase plan may trigger additional compensation charges when SFAS 123(R) is adopted.

Risks Related to this Offering and Ownership of Our Common Stock

The Trading Price of Our Common Stock is Likely to Be Volatile, and You Might Not Be Able to Sell Your Shares at or Above the Initial Public Offering Price.

The trading prices of the securities of technology companies have been highly volatile. Accordingly, the trading price of our common stock is likely to be subject to wide fluctuations. Further, our common stock has no prior trading history. Factors affecting the trading price of our common stock will include:

- variations in our operating results;
- announcements of technological innovations, new services or service enhancements, strategic alliances or significant agreements by us or by our competitors;
- the gain or loss of significant customers;
- recruitment or departure of key personnel;
- changes in the estimates of our operating results or changes in recommendations by any securities analysts that elect to follow our common stock;
- market conditions in our industry, the industries of our customers and the economy as a whole; and
- adoption or modification of regulations, policies, procedures or programs applicable to our business.

In addition, if the market for technology stocks or the stock market in general experiences continued or greater loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, operating results or financial condition. The trading price of our common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors among others, could have a material adverse effect on your investment in our common stock. Some companies that have had volatile market prices for their securities have had securities class actions filed against them. If a suit were filed against us, regardless of the outcome, it could result in substantial costs and a diversion of our management's attention and resources. This could have a material adverse effect on our business, prospects, financial condition and results of operations.

Our Securities Have No Prior Market and We Cannot Assure You That Our Stock Price Will Not Decline After the Offering.

Prior to this offering, there has been no public market for shares of our common stock. Although we have applied to have our common stock quoted on the Nasdaq Stock Market's National Market, an active public trading market for our common stock may not develop or, if it develops, may not be maintained after this offering, and the market price could fall below the initial public offering price. Factors such as quarterly variations in our financial results, announcements by us or others, developments affecting us, our customers and our suppliers, acquisition of products or businesses by

us or our competitors, and general market volatility could cause the market price of our common stock to fluctuate significantly. As a result, you could lose all or part of your investment. Our company, the selling stockholders, and the representatives of the underwriters will negotiate to determine the initial public offering price. The initial public offering price may be higher than the trading price of our common stock following this offering.

As a New Investor, You Will Experience Substantial Dilution as a Result of This Offering and Future Equity Issuances.

The initial public offering price per share is substantially higher than the current/pro forma net tangible book value per share of our common stock outstanding prior to this offering. As a result, investors purchasing common stock in this offering will experience immediate substantial dilution of $ a share. In addition, we have issued options to acquire common stock at prices significantly below the initial public offering price. To the extent outstanding options are ultimately exercised, there will be further dilution to investors in this offering. This dilution is due in large part to the fact that our earlier investors paid substantially less than the initial public offering price when they purchased their shares of common stock. In addition, if the underwriters exercise their over-allotment option, or if outstanding options and warrants to purchase our common stock are exercised, you will experience additional dilution.

Future Sales of Shares By Existing Stockholders Could Cause Our Stock Price to Decline.

If our existing stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market after the 180-day contractual lock-up and other legal restrictions on resale discussed in this prospectus lapse, the trading price of our common stock could decline below the initial public offering price. Based on shares outstanding as of December 31, 2005, upon completion of this offering, we will have outstanding shares of common stock, assuming no exercise of the underwriters' over-allotment option. Of these shares, only the shares of common stock sold in this offering will be freely tradable, without restriction, in the public market. Goldman, Sachs & Co. may, in its sole discretion, permit our officers, directors, employees and current stockholders who are subject to the 180-day contractual lock-up to sell shares prior to the expiration of the lock-up agreements.

After the lock-up agreements pertaining to this offering expire 180 days from the date of this prospectus, up to an additional 23,199,839 shares will be eligible for sale in the public market, 17,358,151 of which are held by directors, executive officers and other affiliates and will be subject to volume limitations under Rule 144 under the Securities Act and various vesting agreements. In addition, the 94,828 shares subject to outstanding warrants and the shares that are either subject to outstanding options or reserved for future issuance under our 2000 Stock Option Plan, 2006 Equity Incentive Plan and Employee Stock Purchase Plan will become eligible for sale in the public market to the extent permitted by the provisions of various vesting agreements, the lock-up agreements and Rules 144 and 701 under the Securities Act of 1933, as amended, or the Securities Act. If these additional shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of our common stock could decline.

Some of our existing stockholders have demand and piggyback rights to require us to register with the Securities and Exchange Commission, or SEC, up to 13,549,256 shares of our common stock that they own. In addition, our existing warrant holders have piggyback rights to require us to register with the SEC up to 94,828 shares of our common stock that they acquire upon exercise of their warrants. If we register these shares of common stock, the stockholders can freely sell the shares in the public market. All of these shares are subject to lock-up agreements restricting their sale for 180 days after the date of this prospectus.

After this offering, we intend to register approximately shares of our common stock that we have issued or may issue under our equity plans. Once we register these shares, they can be freely sold in the public market upon issuance, subject to the lock-up agreements, if applicable, described above.

Our Management Will Have Broad Discretion Over the Use of the Proceeds We Receive in This Offering and Might Not Apply the Proceeds in Ways That Increase the Value of Your Investment.

Our management will have broad discretion to use the net proceeds from this offering, and you will be relying on the judgment of our management regarding the application of these proceeds. They might not apply the net proceeds of this offering in ways that increase the value of your investment. We expect to use the net proceeds from this offering for general corporate purposes, including working capital and capital expenditures, and for possible investments in, or acquisitions of, complementary businesses, services or technologies. We have not allocated these net proceeds for any specific purposes. Our management might not be able to yield a significant return, if any, on any investment of these net proceeds. You will not have the opportunity to influence our decisions on how to use the proceeds.

If Securities or Industry Analysts Do Not Publish Research or Reports or Publish Unfavorable Research About Our Business, Our Stock Price and Trading Volume Could Decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of our company, the trading price for our stock would be negatively impacted. In the event we obtain securities or industry analyst coverage, if one or more of the analysts who covers us downgrades our stock, our stock price would likely decline. If one or more of these analysts ceases coverage of our company or fails to regularly publish reports on us, interest in the purchase of our stock could decrease, which could cause our stock price or trading volume to decline.

Existing Stockholders Significantly Influence Us and Could Delay or Prevent an Acquisition By a Third Party.

Upon completion of this offering, executive officers, key employees and directors and their affiliates will beneficially own, in the aggregate, approximately % of our outstanding common stock, assuming no exercise of the underwriters' over-allotment option. As a result, these stockholders will be able to exercise significant influence over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, which could have the effect of delaying or preventing a third party from acquiring control over us. For information regarding the ownership of our outstanding stock by our executive officers and directors and their affiliates, please see "Principal Stockholders".

Delaware Law and Provisions in Our Amended and Restated Certificate of Incorporation and Bylaws Could Make a Merger, Tender Offer or Proxy Contest Difficult, Therefore Depressing the Trading Price of Our Common Stock.

We are a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to our existing stockholders. For more information, see "Description of Capital Stock — Anti-Takeover Effects of Provisions of Our Amended and Restated Certificate of Incorporation, Bylaws and Delaware Law." In addition, our amended and restated certificate of incorporation and bylaws may

discourage, delay or prevent a change in our management or control over us that stockholders may consider favorable. Our amended and restated certificate of incorporation and bylaws:

- authorize the issuance of "blank check" preferred stock that could be issued by our board of directors to thwart a takeover attempt;
- prohibit cumulative voting in the election of directors, which would otherwise allow holders of less than a majority of the stock to elect some directors;
- establish a classified board of directors, as a result of which the successors to the directors whose terms have expired will be elected to serve from the time of election and qualification until the third annual meeting following election;
- require that directors only be removed from office for cause;
- provide that vacancies on the board of directors, including newly-created directorships, may be filled only by a majority vote of directors then in office;
- limit who may call special meetings of stockholders;
- prohibit stockholder action by written consent, requiring all actions to be taken at a meeting of the stockholders; and
- establish advance notice requirements for nominating candidates for election to the board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings.

For information regarding these and other provisions, please see "Description of Capital Stock." We are also currently considering other anti-takeover measures, including a stockholders' rights plan.

Completion of This Offering May Limit Our Ability to Use Our Net Operating Loss Carryforwards.

As of December 31, 2005, we had substantial federal and state net operating loss carryforwards. Under the provisions of the Internal Revenue Code, substantial changes in our ownership may limit the amount of net operating loss carryforwards that can be utilized annually in the future to offset taxable income. We believe that, as a result of this offering, it is possible that a change in our ownership will be deemed to have occurred. If such a change in our ownership occurs, our ability to use our net operating loss carryforwards in any fiscal year may be limited under these provisions.

FORWARD-LOOKING STATEMENTS

This prospectus includes "forward-looking statements," as defined by federal securities laws, with respect to our financial condition, results of operations and business, and our expectations or beliefs concerning future events, including increases in operating margins. Words such as, but not limited to, "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "likely," "will," "would," "could," and similar expressions or phrases identify forward-looking statements.

All forward-looking statements involve risks and uncertainties. The occurrence of the events described, and the achievement of the expected results, depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from expected results.

Factors that may cause actual results to differ from expected results include, among others:

- loss of customers;
- lack of market acceptance of VoIP and/or government regulation of VoIP;
- our failure to anticipate and adapt to future changes in our industry;
- a lack of growth in communications services transactions on the Internet;
- a decline in subscribers in the wireless industry;
- our inability to stay profitable;
- our inability to expand our sales capabilities;
- consolidation in the communications services industry;
- competition in our industry and innovation by our competitors;
- failures and/or interruptions of our systems and services;
- failure to meet obligations under service level agreements;
- financial and operating difficulties in the telecommunications sector;
- failure of our third party providers of software, services, hardware and infrastructure to provide such items;
- our failure to protect confidential information;
- our inability to protect our intellectual property rights;
- claims by others that we infringe their proprietary technology;
- our inability to successfully identify and manage our acquisitions;
- our inability to manage expansion into international markets;
- our inability to obtain capital in the future on acceptable terms;
- the loss of key personnel or qualified technical staff;
- our inability to manage growth;
- the increased expenses and administrative workload associated with being a public company;
- government regulation of the Internet and e-commerce; and
- changes in accounting treatment of stock options.

All future written and verbal forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We undertake no obligation, and specifically decline any obligation, to

publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur.

See the section entitled “Risk Factors” for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. These factors and the other risk factors described in this prospectus are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. Consequently, there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

USE OF PROCEEDS

We estimate that the net proceeds to us of the sale of the common stock that we are offering will be approximately $ million, assuming an initial public offering price of $ per share, which is the midpoint of the range listed on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses that we must pay. We will not receive any of the proceeds of the sale of shares of common stock by the selling stockholders.

We intend to use the net proceeds to us from this offering for working capital and other general corporate purposes, including to finance our growth, develop new products and fund capital expenditures. We may use a portion of the net proceeds to us to expand our current business through strategic alliances with, or acquisitions of, other businesses, products or technologies. We currently have no agreements or commitments for any specific acquisitions at this time.

Pending use of proceeds from this offering, we intend to invest the proceeds in a variety of capital preservation investments, including short-term, investment-grade, interest-bearing instruments.

DIVIDEND POLICY

We have never declared or paid cash dividends on our common or preferred equity. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any cash dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to compliance with certain covenants under our credit facilities, which restrict or limit our ability to declare or pay dividends, and will depend on our financial condition, results of operations, capital requirements, general business conditions, and other factors that our board of directors may deem relevant.

CAPITALIZATION
(in thousands, except per share data)

The table below sets forth the following information:

- our actual capitalization as of December 31, 2005;
- our pro forma capitalization after giving effect to the conversion of all outstanding shares of preferred stock into common stock upon the effectiveness of this offering; and
- our pro forma capitalization as adjusted to reflect (i) the conversion of all outstanding shares of preferred stock into common stock upon the effectiveness of this offering and (ii) the receipt of the estimated net proceeds from our sale of shares of common stock in this offering and the filing of a new certificate of incorporation after the closing of this offering.

The table below excludes the following shares:

- 1,079 shares of common stock issuable upon exercise of stock options outstanding as of December 31, 2005 at a weighted average exercise price of $1.40 per share;
- 981 shares of common stock available for issuance under our 2000 Stock Plan;
- shares of common stock available for issuance under our 2006 Equity Incentive Plan; and
- shares of common stock available for issuance under our Employee Stock Purchase Plan.

See “Management — Employee Benefit Plans,” and Note 8 of “Notes to Financial Statements” for a description of our equity plans.

	As of December 31, 2005 (in thousands)		
	Actual	Pro Forma	Pro Forma As Adjusted
Equipment loan payable	$ 1,333	$ 1,333	
Series A, redeemable convertible preferred stock, $0.0001 par value, 13,103 shares authorized, 11,549 shares issued and outstanding actual; 13,103 shares authorized, no shares outstanding pro forma and pro forma as adjusted	33,493	—	
Series 1, convertible preferred stock, $0.0001 par value, 2,000 shares authorized, issued and outstanding actual; 2,000 shares authorized, no shares outstanding pro forma and pro forma as adjusted	1,444	—	
Stockholders’ (deficit)/equity:			
Common stock, $0.0001 par value, 30,000 shares authorized, 10,518 shares issued and 10,423 shares outstanding actual, 23,971 proforma shares outstanding, proforma as adjusted shares outstanding	1	2	
Treasury stock, at cost, 96 shares	(19)	(19)	
Additional paid-in capital	1,661	36,597	
Deferred compensation	(702)	(702)	
Accumulated other comprehensive loss	(114)	(114)	
Accumulated deficit	(5,691)	(5,691)	
Total stockholders’ (deficiency) equity	(4,864)	30,073	
Total capitalization	$ 31,406	$ 31,406	

DILUTION

Our pro forma net tangible book value as of December 31, 2005 was $ million, or approximately $ per share. Net tangible book value per share represents the amount of stockholders' equity, divided by shares of common stock outstanding after giving effect to the conversion of all outstanding shares of preferred stock into shares of common stock upon completion of this offering.

Net tangible book value dilution per share to new investors represents the difference between the amount per share paid by purchasers of shares of common stock in this offering and the net tangible book value per share of common stock immediately after completion of this offering. After giving effect to our sale of shares of common stock in this offering at an assumed initial public offering price of $ per share and after deducting the underwriting discounts and commissions and estimated offering expenses, our net tangible book value as of December 31, 2005 would have been $ million or $ per share. This represents an immediate increase in net tangible book value of $ per share to existing stockholders and an immediate dilution in net tangible book value of $ per share to purchasers of common stock in the offering, as illustrated in the following table:

Assumed initial public offering price per share		$
Historical net tangible book value per share	$ (0.46)	
Increase attributable to the conversion of the convertible preferred stock	1.71	
Pro forma net tangible book value per share before this offering	1.25	
Increase per share attributable to new investors		
Pro forma net tangible book value per share after the offering		
Dilution per share to new investors		$

If the underwriters exercise their option to purchase additional shares of our common stock in full in this offering, the pro forma net tangible book value per share after the offering would be $ per share, the increase in pro forma net tangible book value per share to existing stockholders would be $ per share and the dilution to new investors purchasing shares in this offering would be $ per share.

The following table presents on a pro forma basis as of December 31, 2005, after giving effect to the conversion of all outstanding shares of preferred stock into common stock upon completion of this offering, the differences between the existing stockholders and the purchasers of shares in the offering with respect to the number of shares purchased from us, the total consideration paid and the average price paid per share:

	Shares Purchased		Total Consideration (in thousands, except per share data)		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders	23,971,651	%	$	%	$
New stockholders					
Totals		100.0%		100.0%	

As of December 31, 2005, there were options outstanding to purchase a total of 1,079,480 shares of common stock at a weighted average exercise price of $1.40 per share. In addition, as of December 31, 2005 there were warrants outstanding to purchase 94,828 shares of preferred stock at a weighted average exercise price of $2.90 per share. To the extent outstanding options or warrants are exercised, there will be further dilution to new investors. For a description of our equity plans, please see "Management — Employee Benefit Plans" and Note 8 of Notes to the Financial Statements.

SELECTED FINANCIAL DATA

The following selected financial data should be read in conjunction with our financial statements and related notes and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial data included elsewhere in this prospectus. The selected statement of operations data for 2003, 2004 and 2005 and the selected balance sheet data as of December 31, 2004 and 2005 are derived from our audited financial statements and related notes included elsewhere in this prospectus. The selected statement of operations data for 2001 and 2002 and the selected balance sheet data as of December 31, 2001, 2002 and 2003 are derived from our audited financial statements and related notes not included in this prospectus. Historical results are not necessarily indicative of results to be expected in any future period.

	Year Ended December 31,				
	2001	2002	2003	2004	2005
	(in thousands except per share data)				
Statements of Operations Data:					
Net revenues	$ 5,621	$ 8,185	$ 16,550	$ 27,191	$ 54,218
Costs and expenses:					
Cost of services ($2,072, $100, $9, $2,610 and $8,089 were purchased from related parties in 2001, 2002, 2003, 2004 and 2005, respectively)*	4,876	3,715	7,655	17,688	30,205
Research and development	3,923	3,029	3,160	3,324	5,689
Selling, general and administrative	5,308	5,169	4,053	4,340	7,544
Depreciation and amortization	2,138	2,726	2,919	2,127	2,305
Total costs and expenses	16,245	14,639	17,787	27,479	45,743
(Loss) income from operations	(10,624)	(6,454)	(1,237)	(288)	8,475
Interest and other income	928	584	321	320	258
Interest expense	(96)	(184)	(128)	(39)	(133)
(Loss) income before income tax benefit	(9,792)	(6,054)	(1,044)	(7)	8,600
Income tax benefit	—	—	—	—	3,829
Net (loss) income	(9,792)	(6,054)	(1,044)	(7)	12,429
Preferred stock accretion	(33)	(35)	(35)	(35)	(34)
Net (loss) income attributable to common stockholders	$ (9,825)	$ (6,089)	$ (1,079)	$ (42)	$ 12,395
Basic net (loss) income per share	$ (1.29)	$ (0.68)	$ (0.11)	$ (0.00)	$ 0.53
Diluted net (loss) income per share	$ (1.29)	$ (0.68)	$ (0.11)	$ (0.00)	$ 0.47
Weighted average shares used in computing net (loss) income per share attributable to common stockholders:					
Basic**	7,594	8,932	9,838	10,244	23,508
Diluted**	7,594	8,932	9,838	10,244	26,204
Pro forma net income:					$ 12,429
Pro forma net income per share					
Basic					$ 0.49
Diluted					$ 0.47
Pro forma weighted average common shares outstanding:					
Basic					25,508
Diluted					26,204

	2001	2002	2003	2004	2005
Balance sheet data:					
Cash, cash equivalents, and marketable securities	$ 20,071	$ 16,620	$ 13,556	$ 10,521	$ 16,002
Working capital	12,960	3,802	7,944	8,077	21,774
Total assets	30,041	22,255	22,402	22,784	40,208
Total stockholders' (deficiency)	(10,787)	(16,752)	(17,783)	(17,916)	(4,864)

* Cost of services excludes depreciation and amortization which is shown separately.

** See Note 2 in our audited financial statements for the basis of our EPS presentation.

Pro forma net income per share is computed using the weighted average number of common shares outstanding, including the effects of the automatic conversion of all outstanding Series A and Series 1 convertible preferred stock into shares of the Company's common stock as if such conversion had occurred on January 1, 2005.

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

You should read the following discussion and analysis in conjunction with the information set forth under "Selected Financial Data" and our financial statements and related notes included elsewhere in this prospectus. All numbers are expressed in thousands unless otherwise stated. The statements in this discussion regarding our expectations of our future performance, liquidity and capital resources, and other non-historical statements in this discussion, are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described under "Risk Factors" and elsewhere in the prospectus. Our actual results may differ materially from those contained in or implied by any forward-looking statements.

Overview

We are a leading provider of e-commerce transaction management solutions to the communications services marketplace. Our proprietary on-demand software platform enables communications service providers, or CSPs, to take, manage and provision orders and other customer-oriented transactions and create complex service bundles. We target complex and high-growth industry segments including wireless, Voice over Internet Protocol, or VoIP, wireline and other markets. We have designed our solution to be flexible, allowing us to meet the rapidly changing and converging services offered by CSPs. By simplifying technological complexities through the automation and integration of disparate systems, we enable CSPs to acquire, retain and service customers quickly, reliably and cost-effectively. Our industry-leading customers include Cingular Wireless, Vonage Holdings, Cablevision Systems, Level 3 Communications, Verizon Business, Clearwire, 360networks, Time Warner Cable and AT&T. Our CSP customers use our platform and technology to service both consumer and business customers, including over 300 of the Fortune 500 companies.

Synchronoss was formed on September 19, 2000 as a spin off from Vertek Corporation. During 2001, we completed a private placement of our Series A convertible preferred stock. The net proceeds received from our Series A round of financing totaled approximately $34 million. There have been no subsequent rounds of financing. Our revenue stream has grown as demand in the telecommunications and other related emerging markets has continued to evolve. In 2001, we expanded our revenue base from wireline to wireless services. In 2003, we began to offer a more "end-to-end" solution in the wireless markets for our customers. During the third quarter of 2003, we expanded our services to include exception handling services. The addition of this service has allowed us to focus on our customers' entire business processes. In 2004, we further expanded our offerings to include local number portability services for broadband companies and in 2005 we added customers in the VoIP markets. As our services have evolved, we have been able to offer these services bundled in a transactional price.

We generate a substantial portion of our revenues on a per-transaction basis, most of which is derived from long-term contracts. We have increased our revenues rapidly, growing at a compound annual growth rate of 76% from 2001 to 2005. Over the last three years we have derived an increasing percentage of our revenues from transactions. For 2003, we derived approximately 47% of our revenues from transactions processed; and for 2004, we derived approximately 63% of our revenues from transactions processed. For 2005, we derived approximately 83% of our revenues from transactions processed. We expect that we will derive an increasing percentage of our net revenues from transaction processing in future years.

Our costs and expenses consist of cost of services, research and development, selling, general and administrative and depreciation and amortization.

Cost of services includes all direct materials, direct labor and those indirect costs related to revenues such as indirect labor, materials and supplies. Our primary cost of services is related to

our information technology and systems department, including network costs, data center maintenance, database management and data processing costs, as well as personnel costs associated with service implementation, customer deployment and customer care. Also included in cost of services are costs associated with our exception handling centers and the maintenance of those centers. Currently, we utilize a combination of employees and third party providers to process transactions through these centers.

Research and development expense consists primarily of costs related to personnel, including salaries and other personnel-related expense, consulting fees and the costs of facilities, computer and support services used in service and technology development. We also expense costs relating to developing modifications and enhancements of our existing technology and services.

Selling, general and administrative expense consists of personnel costs including salaries, sales commissions, sales operations and other personnel-related expense, travel and related expense, trade shows, costs of communications equipment and support services, facilities costs, consulting fees and costs of marketing programs, such as Internet and print. General and administrative expense consists primarily of salaries and other personnel-related expense for our executive, administrative, legal, finance and human resources functions, facilities, professional services fees, certain audit, tax and license fees and bad debt expense.

Depreciation and amortization relates primarily to our property and equipment and includes our network infrastructure and facilities related to our services.

Current Trends Affecting Our Results of Operations

We have experienced increased demand for our services, which has been driven by market trends such as local number portability, the implementation of new technologies such as Voice over Internet Protocol, subscriber growth, competitive churn, network changes and consolidations. In particular, the emergence of Voice over Internet Protocol and local number portability has increased the need for our services and will continue to be a factor contributing to competitive churn. As a result of market trends, our revenue stream has expanded from primarily wireline customers to the addition of wireless customers and services. In 2004, local number portability services were added and in 2005 we have further expanded into the VoIP markets.

To support the growth driven by the favorable industry trends mentioned above, we continue to look for opportunities to improve our operating efficiencies, such as the utilization of offshore technical and non-technical resources for systems engineering, implementation of new software technology, quality assurance testing and exception handling center management. We believe that these programs will continue to provide future benefits and position us to support revenue growth. In addition, we anticipate further automation of the transactions generated by our more mature customers and additional transaction types. These development efforts are expected to reduce exception handling costs.

Upon becoming a public company, we will experience increases in certain general and administrative expenses to comply with the laws and regulations applicable to public companies. These laws and regulations include the provisions of the Sarbanes-Oxley Act of 2002 and the rules of the Securities and Exchange Commission and the Nasdaq Stock Market's National Market. To comply with the corporate governance and operating requirements of being a public company, we will incur increases in such items as personnel costs, professional services fees, fees for independent directors and the cost of directors and officers liability insurance. We believe that these costs will approximate $1.8 to $2.5 million annually.

In 2005, we are able to utilize net operating loss carryforwards from previous years to offset taxable income and income tax expense related to U.S. federal income taxes, assuming that we do not trigger a change in control provision in connection with the initial public offering. These

carryforwards are estimated to be exhausted in 2006. In future years, we expect our profits to be subject to U.S. federal income taxes at the statutory rates.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. The preparation of these financial statements in accordance with U.S. GAAP requires us to utilize accounting policies and make certain estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies as of the date of the financial statements and the reported amounts of revenues and expense during a fiscal period. The Securities and Exchange Commission considers an accounting policy to be critical if it is important to a company's financial condition and results of operations, and if it requires significant judgment and estimates on the part of management in its application. We have discussed the selection and development of the critical accounting policies with the audit committee of our board of directors, and the audit committee has reviewed our related disclosures in this prospectus. Although we believe that our judgments and estimates are appropriate and correct, actual results may differ from those estimates.

We believe the following to be our critical accounting policies because they are important to the portrayal of our financial condition and results of operations and they require critical management judgments and estimates about matters that are uncertain. If actual results or events differ materially from those contemplated by us in making these estimates, our reported financial condition and results of operations for future periods could be materially affected. See "Risk Factors" for certain matters bearing risks on our future results of operations.

Revenue Recognition and Deferred Revenue

We provide services principally on a transactional basis or, at times, on a fixed fee basis and recognize the revenues as the services are performed or delivered as discussed below:

Transactional service arrangements: Transaction service revenues consists of revenues derived from the processing of transactions through our service platform and represent approximately 83% of net revenues for 2005. Transaction service arrangements include services such as equipment orders, new account setup, number port requests, credit checks and inventory management.

Transaction revenues are principally based on a set price per transaction and revenues are recognized based on the number of transactions processed during each reporting period. For these contracts, revenues are recorded based on the total number of transactions processed at the applicable price established in the contract. The total amount of revenues recognized is based primarily on the volume of transactions. At times, transaction revenues may also include billings to customers based on the number of individuals dedicated to processing transactions. For these contracts, the Company records revenues based on the applicable hourly rate per employee for each reporting period.

Many of our contracts have guaranteed minimum volume transactions from our customers. In these instances, if the customers' total transaction volume for the period is less than the contractual amount, we record revenues at the minimum guaranteed amount.

Set up fees for transactional service arrangements are deferred and recognized on a straight-line basis over the life of the contract since these amounts would not have been paid by the customer without the related transactional service arrangement.

Revenue is presented net of a provision for discounts, which are customer volume level driven, or credits, which are performance driven, and are determined in the period in which the volume thresholds are met or the services are provided.

Deferred revenues represents billings to customers for services in advance of the performance of services, with revenues recognized as the services are rendered.

Subscription Service Arrangements: Subscription service arrangements represent approximately 6% of our net revenues for 2005 and relate principally to our enterprise portal management services. The Company records revenues on a straight line basis over the life of the contract for our subscription service contracts.

Professional Service and Other Service Arrangements: Professional services and other service revenues represent approximately 11% of our net revenues for 2005. Professional services, when sold with transactional service arrangements, are accounted for separately when these services have value to the customer on a standalone basis and there is objective and reliable evidence of fair value of each deliverable. When accounted for separately, professional service (i.e. consulting services) revenues are recognized as the services are rendered for time and material contracts. The majority of our consulting contracts are billed monthly and revenues are recognized as our services are performed.

In determining whether professional services can be accounted for separately from transaction support revenues, we consider the following factors for each professional services agreement: availability of the consulting services from other vendors, whether objective and reliable evidence for fair value exists of the undelivered elements, the nature of the consulting services, the timing of when the consulting contract was signed in comparison to the transaction service start date, and the contractual dependence of the transactional service on the customer's satisfaction with the consulting work.

If a professional service arrangement does not qualify for separate accounting, we would recognize the professional service revenues ratably over the remaining term of the transaction contract. There were no such arrangements for 2003, 2004 and 2005, or for any other period presented.

Service Level Standards

Pursuant to certain contracts, we are subject to service level standards and to corresponding penalties for failure to meet those standards. We record a provision for those performance-related penalties for failure to meet those standards. All performance-related penalties are reflected as a corresponding reduction of our revenues. These penalties, if applicable, are recorded in the month incurred.

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. The amount of the allowance account is based on historical experience and our analysis of the accounts receivable balance outstanding. While credit losses have historically been within our expectations and the provisions established, we cannot guarantee that we will continue to experience the same credit losses that we have in the past. If the financial condition of one of our customers were to deteriorate, resulting in their inability to make payments, additional allowances may be required which would result in an additional expense in the period that this determination was made.

Valuation Allowance

We record a valuation allowance on our deferred tax assets when it is more likely than not that an asset will not be realized. Determining when we will recognize our deferred tax assets is a matter of judgment based on facts and circumstances. We determined that it was appropriate to record our deferred tax assets at full value during the fourth quarter of 2005, based on our recent cumulative earnings history and our expected future earnings. However, if there were a significant change in facts, such as a loss of a significant customer, we may determine that a valuation allowance is appropriate.

Stock-Based Compensation

We account for our employee stock-based compensation in accordance with the provisions of Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* (APB 25) and related interpretations, which require us to recognize compensation cost for the excess of the fair value of the stock at the grant date over the exercise price, if any, and to recognize that cost over the vesting period of the option. Approximately $120 relating to stock-based employee compensation cost for stock options is reflected in net income for 2005. In addition, the remaining $702 of deferred compensation is anticipated to be expensed as follows: $206 in 2006, $206 in 2007, $206 in 2008 and $8 in 2009.

The exercise prices for options granted in 2005 were set by our board of directors, with input from our management, based on its determination of the fair market value of our common stock at the time of the grants. We did not obtain contemporaneous valuations by unrelated specialists to support these determinations because we did not view such valuations as consistent with the practices of most similarly-situated private technology companies. However, in conjunction with our preparation for this offering and in response to new regulatory requirements, in December 2005 we engaged an independent valuation specialist firm to value our common stock on the date of each significant grant during 2005. We believe that all options issued prior to 2005 were issued with exercise prices that equaled at least fair value at the time of the grants. In establishing its estimates of fair value of our common stock, the firm considered the guidance set forth in the AICPA Practice Aid, Valuation of Privately-Held-Company Equity Securities Issued as Compensation, and performed a retrospective determination of the fair value of our common stock, utilizing a combination of valuation methods. Information on stock option grants during 2005 is as follows:

Grant Date	Number of Options Granted	Exercise Price	Retrospective Determination of Fair Value of Common Stock	Intrinsic Value
April 12, 2005	207	$ 0.45	$ 1.84	$ 1.39
July 14, 2005	98	$ 0.45	$ 6.19	$ 5.74
October 21, 2005	120	$ 10.00	$ 7.85	$ 0.00

Determining the fair value of the common stock of a private enterprise requires complex and subjective judgments. The valuation firm, possessing the requisite experience in stock valuation, estimated the enterprise value of the Company at each of the grant dates using the weighted results from both the income approach and the market approach.

Under the income approach, the enterprise value of the Company was based on the present value of our forecasted operating results. Our revenue forecasts were based on expected annual growth rates while our expenses, although expected to remain fairly consistent with current results, are expected to decrease as a percentage of revenues as our revenues grow.

Under the market approach, our Company was compared to a peer group and an estimated enterprise value was developed based on multiples of revenues and earnings from companies in that peer group. When we achieved or exceeded a significant milestone, a premium or discount was applied to determine the enterprise value of the Company.

Once the enterprise value of the Company is established, an allocation method must be used to allocate the enterprise value to the different classes of equity instruments. We used the probability weighted expected returns (PWER) method to allocate the enterprise value of our Company to our common stock. Under the PWER method, the value of common stock is estimated based upon an analysis of future values for the enterprise assuming various future outcomes. In our specific fact pattern, the future outcomes included two scenarios: (i) the company becomes a public company and; (ii) the company remains a private company.

For each of the two scenarios, estimated future and present value for the common shares were calculated using assumptions including:

- The expected pre-IPO valuation of the Company
- A risk adjusted discount rate associated with the IPO scenario
- "As if" conversion values for the Series A and Series 1 shares
- Appropriate discount for lack of marketability under both scenarios for each valuation date given the length of time until expected IPO
- A minority interest discount associated to be applied to the private company scenario
- The expected probability of achieving IPO versus remaining a private company

Upon the completion of the valuation performed by the valuation firm in connection with the grants above, our management presented its findings to our board of directors, who then approved the retrospectively determined fair values. Our board of directors is considering various actions in response to the retrospectively determined fair value, including actions to reduce potential adverse tax consequences to employees who were granted options to purchase our common stock at exercise prices below the fair value at the time of grant.

The increase in the fair value of our common stock during 2005 principally reflects the continued growth of our revenues and income, which resulted in an increase in our projections of future earnings. The following is a summary of the factors that led us to determine that there had been an increase in the value of our common stock at each grant date:

Options Granted on April 12, 2005

The fair value of the common stock underlying 207 options granted to employees on April 12, 2005 was determined to be $1.84 per share. The principal factors considered in determining the increase in fair value of our common stock as compared to the December 31, 2004 value were as follows:

- Our operating income estimates continued to reflect projections consistent with the approved business plan;
- We achieved our third consecutive quarter of profitability.

Options Granted on July 14, 2005

The fair value of the common stock underlying 98 options granted to employees on July 14, 2005 was determined to be $6.19 per share. The principal factors considered in determining the increase in fair value of our common stock were as follows:

- For the six months ended June 30, 2005, revenues and net income exceeded forecasts in our business plan;
- Discussions began with our investment bankers around the possibility of an initial public offering earlier than anticipated in our business plan;
- We signed a leading VoIP provider as a new customer.

Options Granted on October 21, 2005

Although we had originally determined the fair value of the common stock underlying 120 options granted to employees on October 21, 2005 to be $10.00 at the time, based upon a contemporaneous sale of common stock to an unrelated third party by certain stockholders of the Company, including Stephen G. Waldis and James McCormick, the valuation firm subsequently indicated the value of the common stock was $7.85 per share. The principal factors considered in

determining the increase in fair value of our common stock over the July determination were as follows:

- For the nine months ended September 30, 2005, revenues and net income exceeded forecasts in our business plan;
- During the third quarter we initiated the process of an initial public offering and began drafting a registration statement;
- Anticipated renewal of a contract with a large customer for an additional two years.

Results of Operations

2005 Compared to 2004

The following table presents an overview of our results of operations for 2004 and 2005.

	2004		2005		2005 vs 2004	
	$	% of Revenue	$	% of Revenue	$ Change	% Change
			(in thousands)			
Net Revenue	$ 27,191	100.0%	$ 54,218	100.0%	$ 27,027	99.4%
Cost of services ($2,610 and $8,089 were purchased from a related party in 2004 and 2005, respectively)*	17,688	65.1%	30,205	55.7%	12,517	70.8%
Research and development	3,324	12.2%	5,689	10.5%	2,365	71.2%
Selling, general and administrative	4,340	16.0%	7,544	13.9%	3,204	73.8%
Depreciation and amortization	2,127	7.8%	2,305	4.3%	178	8.4%
	27,479	101.1%	45,743	84.4%	18,264	66.5%
(Loss) Income from operations	$ (288)	(1.1)%	$ 8,475	15.6%	$ 8,763	NM**

* Cost of services excludes depreciation and amortization which is shown separately.

** Not Meaningful.

Revenue

Net Revenue. Net revenues increased $27.0 million for 2005 compared to 2004. This increase was due to the expansion of our customer base and growth within our existing customers. The increase in revenues for 2005 is primarily related to the additional transaction revenues recognized in the period. Transaction revenues recognized for the year represented 83% of net revenues compared to 63% for the same period in 2004. This increase accounts for $27.9 million in revenues for the current period, offset by some decreases in subscription revenues. In 2005 we have expanded our transaction types to include LNP and VoIP transactions, added additional types of wireless transactions and added new CSPs to our customer list. Our services continue to offer the latest technologies to allow our customers the ability to expand their business with us.

Expense

Cost of Services. Cost of service increased $12.5 million to $30.2 million due to growth in third party costs required to support higher transaction volumes submitted to us by our customers and due to increases in personnel and related costs. In particular, third party costs increased $9.6 million to manage exception handling. Approximately $5.9 million of the increase in third-party

costs was due to services provided from a related party. Also, additional personnel and employee related expense in our managed data facility, service implementation and customer deployment areas contributed $1.0 million to the increase in cost of services as well. Cost of services as a percentage of revenues decreased to 55.7% for 2005, as compared to 65.1% for 2004. This decrease in cost of services as a percentage of revenues is attributable to operating efficiencies, which has allowed us to increase the number of transactions we processed without proportional increases in personnel costs.

Research and Development. Research and development expense increased $2.4 million to $5.7 million due to the further development of the ActivationNow® platform to enhance our service offerings and increases in automation that have allowed us to gain operational efficiencies. Research and development expense as a percentage of revenues decreased to 10.5% for 2005, as compared to 12.2% for 2004.

Selling, General and Administrative. Selling, general and administrative expense increased $3.2 million to $7.5 million due to increases in personnel and related costs totaling $1.9 million. These costs were attributable to increases in the sales and marketing staff and increases in incentive compensation. Selling, general and administrative expense as a percentage of revenues decreased to 13.9% for 2005, as compared to 16% for 2004.

Depreciation and Amortization. Depreciation and amortization expense increased $0.2 to $2.3 million due to fixed asset additions in 2005.

Income Tax. In years prior to 2005, we recorded a full valuation allowance for temporary differences as we believed it was more likely than not that our deferred tax assets would not be realized. During 2005, we generated substantial taxable income and expect to continue to generate taxable income for the foreseeable future. As such, we determined that it is more likely than not that we will realize our future tax benefits and have reduced the valuation allowance to zero during the fourth quarter of 2005. The effect of this reduction was an increase in net income of $4.6 million. This income tax benefit was offset by our income tax provision of $.8 million. We did not need to provide for income taxes in 2004.

2004 compared to 2003

The following table presents an overview of our results of operations for the years ended December 31, 2003 and 2004.

	2003		2004		2004 vs 2003	
	$	% of Revenue	$	% of Revenue	$ Change	% Change
			(in thousands)			
Net Revenue	$ 16,550	100.0%	$ 27,191	100.0%	$ 10,641	64.3%
Cost of services ($9 and $2,610 were purchased from a related party in 2003 and 2004, respectively)*	7,655	46.3%	17,688	65.1%	10,033	131.1%
Research and development	3,160	19.1%	3,324	12.2%	164	5.2%
Selling, general and administrative	4,053	24.5%	4,340	16.0%	287	7.1%
Depreciation and amortization	2,919	17.6%	2,127	7.8%	(792)	(27.1)%
	17,787	107.5%	27,479	101.1%	9,692	54.5%
Loss from operations	$ (1,237)	(7.5)%	$ (288)	(1.1)%	$ 949	NM**

* Cost of services excludes depreciation and amortization which is shown separately.

** Not Meaningful.

Revenue

Net Revenue. Net revenues increased $10.6 million due to the continued expansion of our service offerings through our ActivationNow® platform, additional customers and the increase in the transactions processed through our Order Manager Gateway. Transaction revenues recognized in 2004 represented 63% of net revenues compared to 47% in 2003. This increase is due to the addition of our exception handling centers which began in late 2003. The addition of these centers further enhanced our transactional service offerings particularly in the wireless market. Further addition of local number portability transactions and the addition of a CSP provider in 2004 also contributed to the increase in transactional revenues in 2004. Our customers continued to add feature functionality, increase their competitive churn, further develop new technologies and consolidate; all of which contributed to the increases in revenues for 2004, as compared to 2003.

Expense

Cost of Services. Cost of service increased $10.0 million to $17.7 million due to growth in third party costs related to the exception handling processing required to support higher transaction volumes received from our customers. Costs associated with exception handling performed by third parties increased $7.3 million due to increased transactions volumes. Approximately $2.2 million of the increase in third-party costs was due to services provided from a related party. Personnel and employee related expense in our managed data facility, service implementation and customer deployment areas increased $2.0 million. Cost of services as a percentage of revenues increased to 65.1% for 2004, as compared to 46.3% for 2003. This increase in cost of services as a percentage of revenues is attributable to the addition of several CSPs and the addition of new transactions processed through our gateway and exception handling centers, particularly in the LNP and wireless markets.

Research and Development. Research and development expense increased $0.2 due to the further development of the ActivationNow® platform to develop and enhance our service offerings. Research and development expense as a percentage of revenues decreased to 12.2% for 2004, as compared to 19.1% for 2003.

Selling, General and Administrative. Selling, general and administrative expense increased $0.3 due to the addition of a Redmond, Washington office and a New Jersey office (both leased facilities) totaling $193.

Selling, general and administrative expense as percentage of revenues decreased to 16.0% for 2004, as compared to 24.5% for 2003.

Depreciation and Amortization. Depreciation and amortization expense decreased $0.8 due to a large portion of assets becoming fully depreciated throughout 2004. It is our policy to depreciate all software and hardware over a three year period. Depreciation and amortization expense as a percentage of revenues decreased to 7.8% of revenues for 2004, as compared to 17.6% for 2003.

Unaudited Quarterly Results of Operations

The following tables set forth our statements of operations data for the twelve quarters ended December 31, 2005, as well as this data expressed as a percentage of our net revenues represented by each item. We believe this information has been prepared on the same basis as the audited financial statements appearing elsewhere in this prospectus and believe that all necessary adjustments, consisting only of normal recurring adjustments, have been included in the amounts

stated below and present fairly the results of such periods when read in conjunction with the audited financial statement and notes thereto.

Selected Quarterly Data
(in thousands)

	2003				2004				2005			
	Mar 31	Jun 30	Sept 30	Dec 31	Mar 31	Jun 30	Sept 30	Dec 31	Mar 31	Jun 30	Sept 30	Dec 31
Net Revenues	$3,007	$3,623	$4,102	$5,818	$5,819	$6,265	$6,381	$8,726	$11,350	$13,776	$14,115	$ 14,977
Costs and expenses:												
Cost of services*	1,098	1,288	1,946	3,323	3,768	4,313	4,141	5,466	6,281	7,947	7,976	8,001
Research & development	668	818	881	793	877	847	779	821	1,047	1,358	1,614	1,670
Selling, general & administrative	979	1,121	915	1,038	982	866	922	1,570	1,796	1,879	1,716	2,153
Depreciation & amortization	700	745	806	668	584	542	488	513	510	526	624	645
Total costs and expenses	3,445	3,972	4,548	5,822	6,211	6,568	6,330	8,370	9,634	11,710	11,930	12,469
(Loss) Income from operations	$ (438)	$ (349)	$ (446)	$ (4)	$ (392)	$ (303)	$ 51	$ 356	$ 1,716	$ 2,066	$ 2,185	$ 2,508

	2003				2004				2005			
	Mar 31	Jun 30	Sept 30	Dec 31	Mar 31	Jun 30	Sept 30	Dec 31	Mar 31	Jun 30	Sept 30	Dec 31
Net Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Costs and expenses:												
Cost of services*	36.5%	35.6%	47.4%	57.1%	64.8%	68.8%	64.9%	62.6%	55.3%	57.7%	56.5%	53.4%
Research & development	22.2%	22.6%	21.5%	13.6%	15.1%	13.5%	12.2%	9.4%	9.2%	9.9%	11.4%	11.1%
Selling, general & administrative	32.6%	30.9%	22.3%	17.8%	16.9%	13.8%	14.4%	18.0%	15.8%	13.6%	12.2%	14.4%
Depreciation & amortization	23.3%	20.6%	19.6%	11.5%	10.0%	8.7%	7.6%	5.9%	4.5%	3.8%	4.4%	4.3%
Total costs and expenses	114.6%	109.6%	110.9%	100.1%	106.8%	104.8%	99.2%	95.9%	84.9%	85.0%	84.5%	83.3%
(Loss) Income from operations	(14.6)%	(9.6)%	(10.9)%	(0.1)%	(6.7)%	(4.8)%	0.8%	4.1%	15.1%	15.0%	15.5%	16.7%

* Exclusive of depreciation and amortization

Liquidity and Capital Resources

Our principal source of liquidity has been through our Series A convertible preferred stock financing, which closed in 2001, and financing for certain equipment purchases. Total net proceeds from the Series A financing were approximately $34 million. There have been no subsequent rounds of equity financing.

On October 6, 2004, we entered into a Loan and Security Agreement with a bank which expires on December 1, 2007. The Agreement includes a Revolving Promissory Note for up to $2.0 million and an Equipment Term Note for up to $3.0 million. This replaced a previous loan which was fully paid in 2004. Availability under the Agreement for the Revolving Promissory Note is based on defined percentages of eligible accounts receivable. Borrowings on the revolving credit agreement bear interest at the prime rate plus 1.25% (6.5% at December 31, 2004 and 8.5% at December 31, 2005) payable monthly. Interest only on the unpaid principal amount is due and payable monthly in arrears, commencing January 1, 2005 and continuing on the first day of each calendar month thereafter until maturity, at which point all unpaid principal and interest related to the revolving advances will be payable in full. There were no draws against the Revolving Promissory Note as of December 31, 2004 or 2005. As of December 31, 2004 and 2005, we had outstanding borrowings of $2.0 million and $1.3 million, respectively, against the Equipment Term Note to fund purchases of eligible equipment. Borrowings on the equipment line bear interest at the prime rate plus 1.75% (7% at December 31, 2004 and 9% at December 31, 2005) and principal and interest is payable monthly. The agreement requires us to meet certain financial covenants. We were in compliance with the covenants at December 31, 2004 and December 31, 2005. Borrowings are collateralized by all of our assets.

We anticipate that our principal uses of cash in the future will be facility expansion, capital expenditures and working capital.

Total cash and cash equivalents and investments in marketable securities were $16.0 million at December 31, 2005, as compared to $10.5 million at December 31, 2004. As of December 31, 2005, we had $2.0 million available under the revolving promissory note of our bank, subject to the terms and conditions of that facility.

Discussion of Cash Flows

Cash flows from operations. Net cash provided by operating activities for 2005 was $8.0 million compared to net cash used of $1.6 million for 2004. The increase of $9.6 million is the result of increased profits generated from increased business volume across all of our service offerings. In addition, our increases in receivables were partially offset by increases in our accruals for incentive compensation and commissions of approximately $2.5 million. Payments for these accrued expenses are expected to occur in 2006.

Net cash used by operating activities for 2004 and 2003 was $1.6 million and $0.01 million, respectively. This increase of $1.6 million is primarily due to the expansion of the business in the wireless area, which led to the addition of our exception handling centers beginning in late 2003. These centers enhanced our transaction service offerings and enabled us to attract additional CSPs to our customer base.

Cash flows from investing. Net cash used in investing activities for 2005 was $2.0 million compared to net cash used of $1.9 million for 2004. Our decreased spending of fixed assets in 2005 was offset by a comparable decrease in net cash provided from sales of marketable securities.

Net cash used in investing activities for 2004 was $1.8 million compared to $0.2 million for 2003. The increase of $1.6 million was due to the increased purchase of fixed assets of $0.9 million offset by less sales of marketable securities.

Cash flows from financing. Net cash used in financing activities for 2005 was $0.6 million compared to $2.0 million of net cash provided by financing activities for 2004. This $2.6 million decrease in net cash used in financing activities was principally due to $2.0 million of equipment loan proceeds in 2004 and none in 2005.

Net cash provided in financing activities for 2004 was $2.0 million compared to $0.6 million of net cash used for 2003. This $2.6 million increase in net cash provided in financing activities was principally due to proceeds from an equipment loan.

We believe that our existing cash and cash equivalents, short-term investments and cash from operations will be sufficient to fund our operations for the next twelve months.

Contractual Obligations

Our commitments consist of obligations under leases for office space, computer equipment and furniture and fixtures. The following table summarizes our long-term contractual obligations as of December 31, 2005 (in thousands).

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	4-5 years	More than 5 Years
Operating lease obligations	$ 5,546	$ 1,167	$ 3,192	$ 1,055	$ 132
Equipment loan	1,431	739	692	—	—
Purchase obligation*	350	350	—	—	—
Total	$ 7,327	$ 2,256	$ 3,884	$ 1,055	$ 132

*As of December 31, 2005, we had agreements with Omniglobe International, L.L.C. (for more details regarding Omniglobe please reference the “Certain Relationships and Related Party Transactions” section). One of these agreements provides for minimum levels of staffing at a specific

price level resulting in an overall minimum commitment of $350 over the next six months. Fees paid for services rendered related to these agreements were $8,089 and $2,211 for 2005 and 2004 respectively. Services provided by Omniglobe include data entry and related services as well as development and testing services. The current agreements may be terminated by either party without cause with 30 or 60 days written notice prior to the end of the term. Unless terminated, the agreements will automatically renew in six month increments. As of December 31, 2005 we do not intend to terminate our arrangements with Omniglobe.

Effect of Inflation

Inflation generally affects us by increasing our cost of labor and equipment. We do not believe that inflation has had any material effect on our results of operations during 2003, 2004 and 2005.

Quantitative and Qualitative Disclosures About Market Risk

The primary objective of our investment activities is to preserve our capital for the purpose of funding operations, while at the same time maximizing the income we receive from our investments without significantly increasing risk. To achieve these objectives, our investment policy allows us to maintain a portfolio of cash equivalents and short-term investments in a variety of securities, including commercial paper, money market funds and corporate debt securities. Our cash and cash equivalents at December 31, 2004 and 2005 included liquid money market accounts.

Recent Accounting Pronouncements

In May 2003, the Financial Accounting Standards Board, or FASB, issued SFAS No. 150, Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity (SFAS No. 150). SFAS No. 150 requires that an issuer classify certain financial instruments as a liability because they embody an obligation of the issuer. The remaining provisions of SFAS No. 150 revise the definition of a liability to encompass certain obligations that a reporting entity can or must settle by issuing its own equity shares, depending on the nature of the relationship established between the holder and the issuer. The provisions of this statement require that any financial instruments that are mandatorily redeemable on a fixed or determinable date or upon an event certain to occur be classified as liabilities. Our convertible preferred stock may be converted into common stock at the option of the stockholder, and therefore, it is not classified as a liability under the provisions of SFAS No. 150.

On December 16, 2004, the FASB issued FASB Statement No. 123 (revised 2004), Share-Based Payment (SFAS 123(R)), which is a revision of SFAS No. 123. SFAS 123(R) supersedes APB No. 25, and amends SFAS No. 95, Statement of Cash Flows. Generally the approach in SFAS 123(R) is similar to the approach described in SFAS No. 123. However, SFAS 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the statement of operations based on their fair values. Pro forma disclosure is no longer an alternative upon adopting SFAS 123(R).

SFAS 123(R) must be adopted no later than January 1, 2006. Early adoption was permitted in periods in which financial statements were not yet issued. Because we were a private company that used the minimum value method to determine values of our pro forma stock based compensation disclosures, we adopted SFAS 123(R) using the prospective method on January 1, 2006. Although we cannot fully determine the amount of the impact of this new standard since it will be dependent upon the extent of stock based compensation awards issued in the future as well as the fair value attributed to the awards, we expect that adoption of the new standard will decrease earnings in the future.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements as of December 31, 2004 and 2005.

BUSINESS

Overview

We are a leading provider of e-commerce transaction management solutions to the communications services marketplace. Our proprietary on-demand software platform enables communications service providers, or CSPs, to take, manage and provision orders and other customer-oriented transactions and create complex service bundles. We target complex and high-growth industry segments including wireless, Voice over Internet Protocol, or VoIP, wireline and other markets. We have designed our solution to be flexible, allowing us to meet the rapidly changing and converging services offered by CSPs. By simplifying technological complexities through the automation and integration of disparate systems, we enable CSPs to acquire, retain and service customers quickly, reliably and cost-effectively. Our industry-leading customers include Cingular Wireless, Vonage Holdings, Cablevision Systems, Level 3 Communications, Verizon Business, Clearwire, 360networks, Time Warner Cable and AT&T. Our CSP customers use our platform and technology to service both consumer and business customers, including over 300 of the Fortune 500 companies.

Our CSP customers rely on our services to speed, simplify and automate the process of activating their customers and delivering communications services across interconnected networks, focusing particularly on customers acquired through Internet-based channels. In addition, we offer and are targeting growth in services that automate other aspects of the CSPs' ongoing customer relationships, such as product upgrades and customer care. Our ActivationNow® software platform provides seamless integration between customer-facing CSP applications and "back-office" or infrastructure-related systems and processes. Our platform streamlines these business processes, enhancing the customer experience and allowing us to offer reliable, guaranteed levels of service, which we believe is an important differentiator of our service offering.

The majority of our revenues is generated from fees earned on each transaction processed utilizing our platform. We have increased our revenues rapidly, growing at a compound annual growth rate of 76% from 2001 to 2005. For 2005, we generated revenues of $54.2 million, a 99.4% increase over 2004. Our net income for that period was $12.4 million, versus a loss of approximately $7,000 for the prior year.

Industry Background

Communications Market

The communications industry has undergone substantial regulatory, technological and competitive changes in recent years. Beginning with the court-ordered divestiture of the Bell Operating System in the 1980s and increasing with the implementation of the Telecommunications Act of 1996, government regulation has encouraged the proliferation of service providers and service delivery models. The opportunity created by opening the communications services market has encouraged new participants to enter and incumbent service providers to expand into new geographies and segments, thereby increasing overall competitive intensity. As a result, CSPs are facing significant operational and business opportunities and challenges as they are increasingly required to interoperate and share network resources. In addition, technological developments have increased the range of communications standards and protocols. These changes are causing CSPs to integrate multiple and often incompatible and complex processes and systems that make it difficult to provide a seamless end-user experience. Transactions, such as provisioning new services and porting customers between CSPs, present significant technological and operational challenges. Many CSPs have responded by developing their own in-house processes and systems which are frequently manual, time-consuming, costly and inflexible.

These changes in the communications industry present particularly acute challenges and complexities in high-growth market segments such as wireless and VoIP.

Wireless — The wireless communications industry has grown rapidly over the past decade due to the increasing demand from businesses and consumers for mobile and high-speed or "broadband" wireless voice and data systems. The expanding subscriber base and the corresponding growth in industry revenues have been driven by improved service quality, greater national and international roaming coverage, lower prices and the introduction of new messaging, data and content services. Wireless carriers face increasing competition and costs to acquire and retain subscribers. For CSPs to remain competitive and minimize customer churn, transactions such as activations, number porting, technology migrations, service plan changes, new feature requests and many others must be made available seamlessly, conveniently and cost-effectively.

Voice over Internet Protocol — VoIP is realizing dramatic growth as a leading alternative to traditional voice services. VoIP enables voice information to be sent in digital form in discrete packets rather than in the traditional circuit-committed protocols of the public switched telephone network, or PSTN. VoIP offers numerous benefits to both enterprises and consumers including lower cost than traditional voice services, a common transmission medium for voice and data (e.g. via broadband subscription to the home) and integrated applications such as unified messaging. The rapid growth in VoIP has attracted numerous CSP participants, both next-generation service providers with packet-based networks and existing telecom service providers with circuit-switched networks. This combination of traditional switched and packet-based network technologies is driving the development of hybrid and converged networks that create new operational challenges. VoIP service providers are faced with a highly competitive environment for customer acquisition and challenges associated with provisioning new services efficiently and cost-effectively.

E-commerce

The growth of the Internet is changing the way businesses and individuals use the telecommunications network. For example, Internet-based "e-commerce" has expanded the role of the telecommunications network from a transportation system for communications traffic to a medium for conducting business transactions. The broader role for the network creates new opportunities for both established and new CSPs. In addition, e-commerce is becoming an important tool for CSP customer acquisition and ongoing service delivery, such as ongoing additions and changes to services, allowing CSPs to connect with end-users over the course of the customer lifecycle.

On-demand software delivery

CSPs have historically used significant amounts of costly IT infrastructure and software to manage complex transactions and streamline workflows. Although many businesses have invested heavily in a wide range of enterprise software applications, the challenges associated with implementing and maintaining these applications have delayed or reduced the benefits of ownership. Challenges such as the difficulty of deploying complex applications across a distributed, heterogeneous IT infrastructure and the high cost of ownership of software licenses and support have motivated enterprises to seek out alternative application usage models. On-demand software is delivery of software as a service over the Internet or a private network, enabling a vendor to host and provide the application to multiple customers. CSPs are increasingly leveraging on-demand software to simplify their IT infrastructure and streamline complex workflows in a cost-effective manner. On-demand software typically eliminates large upfront license costs and requires little or no hardware or IT personnel to install, configure or maintain at the customer site and is growing in popularity among large corporations and small businesses alike.

* * *

The substantial regulatory, technological and competitive changes in the communications industry, combined with the growth of e-commerce and the emergence of on-demand software delivery as a valuable application usage model have created a significant market opportunity for third-party solutions vendors. CSPs can reduce costs and increase customer satisfaction with cost-effective, automated and scalable third-party customer transaction management solutions that have guaranteed levels of service delivery.

The Synchronoss Solution

Our ActivationNow® software platform provides comprehensive e-commerce order processing, transaction management and service provisioning. We have designed ActivationNow® to be a flexible, open and on-demand platform, offering a unique solution for managing transactions relating to a wide range of existing communications services as well as the rapid deployment of new services. In addition to handling large volumes of customer transactions quickly and efficiently, our solution is designed to recognize, isolate and address transactions when there is insufficient information or other erroneous process elements. Our solution also offers a centralized reporting platform that provides intelligent, real-time analytics around the entire workflow related to an e-commerce transaction. Our platform's automation and ease of integration allows CSPs to lower the cost of new customer acquisition, enhance the accuracy and reliability of customer transactions, and respond rapidly to competitive market conditions.

Examples of customer-oriented transactions we automate and manage include:

- New account setup and activations — including credit checks, address validation and equipment availability;
- Feature requests — adding new functionality to existing services;
- Contract renewals — for consumers and enterprises;
- Number port requests — local number portability;
- Customer migration — between technologies and networks; and
- Equipment orders — wireless handsets, accessories, etc.

Our solution is also designed to recognize, isolate and address transactions when there is insufficient information or other erroneous process elements, through a suite of capabilities we refer to as "exception handling." Our exception handling service is designed to consistently meet service level agreements, or SLAs, for transactions that are not fully automated or have erroneous process elements. Our exception handling service utilizes two tiers of our platform, the Workflow Manager and the Real-Time Visibility Manager, to identify, correct and process non-automated transactions and exceptions in real-time. Critical functions provided by our exception handling service center include streamlining operations by reducing the number of transactions processed with human intervention.

Our flexible solution can manage transactions relating to a wide range of existing communications services across the many segments of CSPs. For example, we enable wireless providers to conduct business-to-consumer, or B2C, and business-to-business, or B2B, e-commerce transactions. We also furnish VoIP providers with customer-branded portals, as well as the gateway to service their retail customers and subscribers. The capabilities of our ActivationNow® platform allow CSPs to improve operational performance and efficiencies and rapidly deploy new services.

Our solution is designed to be:

Automated: We designed our ActivationNow® platform to eliminate manual processes and to automate otherwise labor-intensive tasks, thus improving operating efficiencies and

reducing costs. By tracking every order and identifying those that are not provisioned properly, we substantially reduce the need for manual intervention. Our technology automatically guides a customer's request for service through the entire series of required steps.

Reliable: We are committed to providing high-quality, dependable services to our customers. To ensure reliability, system uptime and other service offerings are guaranteed through our commitment to service level agreements, or SLAs. Our product is a complete customer management solution, including exception handling, which we believe is one of the main factors that differentiates us from our competitors. In performing exception handling, our software platform recognizes and isolates transaction orders that are not configured to specifications, processes them in a timely manner and communicates these orders back to our customers, thereby improving efficiency and reducing backlog. If manual intervention is required, our exception handling is outsourced to centers located in India, Canada and the United States. In addition, our database design preserves data integrity while ensuring fast, efficient, transaction-oriented data retrieval methods. As a demonstration of resilience, the database design has remained constant during the life and evolution of other components of the software platform. This stability provides reusability of the business functionality as new, updated graphical user interfaces are developed.

Seamless: Our ActivationNow® platform integrates information across the service provider's entire operation, including customer information, order information, product and service information, network inventory and workflow information. We have built our ActivationNow® platform using an open design with fully-documented software interfaces, commonly referred to as application programming interfaces, or APIs. Our APIs make it easier for our customers, partners and other third parties to integrate the ActivationNow® platform with other software applications and to build Web-based applications incorporating third-party or CSP designed capabilities. Through our open design and alliance program, we provide our customers with superior solutions that combine best-of-breed applications with the efficiency and cost-effectiveness of commercial, packaged interfaces.

Scalable: Our ActivationNow® platform is designed to process expanding transaction volumes reliably and cost-effectively. Transaction volume has increased rapidly since our inception. For 2005, we managed 5.3 million transactions, compared to 1.6 million for the same period in 2004. We anticipate substantial future growth in transaction volumes and believe our platform is capable of scaling its output commensurately, requiring principally routine computer hardware and software updates. In addition, our platform enables service providers to offer a variety of services more quickly and to package and price their services cost-effectively by integrating them with available network capacity and resources.

Value-added: Our ActivationNow® platform attributes are tightly integrated into the critical workflows of our customers. The ActivationNow® platform has analytical reporting capabilities that provide real-time information for every step of the relevant transaction processes. In addition to improving end-user customer satisfaction, these capabilities provide our customers with value-added insights into historical and current transaction trends. We also offer mobile reporting capabilities for key users to receive critical data about their e-commerce transactions on their mobile devices.

Our platform's capabilities combine to provide what we believe to be a more cost-effective, efficient and productive approach to e-commerce. Our solutions allow our customers to reduce overhead costs associated with building and operating their own e-commerce and customer transaction management infrastructure. We also provide our customers with the information and tools to more efficiently manage marketing and operational aspects of their business. In addition, the automation and ease of integration of our on-demand software allows CSPs to accelerate the deployment of their services and new service offerings by shortening the time between a customer's order and the provisioning of service.

Demand Drivers for Our E-Commerce Transaction Management Solutions

Our services are capable of managing a wide variety of transactions across multiple CSP delivery models, allowing us to benefit from increased growth, complexity and technological change in the communications industry. As communications technology has evolved, new access networks, end-devices and applications with multiple features have emerged. This proliferation of services and advancement of technologies are accelerating subscriber growth and increasing the number of transactions between CSPs and their customers. Currently, growth in wireless services, the adoption of VoIP and the increasing importance of e-commerce are strongly driving demand for our transaction management solutions. In addition, we see an opportunity to provide our services to the high-growth market of bundled services (including voice, video, data and wireless) resulting from converging technology markets. We support and target transactions ranging from initial service activations to ongoing customer lifecycle transactions, such as additions, subtractions and changes to services. The need for CSPs to deliver these transactions efficiently increases demand for our on-demand software delivery model. Also, with the rapid emergence of all-digital IP-based services, a fundamental separation is occurring between the physical and service layer for deploying telecommunications network services. In order to quickly develop new service creation bundles, CSPs are increasingly relying on intelligent software platform solutions such as our own. The critical driver of adoption of our services is shifting from cost displacement at CSPs to generating new revenues via on-demand service creation. In this environment, our on-demand capabilities will be a major value added difference to our CSPs and their largest customers. We believe that a number of factors will allow these growth trends to continue:

Growth in wireless services. Wireless subscribers and services have grown rapidly in recent years. According to In-Stat/ MDR, the global wireless market is expected to add an average of 186 million new subscribers each year, resulting in a total wireless population of more than 2 billion by 2007. Not only are more people using wireless phones, but there are entirely new kinds of wireless service providers entering the market, such as mobile virtual network operators (MVNO). Demand for advanced services, such as next generation wireless technology for multi-media voice and content delivery, is projected to grow at a compound annual rate of 37% from 67 million users in 2004 to 174 million in 2007, according to International Data Corporation, or IDC. We believe that the next-generation of wireless services and fast-growing MVNO marketplace present us with excellent growth opportunities. According to the Yankee Group, by 2010 the MVNO market will comprise more than 10 million subscribers with $10.7 billion in service provider revenues.

Adoption of VoIP. Internet Protocol-based network technologies are transforming the communications marketplace and VoIP applications are just starting to be deployed. The total number of residential US VoIP customers is expected to grow from 3 million in 2005 to 27 million in 2009, representing a compound annual growth rate of 173% according to IDC. This forecast is further supported by Gartner, who predicts that consumer VoIP services spending will jump from $1.9 billion in 2005 to $9.5 billion in 2008. Our strong 2005 market capture across new entrants, cable companies, and traditional communications providers positions us well to leverage our existing base and maximize capture of new transaction types.

Continued growth of e-commerce. Internet-based commerce provides CSPs with the opportunity to cost-effectively gain new customers, provide service and interact more effectively. According to IDC, e-commerce wireless sales have increased from 4.5% of total industry gross adds in 2004 to 10% of all new subscribers in 2005. With the dramatic increase in Internet usage and desire to directly connect with end-users over the course of the customer lifecycle, CSPs are increasingly focusing on e-commerce as a channel for customer acquisition and delivery of ongoing services.

Growth in on-demand software delivery model. Our on-demand business model enables delivery of proprietary software solutions over the Internet as a service. Customers do

not have to make large and risky upfront investments in software, additional hardware, extensive implementation services and additional IT staff. Because we implement all upgrades to software on our servers, they automatically become part of our service and available to benefit all customers immediately. According to IDC, the on-demand software market is expected to grow from $3 billion in 2003 to $9 billion by 2008, a compound annual rate of 25%.

Pressure on CSPs to improve efficiency. Increased competition and excess network capacity have placed significant pressure on CSPs to reduce costs and increase revenues. At the same time, due to deregulation, the emergence of new network technologies and the proliferation of services, the complexity of back-office operations has increased significantly. As a result, CSPs are looking for ways to offer new communications services more rapidly and efficiently to existing and new customers. CSPs are increasingly turning to transaction-based, cost-effective, scalable and automated third-party solutions that can offer guaranteed levels of service delivery.

Our Strengths

We believe the following key strengths differentiate us:

Leading Provider of Transaction Management Solutions to the Communications Services Market. We offer what we believe to be the most advanced e-commerce customer transaction management solution to the communications markets. Our industry leading position is built upon the strength of our platform and our extensive experience and expertise in identifying and addressing the complex needs of leading CSPs. We believe our customer transaction management solution is uniquely effective in enabling service providers to offer B2C and B2B e-commerce provisioning solutions and rapidly deploy new services, which many of our competitors are unable to offer or offer as efficiently or cost-effectively. We also provide customers with real-time workflow information at every step of the transaction process, allowing visibility into the entire customer experience. Our established and collaborative relationships with respected and innovative service providers such as Cingular Wireless and Vonage Holdings are indicators of, and contributors to, our industry-leading position.

Well Positioned to Benefit from High Industry Growth Areas and E-Commerce. We believe we are positioned to capitalize on the development, proliferation and convergence of communications services, including wireless and VoIP and the adoption of e-commerce as a critical customer channel. Our ActivationNow® platform is designed to be flexible and scalable to meet the demanding requirements of the evolving communications services industry, allowing us to participate in the highest growth and most attractive industry segments. We intend to leverage the flexibility and scalability of the platform and our track record of serving existing customers to extend our services in pursuit of opportunities arising from additional technologies and business models, including cable operators (MSOs), WiMAX operators, MVNOs and online content providers.

Differentiated Approach to Non-Automated Processes. Due to a variety of factors, CSP systems frequently encounter customer transactions with insufficient information or other erroneous process elements. These so-called exceptions, which tend to be particularly common in the early phases of a service roll-out, require non-automated, often time consuming handling. We believe our ability to address what we refer to as “exception handling” is one of our key differentiators. Our solution identifies, corrects and processes non-automated transactions and exceptions in real-time. Our exception handling service is designed to consistently meet SLAs for transactions that are not fully automated. Critical functions provided by our exception handling service center include streamlining operations by reducing the number of transactions processed with human interaction. Importantly, as exception handling matures within a service, an increasing number of transactions can become automated, which can result in increased operating leverage for our business.

Transaction-Based Model with High Revenue Visibility. We believe the characteristics of our business model enhance the predictability of our revenues. We are generally the exclusive provider of the services we offer to our customers and benefit from long-term contracts of 12 to 48 months. The majority of our revenues is transaction-based, allowing us to gauge future revenues against patterns of transaction volumes and growth. In addition, our customers provide us monthly rolling transaction forecasts and our contracts guarantee us the higher of (i) a percentage ranging from 75%-90% of these forecasts and (ii) certain specified monthly minimum revenues levels. We have also grown our revenues rapidly, at a 76% compound annual growth rate from 2001-2005. Our platform and systems are designed to accommodate further substantial increases in transaction volumes and transaction types. Our ability to leverage our technology to serve additional customers and develop new product offerings has enabled us to reduce costs and increase operating margins, a trend which we expect to continue.

Trusted Partner, Deeply Embedded with Major, Influential Customers. We provide our services to market-leading wireline, wireless, cable, broadband and VoIP service providers including Cingular Wireless, Vonage Holdings, Cablevision Systems, Level 3 Communications, Verizon Business, Clearwire, 360networks, Time Warner Cable and AT&T. The high value-added nature of our services and our proven performance track record make us an attractive, valuable and important partner for our customers. Our transaction management solution is tightly integrated into our customers' critical infrastructure and embedded into their workflows, enabling us to develop deep and collaborative relationships with them. We believe this leads to higher reliability and more tailored product offerings with reduced development times and decreases the risk of our customers defecting to competing platforms. We work to deepen our customer relationships through on-going consultation, including quarterly customer advisory councils or discussion groups. This helps us to deliver higher quality services to our existing customers and anticipate the evolving requirements of the industry as a whole.

On-Demand Offering that Enables Rapid, Cost-Effective Implementations. We provide our e-commerce customer transaction management solutions through an on-demand business model, which enables us to deliver our proprietary technology over the Internet as a service. Our customers do not have to make large and risky upfront investments in software, additional hardware, extensive implementation services and additional IT staff at the their sites. This increases the attractiveness of our transaction management solution to CSPs. Our expertise in the CSP marketplace coupled with our open, scalable and secure multi-tenant application architecture enables rapid implementations and allows us to serve customers cost-effectively. In addition, because all upgrades to our software technology are implemented by us on our servers, they automatically become part of our service and therefore benefit all of our customers immediately. This typically results in a lower total cost of ownership and increased return on investment for our customers, as well as an infrastructure that can easily be manipulated to provide our customers a rapid time to market with new services by leveraging our interfaces to a plethora of OSS and BSS systems.

Experienced Senior Management Team. Each member of our senior management team has over 12 years of relevant industry experience, including prior employment with companies in the CSP, communications software, and communications infrastructure industries. This experience has enabled us to develop strong relationships with our customers. Our senior management team has been working together for the last three to seven years, with Messrs. Waldis, Berry and Garcia having worked together at Vertek Corporation prior to joining Synchronoss. The collective experience of the Synchronoss management team has also resulted in the receipt of various awards, the most recent of which include the New Jersey Technology Council 2005 Software/ Information Technology Company of the Year and the naming of Synchronoss as one of the 50 fastest growing companies in New Jersey for 2005 by

NJBiz. In addition, Mr. Waldis was named as the Ernst &Young Entrepreneur of the Year in 2004 in Pennsylvania.

Our Growth Strategy

Our growth strategy is to establish our ActivationNow® platform as the premium platform for leading providers of communications services, while investing in extensions of the services portfolio. Key elements of this strategy are:

Expand Customer Base and Target New and Converged Industry Segments. The ActivationNow® platform is designed to address service providers and business models across the range of the communications services market, a capability we intend to exploit by targeting new industry segments such as cable operators (MSOs), wireless broadband/ WiMAX operators and online content providers. Due to our deep domain expertise and ability to integrate our services across a variety of CSP networks, we believe we are well positioned to provide services to converging technology markets, such as providers offering integrated packages of voice, video, data and/or wireless service.

Continue to Exploit VoIP Industry Opportunities. Continued rapid VoIP industry growth will expand the market and demand for our services. Being the trusted partner to VoIP industry leaders, including Vonage Holdings, Time Warner Cable and Cablevision, positions us well to benefit from the evolving needs, requirements and opportunities of the VoIP industry. TeleGeography's VoIP 2005 Second Quarter Market Update reported that the number of voice-over-broadband subscribers increased 40% in the second quarter of 2005, from 1.9 million to 2.7 million. According to the same source, voice-over-broadband subscribers have grown 600% since the second quarter of 2004, when only 440,000 VoIP lines were in service. Quarterly voice-over-broadband revenues grew from $151 million in the first quarter of 2005 to $220 million in the second quarter of 2005 and revenues has grown 655% since the second quarter of 2004, when voice-over-broadband subscribers generated just $33 million. This information is consistent with the IDC projection of VoIP subscribers in the United States market growing from 1.1 million in 2004 to 17.7 million in 2007.

Enhance Current Wireless Industry Leadership. Spending in the global wireless industry has grown significantly in recent years. A Telecommunications Industry Association (TIA) report states that spending in the US wireless market grew at a double-digit growth rate in 2004. By 2008, the sector is expected to have revenues of $212.5 billion representing a 10 percent compound annual growth rate from 2005 to 2008. The up-tick in spending is happening because myriad advanced applications are being offered, including wireless Internet access, multimedia messaging, games and Wi-Fi. These applications translate into new transaction types that we can meld into our workflow management system.

We currently process hundreds of thousands of wireless transactions every month, which are driven by increasing wireless subscribers and wireless subscriber churn resulting from local number portability, service provider competition and other factors. Beyond traditional wireless service providers, we believe the fast-growing mobile virtual network operator, or MVNO, marketplace presents us with attractive growth opportunities. We believe that our ability to enable rapid time-to-market through deep domain expertise sets us apart from our competition in attracting potential MVNO customers.

Further Penetrate our Existing Customer Base. We derive significant growth from our existing customers as they continue to expand into new distribution channels, require new service offerings and increase transaction volumes. As CSPs expand consumer, business and indirect distribution they require new transaction management solutions which drive increasing amounts of transactions over our platform. Many customers purchase multiple services from us, and we believe we are well-positioned to cross-sell additional services to customers who do not currently purchase our full services portfolio. In addition, the increasing importance and

expansion of Internet-based e-commerce has led to increased focus by CSPs on their e-channel distribution, thus providing another opportunity for us to further penetrate existing customers.

Expand Into New Geographic Markets. Our current customers operate primarily in North America. We currently intend to utilize our extensive experience and expertise to penetrate new geographic markets within the next two years, particularly Europe, Asia/ Pacific and Latin America, as these markets experience similar trends to those that have driven growth in North America. Our strategy is to capitalize on the international clientele and relationships of our systems integrator partners and, as business opportunities arise, to augment these efforts with local professional service personnel.

Maintain Technology Leadership. Our proprietary technology allows CSPs to bring together disparate systems and manage the ordering, activation and provisioning of communications services, allowing them to lower the cost of new customer acquisition and product lifecycle management. We intend to build upon our technology leadership by continuing to invest in research and development to increase the automation of processes and workflows, thus driving increased interest in our solutions by making it more economical for CSPs to use us as a third party solutions provider. In addition, we believe our close relationships with our tier one CSPs will continue to provide us with valuable insights into the challenges that are creating demand for next-generation solutions.

Products and Services

We are a leading provider of e-commerce transaction management solutions to the communications services marketplace. Our offerings are designed to allow our customers to respond to market demand quickly and efficiently, to optimize service offerings and to build stronger relationships with their customers.

ActivationNow® Software Platform

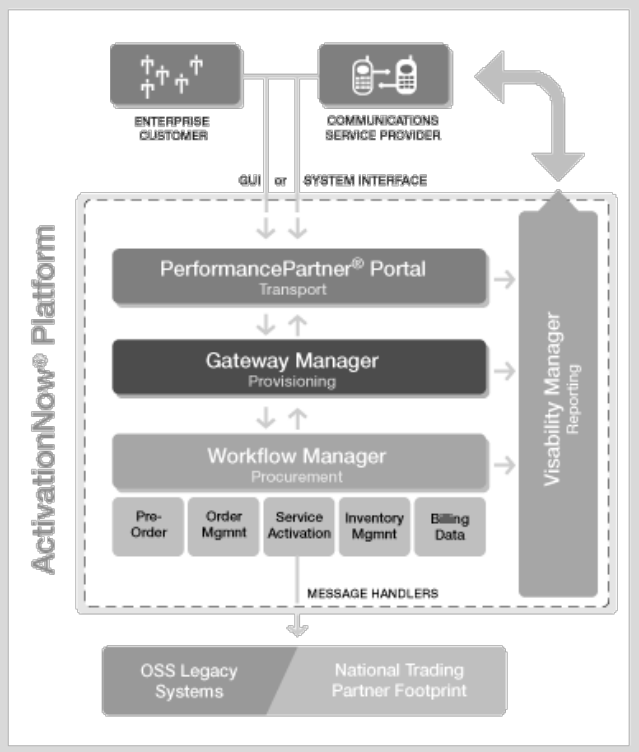
Our ActivationNow® software platform addresses a service provider's needs and requirements with a flexible design which can scale with their expanding business operations. The ActivationNow® platform is engineered to meet volume, speed to market and service guarantees which are important differentiators of the Synchronoss transaction management solution. The ActivationNow® platform is a fully hosted service delivered over the Internet or a dedicated communication channel. Each new customer addition comes with a fixed operation cost and with guaranteed service levels. In addition, ActivationNow® provides complete work flow management, including exception handling. Our ActivationNow® software platform:

- Provides what we believe to be one of the lowest cost per gross adds in the wireless e-commerce market;
- Handles extraordinary transaction volumes with our scalable platform;
- Delivers speed to market on new and existing offerings; and
- Guarantees performance backed by solid business metrics and SLAs.

The ActivationNow® platform is designed to integrate with back-office systems, allowing work to flow electronically across the service provider's organization while providing ready access to performance and resource usage information. Our integrated approach provides comprehensive support for current and emerging services, network technologies and evolving business processes.

The ActivationNow® software platform is comprised of four distinct tiers, each providing solutions to the most common and critical needs of our customers.

PerformancePartner®Portal



Our PerformancePartner® portal, the first tier of the ActivationNow® platform, is a graphical user interface that allows entry of transaction data into the gateway. Through the PerformancePartner® portal, the CSPs can set up accounts, renew contracts and update and submit new transactions for transaction management processing.

Gateway Manager

Our gateways, the service provisioning subsystems and second tier of the ActivationNow® platform, provide the capability to fulfill multiple transactions. These gateways are the engines that support our clients' front-end portals, handling hundreds of thousands of transactions on a monthly basis. Our gateways deliver flexible architecture, supporting seamless entry and rapid time to market for our CSP customers. In addition, these gateways contain business rules to interact with the CSPs' back-office and third party trading partners.

WorkFlow Manager

Our WorkFlow Manager provides a seamless interaction with all third party relationships, and enables CSPs to have a single transaction view, including all relevant data from third-party systems.

The Workflow Manager is designed to ensure that each customer transaction is fulfilled accurately. The third tier of our ActivationNow® platform, the WorkFlow Manager, offers:

- Flexible configuration to meet individual CSP requirements;
- Centralized queue management for maximum productivity;
- Real-time visibility for transaction revenues management;
- Exception handling management;
- Order view available during each stage of the transactional process; and
- Uniform look and integrated experience.

By streamlining all procurement processes from pre-order through service activation and billing, our WorkFlow Manager reduces many costs and time impediments that often delay the process of delivering products and services to end-users.

Real-Time Visibility Manager

Our Real-Time Visibility Manager provides historical trending and mobile reporting to our CSP customers. The fourth tier of our ActivationNow® platform supports best business practices and processes and allows CSPs to assess whether daily metrics are met or exceeded. The Real-Time Visibility Manager offers:

- A centralized reporting platform that provides intelligent analytics around entire workflow;
- Transaction management information;
- Historical trending; and
- Mobile reporting for key users to receive critical e-commerce transaction data on mobile devices.

The Gateway Manager, WorkFlow Manager and Real-Time Visibility Manager tiers are typically deployed by all of our customers. The PerformancePartner® portal is deployed only if our customer does not have a front-end portal to interact with end-user customers. All of our four tiers are designed to be open and flexible to enable rapid deployments. One critical function provided by our ActivationNow® platform design is information management. By making information more accessible and useful, our ActivationNow® platform enables a service provider to manage its business more efficiently, to provide more services with the highest possible quality and to deliver superior customer care.

Our ActivationNow® platform is designed to recognize, isolate and address transactions when there is insufficient information or other erroneous process elements, through a suite of capabilities we refer to as “exception handling.” Our solution offers a centralized reporting platform that provides intelligent, real-time analytics around the entire workflow related to an e-commerce transaction. The two tiers of our platform, the Workflow Manager and the Real-Time Visibility Manager, identify, correct and process non-automated transactions and exceptions in real-time, which we believe are key differentiators for our solution.

Customers

Our typical customers are providers of communications services, from traditional local and long-distance services to Internet-based services. We serve wireless service providers, such as Cingular Wireless; providers of VoIP services, such as Vonage Holdings and Cablevision Systems Corporation; VoIP enablers, such as Level 3 Communications and long distance carriers, such as Verizon Business. We also serve emerging CSPs, such as Clearwire. We maintain strong and collaborative relationships with our customers, which we believe to be one of our core competencies

and critical to our success. We are generally the only provider of the services we offer to our customers. Our contracts typically extend from 12 to 48 months in length, and include guaranteed minimum transaction or revenues commitments from our customers. We have a long-standing relationship with Cingular Wireless dating back to January 25, 2001 when we began providing service to AT&T Wireless, which was subsequently acquired by Cingular Wireless. In addition to other on-going arrangements with Cingular Wireless, we are the primary provider of e-commerce transaction management solutions for Cingular Wireless under an agreement which was renewed and is effective as of September 1, 2005 and runs through January of 2008. Under the terms of this agreement, Cingular Wireless may terminate its relationship with us for convenience, although we believe it would encounter substantial costs in replacing our transaction management solution.

For 2004, we received 82% of our revenues from AT&T Wireless. Following the merger of AT&T Wireless and Cingular Wireless on November 15, 2004, we received 80% of our revenues from Cingular Wireless in 2005. No other single customer accounted for more than 10% of our net revenues for 2005.

Sales and Marketing

Sales

We market and sell our services primarily through a direct sales force. To date, we have concentrated our sales efforts on a range of CSPs that offer wireless, broadband, VoIP and wireline services.

Following each sale, we assign account managers to provide ongoing support and to identify additional sales opportunities. We generate leads from contacts made through trade shows, seminars, conferences, market research, our Web site, customers, partners and our ongoing public relations program.

Our sales effort has thus far been focused on North American customers. However, because of ongoing privatization and the increasing competition among CSPs in international markets, we intend to expand our sales and marketing efforts outside of North America, through a combination of direct sales in selected markets; continued partnerships; and the extension of our relationships with existing customers as they expand into international markets.

Marketing

We focus our marketing efforts on product initiatives, creating awareness of our services and generating new sales opportunities. We base our product management strategy on an analysis of market requirements, competitive offerings and projected cost savings. Our product managers are active in numerous technology and industry forums at which we demonstrate our e-commerce transaction management solutions.

In addition, through our product marketing and marketing communications functions, we manage and maintain our Web site, publish product-related communications and educational white papers and conduct seminars and user-group meetings. We also have an active public-relations program and maintain relationships with recognized industry analysts. We also actively sponsor technology-related conferences and demonstrate our solution at trade shows targeted at providers of communications services.

Operations and Technology

Synchronoss leverages a common, proprietary e-commerce information technology platform, to deliver carrier-grade services to our customers across communication market segments. Constructed using a combination of internally developed and licensed technologies, our e-commerce platform integrates our order management, gateway, workflow and reporting into a unified system. The

platform is a secure foundation to build and offer additional services and to maximize performance, scalability and reliability.

Exception Handling Services

We differentiate our services from both the internal and competitive offerings by handling exceptions through both our technology and human touch solutions, a substantial portion of which is provided by third party vendors. Our business process engineers optimize each workflow; however, there will be exceptions and we handle these to ensure the highest quality customer experience at the lowest cost. Our exception handling services handle the customer communication touchpoints including provisioning orders, inbound calls, automated IVR responses (e.g., order status, address changes), web forums, inbound and outbound email, proactive outbound calls (e.g., out of stock, backorders, exceptions), and self-correct order tools. These services are continuously reviewed for improved workflow and automation.

Data Center Facilities

For over five years, we have operated and maintained a best-in-class data center in Bethlehem, PA. This secure facility houses all customer-facing, production, test and development systems that are the backbone of the services delivered to our customers. The facility and all systems are monitored 7 days a week, 24 hours a day, and are protected via multiple layers of physical and electronic security measures. In addition, a redundant power supply ensures constant, regulated power into the Managed Data Facility and a back-up generator system provides power indefinitely to the facility in the event of a utility power failure. All systems in the Managed Data Facility are monitored for availability and performance using industry standard tools such as HP OpenView®, Big Brother®, Oracle Enterprise Manager®, CiscoWorks® and Empirix OneSight®. To ensure customer responsiveness, Synchronoss' technical staff members are available 7 days a week, 24 hours a day, 365 days a year to ensure the continuous availability of our systems.

Disaster Recovery Facility

Construction has begun on a second data center facility at the company's corporate headquarters in Bridgewater, New Jersey, and will be completed in the first half 2006. This facility will be used to provide a hot site for disaster recovery purposes. In the event of a major service disruption at our primary facility, production application services will be activated at the secondary facility and services will be restored in a period of time required to meet all customer facing service level agreements (SLAs) for availability and service delivery.

Network

Synchronoss has partnered with a tier one service provider to provide a managed, fully-redundant network solution to deliver enterprise scale services to its customers. Specifically, Synchronoss has two OC-3 fiber optic rings, delivering 115MB/sec of highly redundant bandwidth to the Bethlehem and Bridgewater facilities. We are in the final phases of implementing a significant upgrade to our wide area network infrastructure that will support future business growth and strategy. This fiber optic based solution will be fully operational in the first quarter of 2006.

Customer Support

The Synchronoss Customer Service Center (CSC) acts as an initial point of contact for all customer related issues and requests. The CSC staff is available 7 days a week via phone, email or pager to facilitate the diagnosis and resolution of application and service related issues with which they are presented. Issues that require further investigation are immediately escalated to Synchronoss product and infrastructure support teams on behalf of the customer to provide the greatest speed of problem resolution and highest levels of customer service.

Competition

Competition in our markets is intense and involves rapidly-changing technologies and customer requirements, as well as evolving industry standards and frequent product introductions. We compete primarily on the basis of the breadth of our domain expertise and our proprietary exception handling, as well as on the basis of price, time-to-market, functionality, quality and breadth of product and service offerings. We believe the most important factors making us a strong competitor include:

- the breadth and depth of our transaction management solutions, including our exception handling technology;
- the quality and performance of our product;
- our high-quality customer service;
- our ability to implement and integrate solutions;
- the overall value of our software; and
- the references of our customers.

The following summarizes the principal products and services that compete with our solutions:

Our solutions compete with CSPs' internally developed IT systems. While many CSPs continue to rely upon their internal solutions, we believe that due to the complexity of telecommunications networking infrastructure, systems developed in-house are often inefficient, costly and provide unreliable results. We believe our solutions provide a lower total cost of ownership, faster time-to-market and the ability to scale more rapidly based on end-user demand than internally developed solutions.

Our solutions compete with gateway systems vendors such as Neustar and VeriSign, which offer clearinghouse-type services. We believe we differentiate ourselves by deploying exception handling and managing transactions ranging from initial subscription to customer lifecycle transactions, such as on-going additions, subtractions and changes to services. We believe our expertise and proprietary technology enable CSPs to rely on us for complete transaction management solutions.

Our solutions also compete with systems integrators such as Accenture. These vendors develop customized solutions for CSPs, which typically involves building and operating a custom e-commerce transaction management solution. We believe our solutions provide lower startup and ongoing maintenance costs, faster time-to-market and better economies of scale versus these vendors. In addition, we differentiate ourselves with our ability to deploy exception handling and manage transactions ranging from initial subscription to customer lifecycle transactions.

We are aware of other software developers and smaller entrepreneurial companies that are focusing significant resources on developing and marketing products and services that will compete with our ActivationNow® platform. We anticipate continued growth in the communications industry and the entrance of new competitors in the order processing and transaction management solution market and that the market for our products and services will remain intensely competitive.

Government Regulation

We are not currently subject to direct federal, state or local government regulation, other than regulations that apply to businesses generally. Our CSP customers are subject to regulation by the Federal Communications Commission, or FCC. Changes in FCC regulations that affect our existing or potential customers could lead them to spend less on e-commerce transaction management solutions, which would reduce our revenues and could have a material adverse effect on our business, financial condition or results of operations.

Intellectual Property

To establish and protect our intellectual property, we rely on a combination of copyright, trade secret and trademark laws, as well as confidentiality procedures and contractual restrictions. Synchronoss®, the Synchronoss logo, PerformancePartner® and ActivationNow® are registered trademarks of Synchronoss Technologies, Inc. In addition to legal protections, we rely on the technical and creative skills of our employees, frequent product enhancements and improved product quality to maintain a technology-leadership position. We cannot be certain that others will not develop technologies that are similar or superior to our technology.

We generally enter into confidentiality and invention assignment agreements with our employees and confidentiality agreements with our alliance partners and customers, and generally control access to and distribution of our software, documentation and other proprietary information.

Employees

We believe that our growth and success is attributable in large part to our employees and an experienced management team, many members of which have years of industry experience in building, implementing, marketing and selling transaction management solutions critical to business operations. We intend to continue training our employees as well as developing and promoting our culture and believe such efforts provide us with a sustainable competitive advantage. We offer a work environment that enables employees to make meaningful contributions, as well as incentive programs to continue to motivate and reward our employees.

As of February 9, 2006, we had 117 full-time employees of whom:

- 7 were in sales and marketing;
- 45 were in research and development;
- 10 were in finance and administration; and
- 55 were in operations.

None of our employees are covered by any collective bargaining agreements.

Facilities

We lease approximately 21,150 square feet of office space in Bridgewater, New Jersey. In addition to our principal office space in Bridgewater, New Jersey, we lease facilities and offices in Bethlehem, Pennsylvania, Edison, New Jersey and Redmond, Washington. Lease terms for these locations expire between 2006 and 2009. We believe that the facilities we now lease are sufficient to meet our needs through at least the next 12 months. However, we may require additional office space after that time, and we now are evaluating expansion possibilities.

Legal Proceedings

We are not currently subject to any legal proceedings; however, we may from time to time become a party to various legal proceedings arising in the ordinary course of our business.

MANAGEMENT

Executive Officers and Directors

Our executive officers and directors, and their ages as of a recent date, are as follows:

Name	Age	Position
Stephen G. Waldis	38	Chairman of the Board of Directors, President and Chief Executive Officer
Lawrence R. Irving	49	Chief Financial Officer and Treasurer
David E. Berry	40	Vice President and Chief Technology Officer
Robert Garcia	37	Executive Vice President of Product Management and Service Delivery
Peter Halis	44	Executive Vice President of Operations
Chris Putnam	36	Executive Vice President of Sales
William Cadogan(1)(2)(3)	57	Director
Thomas J. Hopkins(1)(2)	49	Director
James McCormick(2)(3)	46	Director
Scott Yaphe(1)(3)	33	Director

(1) Member of Audit Committee.

(2) Member of Compensation Committee.

(3) Member of Nomination and Corporate Governance Committee.

Stephen G. Waldis has served as President and Chief Executive Officer of Synchronoss since founding the company in 2000 and has served as Chairman of the Board of Directors since February of 2001. Before founding Synchronoss, from 1994 to 2000, Mr. Waldis served as Chief Operating Officer at Vertek Corporation, a privately held professional services company serving the telecommunications industry. From 1992 to 1994, Mr. Waldis served as Vice President of Sales and Marketing of Logical Design Solutions, a provider of telecom and interactive solutions. From 1989 to 1992, Mr. Waldis worked in various technical and product management roles at AT&T. Mr. Waldis received a degree in corporate communications from Seton Hall University.

Lawrence R. Irving has served as Chief Financial Officer and Treasurer of Synchronoss since December 2001. Before joining Synchronoss, from 1998 to 2001, Mr. Irving served as Chief Financial Officer and Treasurer at CommTech Corporation, a telecommunications software provider that was acquired by ADC Telecommunications. From 1995 to 1998, Mr. Irving served as Chief Financial Officer of Holmes Protection Group, a publicly traded company which was acquired by Tyco International. Mr. Irving is a certified public accountant and a member of the New York State Society of Certified Public Accountants. Mr. Irving received a degree in accounting from Pace University.

David E. Berry has served as Vice President and Chief Technology Officer of Synchronoss since 2000. Before joining Synchronoss, Mr. Berry served as both technical sales support and lead architect at Vertek Corporation from 1995 to 1998, where he developed the first generation of online technologies for e-commerce customers. Mr. Berry received a bachelor of science degree in mathematics and computer science from Fairfield University.

Robert Garcia has served as Executive Vice President of Product Management and Service Delivery and General Manager of the western office of Synchronoss since August 2000. Before joining Synchronoss, Mr. Garcia was a Senior Business Consultant with Vertek Corporation from January 1999 to August 2000. Mr. Garcia has also held senior management positions with Philips Lighting Company and Johnson & Johnson Company. Mr. Garcia received a bachelor of science degree in logistics and economics from St. John's University in New York.

Peter Halis has served as Executive Vice President of Operations of Synchronoss since 2002. Before joining Synchronoss, from 2000 to 2002, Mr. Halis was a worldwide partner and practice leader of the Northeast Technology, Media and Communications Practice of Arthur Andersen LLP, an accounting and consulting company. Mr. Halis received a bachelor of science degree in computer science and master of business administration degree in corporate finance both from New York University.

Chris Putnam has been with Synchronoss since January 2004, and has served as Executive Vice President of Sales of Synchronoss since April 2005. Mr. Putnam leads the Company's new business initiatives and sales teams, and is responsible for strategic account acquisitions such as Vonage and Level 3 Communications. His background includes supporting both the service provider and manufacturer communities in sales, sales management and business development capacities. Prior to joining Synchronoss, from 1999 to 2004, Mr. Putnam served as Director of Sales for Perot Systems' Telecommunications business unit.

William Cadogan has been a member of our board of directors since October 2005. Since November 2004, Mr. Cadogan has served as Chief Executive Officer and Chairman of the board of directors of Mahi Networks, Inc., a leading supplier of multi-service optical transport and switching solutions, until its merger with Menton Networks in October 2005. Before joining Mahi Networks, Inc., Mr. Cadogan was a Senior Managing Director with Vesbridge Partners, LLC, formerly St. Paul Venture Capital, a venture capital firm. Prior to joining St. Paul Venture Capital in April 2001, Mr. Cadogan was Chairman and Chief Executive Officer of Minnesota-based ADC, Inc., a leading global supplier of telecommunications infrastructure products service. Mr. Cadogan received a bachelor's degree in electrical engineering from Northeastern University and a master in business administration degree from the Wharton School at the University of Pennsylvania.

Thomas J. Hopkins is a Managing Director of Colchester Capital, LLC, an investment and advisory firm. Prior to Colchester Capital, Mr. Hopkins was involved in investment banking for over 17 years, principally at Deutsche Bank (and its predecessor Alex. Brown & Sons), Goldman, Sachs & Co. and Bear Stearns. He began his investment banking career at Drexel Burnham Lambert. Prior to investment banking, Mr. Hopkins was a lawyer for several years. Mr. Hopkins received a bachelor of arts degree from Dartmouth College, a juris doctorate from Villanova University School of Law and a master in business administration degree from the Wharton School at the University of Pennsylvania.

James McCormick is a founder of Synchronoss, has been a member of our board of directors since the company's inception and served as our Treasurer from September 2000 until December 2001. Mr. McCormick is founder and Chief Executive Officer of Vertek Corporation. Prior to founding Vertek in 1988, Mr. McCormick was a member of the Technical Staff at AT&T Bell Laboratories. Mr. McCormick was also a founding member and director of Formity Systems, a provider of telecommunications asset management software. Mr. McCormick received a bachelor of science in computer science from the University of Vermont and a master of science degree in computer science from the University of California — Berkeley.

Scott Yaphe has been a member of our board of directors since July 2003. Mr. Yaphe is a Partner at ABS Ventures, a venture capital firm. Prior to joining ABS Ventures, from June 1999 to October 2000, Mr. Yaphe was Director of Corporate Development at Saraide, a wireless software developer that was acquired by Infospace Inc. Prior to 2000, Mr. Yaphe was a management consultant at A.T. Kearney, Inc., a consulting firm. Mr. Yaphe received a master in business administration degree from the Harvard Business School and a bachelor of commerce from McGill University.

Corporate Governance and Board Composition

Corporate governance is a system that allocates duties and authority among a company's stockholders, board of directors and management. The stockholders elect the board and vote on

extraordinary matters; the board is the company's governing body, responsible for hiring, overseeing and evaluating management, including the Chief Executive Officer, and management runs the company's day-to-day operations. Our board of directors is comprised of at least a majority of independent directors, and believes that it is useful and appropriate to have our Chief Executive Officer also serve as our Chairman of the board.

Classification of Directors. We currently have five directors, several of whom were elected as directors under the board composition provisions of a stockholders agreement and our restated certificate of incorporation that will be terminated upon the closing of this offering. The board composition provisions of the stockholders agreement and our amended and restated certificate of incorporation will be terminated upon the closing of this offering. Upon the termination of these provisions, there will be no further contractual obligations regarding the election of our directors. Our directors hold office until their successors have been elected and qualified or until the earlier of their resignation or removal.

Following the offering, the board of directors will be divided into three classes with members of each class of directors serving for staggered three-year terms. The board of directors will consist initially of two Class I directors (currently Mr. and Mr.), two Class II directors (currently Mr. and Mr.) and one Class III director (currently Mr.), whose initial terms will expire at the annual meetings of stockholders held in 2006, 2007 and 2008, respectively. Our classified board could have the effect of making it more difficult for a third party to acquire control of us. For more information on the classified board, see "Description of Capital Stock."

Mr. Waldis, our President and Chief Executive Officer, currently serves as the chairman of our board of directors and will continue to do so following the offering.

Independent Directors. Each of our directors other than Mr. Waldis and Mr. McCormick qualifies as an independent director in accordance with the published listing requirements of the Nasdaq Stock Market, or Nasdaq. The Nasdaq independence definition includes a series of objective tests, such as that the director is not also one of our employees and has not engaged in various types of business dealings with us. In addition, as further required by the Nasdaq rules, our board of directors has made a subjective determination as to each independent director that no relationships exist which, in the opinion of our board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, our directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities as they may relate to us and our management.

Board Structure and Committees. Our board of directors has established an audit committee, a compensation committee and a nomination and corporate governance committee. Our board of directors and its committees set schedules to meet throughout the year, and also can hold special meetings and act by written consent from time to time as appropriate. The independent directors of our board of directors also will hold separate regularly scheduled executive session meetings at least twice a year at which only independent directors are present. Our board of directors has delegated various responsibilities and authority to its committees as generally described below. The committees will regularly report on their activities and actions to the full board of directors. With the exception of James McCormick, each member of each committee of our board of directors qualifies as an independent director in accordance with the Nasdaq standards described above. Each committee of our board of directors has a written charter approved by our board of directors. Upon the effectiveness of the registration statement of which this prospectus forms a part, copies of each charter will be posted on our Web site at http://www.synchronoss.com under the Investor Relations section. The inclusion of our Web site address in this prospectus does not include or incorporate by reference the information on our Web site into this prospectus.

Audit Committee. The audit committee of our board of directors reviews and monitors our corporate financial statements and reporting and our external audits, including, among other things,

our internal controls and audit functions, the results and scope of the annual audit and other services provided by our independent registered public accounting firm and our compliance with legal matters that have a significant impact on our financial statements. Our audit committee also consults with our management and our independent registered public accounting firm prior to the presentation of financial statements to stockholders and, as appropriate, initiates inquiries into aspects of our financial affairs. Our audit committee is responsible for establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters, and has established such procedures to become effective upon the effectiveness of the registration statement of which this prospectus forms a part. In addition, our audit committee is directly responsible for the appointment, retention, compensation and oversight of the work of our independent auditors, including approving services and fee arrangements. All related party transactions will be approved by our audit committee before we enter into them. The current members of our audit committee are Thomas J. Hopkins, William Cadogan and Scott Yaphe.

In addition to qualifying as independent under the Nasdaq rules, each member of our audit committee can read and has an understanding of fundamental financial statements.

Our audit committee includes at least one member who has been determined by our board of directors to meet the qualifications of an audit committee financial expert in accordance with SEC rules. Mr. Hopkins is the independent director who has been determined to be an audit committee financial expert. This designation is a disclosure requirement of the SEC related to Mr. Hopkins' experience and understanding with respect to certain accounting and auditing matters. The designation does not impose on Mr. Hopkins any duties, obligations or liability that are greater than are generally imposed on him as a member of our audit committee and our board of directors, and his designation as an audit committee financial expert pursuant to this SEC requirement does not affect the duties, obligations or liability of any other member of our audit committee or board of directors.

Compensation Committee. The compensation committee of our board of directors reviews, makes recommendations to the board and approves our compensation policies and all forms of compensation to be provided to our executive officers and directors, including, among other things, annual salaries, bonuses, and stock option and other incentive compensation arrangements. In addition, our compensation committee will administer our stock option plans, including reviewing and granting stock options, with respect to our executive officers and directors, and may from time to time assist our board of directors in administering our stock option plans with respect to all of our other employees. Our compensation committee also reviews and approves other aspects of our compensation policies and matters. The current members of our compensation committee are William Cadogan, Thomas J. Hopkins and James McCormick.

Nomination and Governance Committee. The nomination and governance committee of our board of directors will review and report to our board of directors on a periodic basis with regard to matters of corporate governance, and will review, assess and make recommendations on the effectiveness of our corporate governance policies. In addition, our nomination and governance committee will review and make recommendations to our board of directors regarding the size and composition of our board of directors and the appropriate qualities and skills required of our directors in the context of the then current make-up of our board of directors. This will include an assessment of each candidate's independence, personal and professional integrity, financial literacy or other professional or business experience relevant to an understanding of our business, ability to think and act independently and with sound judgment, and ability to serve our stockholders' long-term interests. These factors, and others as considered useful by our nomination and governance committee, will be reviewed in the context of an assessment of the perceived needs of our board of directors at a particular point in time. As a result, the priorities and emphasis of our nomination and governance committee and of our board of directors may change from time to time to take into

account changes in business and other trends, and the portfolio of skills and experience of current and prospective directors.

Our nomination and governance committee will establish procedures for the nomination process and lead the search for, select and recommend candidates for election to our board of directors (subject to legal rights, if any, of third parties to nominate or appoint directors). Consideration of new director candidates typically will involve a series of committee discussions, review of information concerning candidates and interviews with selected candidates. Candidates for nomination to our board of directors typically have been suggested by other members of our board of directors or by our executive officers. From time to time, our nomination and governance committee may engage the services of a third-party search firm to identify director candidates. After this offering, our nomination and governance committee will select the candidates for election to our board of directors. Our nomination and governance committee will consider candidates proposed in writing by stockholders, provided such proposal meets the eligibility requirements for submitting stockholder proposals for inclusion in our next proxy statement and is accompanied by certain required information about the candidate. Candidates proposed by stockholders will be evaluated by our nomination and governance committee using the same criteria as for all other candidates. The members of our nomination and governance committee are William Cadogan, James McCormick and Scott Yaphe.

Code of Ethics and Business Conduct. Our board of directors has adopted a code of ethics and business conduct that will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, and that will apply to all of our employees, officers (including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) and directors. Upon the effectiveness of the registration statement of which this prospectus forms a part, the full text of our code of ethics and business conduct will be posted on our Web site at http://www.synchronoss.com under the Investor Relations section. We intend to disclose future amendments to certain provisions of our code of ethics and business conduct, or waivers of such provisions, applicable to our directors and executive officers (including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions), at the same location on our Web site identified above and also in a Current Report on Form 8-K within four business days following the date of such amendment or waiver. The inclusion of our Web site address in this prospectus does not include or incorporate by reference the information on our Web site into this prospectus.

Director Compensation

Following this offering, each non-employee member of our board of directors will be entitled to receive an annual retainer of $25,000. In addition, each non-employee director serving on our audit committee, compensation committee and nomination and governance committee will be entitled to an annual retainer of $7,500, $5,000 and $5,000, respectively, and the chair of each such committee will be entitled to an additional annual retainer of $7,500, $5,000 and $5,000, respectively. The retainer fees will be paid in four quarterly payments on the first day of each calendar quarter.

Non-employee directors will also be entitled to an initial stock option award to purchase 25,000 shares of our common stock upon such director's election to our board of directors. The option will become exercisable for 33% of the shares after one year of service as a director and the balance vesting equal monthly installments over the remaining two years. Each year thereafter, beginning in January of 2007, each non-employee director will receive an annual stock option award to purchase 10,000 shares of our common stock on the first day of every January, which will vest in equal monthly installments over the following year. All such options will be granted at the fair market value on the date of the award. For further information regarding the equity compensation of our non-employee directors, see "Management — Automatic Option Grant Program."

We currently have a policy to reimburse directors for travel, lodging and other reasonable expenses incurred in connection with their attendance at board and committee meetings.

Compensation Committee Interlocks and Insider Participation

The compensation committee of the board of directors currently consists of William Cadogan, Thomas J. Hopkins and James McCormick. None of our executive officers has ever served as a member of the board of directors or compensation committee of any other entity that has or has had one or more executive officers serving as a member of our board of directors or our compensation committee.

Limitation of Liability and Indemnification

Prior to the effective date of this offering, we will enter into indemnification agreements with each of our directors. The form of agreement provides that we will indemnify each of our directors against any and all expenses incurred by that director because of his or her status as one of our directors, to the fullest extent permitted by Delaware law, our amended and restated certificate of incorporation and our bylaws. In addition, the form agreement provides that, to the fullest extent permitted by Delaware law, but subject to various exceptions, we will advance all expenses incurred by our directors in connection with a legal proceeding.

Our amended and restated certificate of incorporation and bylaws contain provisions relating to the limitation of liability and indemnification of directors. The amended and restated certificate of incorporation provides that our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duty as a director, except for liability:

- for any breach of the director's duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- in respect of unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- for any transaction from which the director derives any improper personal benefit.

Our amended and restated certificate of incorporation also provides that if Delaware law is amended after the approval by our stockholders of the certificate of incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of our directors will be eliminated or limited to the fullest extent permitted by Delaware law. The foregoing provisions of the amended and restated certificate of incorporation are not intended to limit the liability of directors or officers for any violation of applicable federal securities laws. As permitted by Section 145 of the Delaware General Corporation Law, our amended and restated certificate of incorporation provides that we may indemnify our directors to the fullest extent permitted by Delaware law and the restated certificate of incorporation provisions relating to indemnity may not be retroactively repealed or modified so as to adversely affect the protection of our directors.

In addition, as permitted by Section 145 of the Delaware General Corporation Law, our bylaws provide that we are authorized to enter into indemnification agreements with our directors and officers and we are authorized to purchase directors' and officers' liability insurance, which we currently maintain to cover our directors and executive officers.

Executive Compensation

Compensation Earned

The following summarizes the compensation earned during 2005 by our chief executive officer and our four other most highly compensated executive officers who were serving as executive officers on December 31, 2005. We refer to these individuals as our "named executive officers." In accordance with SEC rules, the compensation in this table does not include certain perquisites and other personal benefits received by the named executive officers that did not exceed the lesser of $50,000 or 10% of any officer's aggregate salary and bonus reported in this table.

Summary Compensation Table

Name and Principal Position	Annual Compensation			All Other Compensation(1)
	Year	Salary $	Bonus $	$
Stephen G. Waldis Chairman of the Board of Directors, President and Chief Executive Officer	2005	249,984	652,789	1,500
Lawrence R. Irving(2) Chief Financial Officer and Treasurer	2005	210,000	233,283	1,500
David E. Berry Vice President and Chief Technology Officer	2005	200,000	227,783	1,500
Robert Garcia Executive Vice President of Product Management and Service Delivery	2005	197,083	272,550	85,739(3)
Peter Halis(2) Executive Vice President of Operations	2005	204,000	227,709	1,500

(1) The amount shown under All Other Compensation in the table above represents 401(k) matching contributions.

(2) No restricted stock grants were made to our named officers during the year. As of December 31, 2005, Mr. Irving held 4,839 restricted shares of our common stock, which had a value as of that date of $21,000, based on the determination by our board of directors of fair market value of our common stock as of December 31, 2005. As of December 31, 2005, Mr. Halis held 40,644 restricted shares of our common stock, which had a value as of that date of $251,832. In each case, the purchaser shall vest with respect to the number of shares that would vest over a 12-month period if Synchronoss is subject to a change in control before the purchaser's service terminates and the purchaser is subject to an involuntary termination within 12 months following such change in control.

(3) Amounts include $1,500 of 401(k) match and $84,239 of relocation expenses paid by the Company.

Stock Options

The following table presents for our named executive officers the number and value of securities underlying unexercised options that are held by these executive officers as of December 31, 2005. No options or stock appreciation rights were granted to or exercised by these executive officers in the last fiscal year, and no stock appreciation rights were outstanding at the end of that year. Subsequent to 2005, David Berry exercised 30,000 shares at $0.29 per share.

Options granted to the named executive officers before September 30, 2003 were immediately exercisable with the underlying shares subject to our right of repurchase in the event that the optionee's employment terminated prior to full vesting. Our right of repurchase lapses as to 25% of the shares subject to the option on the one-year anniversary of the date of grant and an additional 2.0833% each month thereafter.

The figures in the "value of unexercised in-the-money options at fiscal year end" column are based on the fair market value of our common stock at the end of 2005, less the exercise price paid or payable for these shares. The fair market value of our common stock at the end of 2005 was $8.98 per share.

	Number of Securities Underlying Unexercised Options at December 31, 2005		Value of Unexercised In-the-Money Options at December 31, 2005	
Name	Exercisable	Unexercisable	Exercisable	Unexercisable
Stephen G. Waldis	—	—	—	—
Lawrence R. Irving	—	—	—	—
David E. Berry	30,000	—	$ 260,700	—
Peter Halis	—	—	—	—
Robert Garcia	110,000	—	955,900	—

Employee Benefit Plans

2006 Equity Incentive Plan

Our 2006 Equity Incentive Plan was adopted by our board of directors on , 2006 and is expected to be approved by our stockholders. The 2006 Equity Incentive Plan will become effective on the effective date of the registration statement of which this prospectus is a part. Our 2006 Equity Incentive Plan replaces our 2000 Stock Plan, our prior plan. No further option grants will be made under our 2000 Stock Plan after this offering. The options outstanding after this offering under the 2000 Stock Plan will continue to be governed by their existing terms.

Share Reserve. We have reserved shares of our common stock for issuance under the 2006 Equity Incentive Plan, plus the number of shares remaining available for issuance under our 2000 Stock Plan, of which no more than shares may be issued as direct stock awards. The number of shares reserved for issuance under the stock incentive plan will be increased automatically on January 1 of each year by a number equal to the lesser of:

- shares; or
- % of the shares of common stock outstanding at that time.

In general, if options or shares awarded under the 2000 Stock Plan or the 2006 Equity Incentive Plan are forfeited or repurchased, then those options or shares will again become available for awards under the 2006 Equity Incentive Plan.

Administration. The compensation committee of our board of directors administers the 2006 Equity Incentive Plan. The committee has the complete discretion to make all decisions relating to our 2006 Equity Incentive Plan. The compensation committee may also reprice outstanding options and modify outstanding awards in other ways.

Eligibility. Employees, members of our board of directors who are not employees and consultants are eligible to participate in our 2006 Equity Incentive Plan.

Types of Award. Our 2006 Equity Incentive Plan provides for the following types of awards:

- incentive and nonstatutory stock options to purchase shares of our common stock;

- restricted shares of our common stock; and
- stock appreciation rights and stock units.

Options and Stock Appreciation Rights. The exercise price for options granted under the 2006 Equity Incentive Plan may not be less than 100% of the fair market value of our common stock on the option grant date. Optionees may pay the exercise price by using:

- cash;
- shares of common stock that the optionee already owns;
- a full-recourse promissory note, but this form of payment is not available to executive officers or directors;
- an immediate sale of the option shares through a broker designated by us; or
- a loan from a broker designated by us, secured by the option shares.

A participant who exercises a stock appreciation right receives the increase in value of our common stock over the base price. The base price for stock appreciation rights granted under the 2006 Equity Incentive Plan shall be determined by the compensation committee. The settlement value of the stock appreciation right may be paid in cash or shares of common stock. Options and stock appreciation rights vest at the times determined by the compensation committee. In most cases, our options and stock appreciation rights will vest over a four-year period following the date of grant. Options and stock appreciation rights generally expire 10 years after they are granted. The compensation committee may provide for a longer term except that options and stock appreciation rights generally expire earlier if the participant's service terminates earlier. No participant may receive options or stock appreciation rights under the 2006 Equity Incentive Plan covering more than shares in one calendar year, except that a newly hired employee may receive options or stock appreciation rights covering up to shares in the first year of employment.

Restricted Shares and Stock Units. Restricted shares may be awarded under the 2006 Equity Incentive Plan in return for:

- cash;
- a full-recourse promissory note;
- services already provided to us; and
- in the case of treasury shares only, services to be provided to us in the future.

Restricted shares vest at the times determined by the compensation committee. Stock units may be awarded under the 2006 Equity Incentive Plan. No cash consideration shall be required of the award recipients. Stock units may be granted in consideration of a reduction in the recipient's other compensation or in consideration of services rendered. Each award of stock units may or may not be subject to vesting and vesting, if any, shall occur upon satisfaction of the conditions specified by the compensation committee. Settlement of vested stock units may be made in the form of cash, shares of common stock or a combination of both.

Change in Control. If a change in control of Synchronoss occurs, an option or award under the 2006 Equity Incentive Plan will generally not accelerate vesting unless the surviving corporation does not assume the option or award or replace it with a comparable award. Generally, if an option or award is assumed or replaced on a change in control and if the holder's employment or service is involuntarily terminated without cause within twelve months following the change in control then the award will become exercisable and vested as to an additional number of shares as if the holder had remained in service for an additional twelve months. A change in control includes:

- a merger of Synchronoss after which our own stockholders own 50% or less of the surviving corporation or its parent company;

- a sale of all or substantially all of our assets;
- a proxy contest that results in the replacement of more than one-half of our directors over a 24-month period; or
- an acquisition of 50% or more of our outstanding stock by any person or group, other than a person related to Synchronoss, such as a holding company owned by our stockholders.

Automatic Option Grant Program. On October 21, 2005, our board of directors approved a program of automatic option grants for non-employee directors under the 2006 Equity Incentive Plan on the terms specified below:

- Each non-employee director who first joins our board of directors after the effective date of the 2006 Equity Incentive Plan will receive an initial option for 25,000 shares. The initial grant of this option will occur when the director takes office. The option will vest in three equal annual installments.
- Each January beginning with January of 2007, each non-employee director who will continue to be a director after that meeting will automatically be granted an option for 10,000 shares of our common stock. However, a new non-employee director who is receiving the initial option will not receive this option in the same calendar year. The option will vest in equal monthly installments over the one-year period following the option grant.
- A non-employee director's option granted under this program will become fully vested upon a change in control of Synchronoss.
- The exercise price of each non-employee director's option will be equal to the fair market value of our common stock on the option grant date. A director may pay the exercise price by using cash, shares of common stock that the director already owns, or an immediate sale of the option shares through a broker designated by us. The non-employee director's options have a 10-year term, except that they expire one year after the director leaves the board of directors.

Amendments or Termination. Our board of directors may amend or terminate the 2006 Equity Incentive Plan at any time. If our board of directors amends the plan, it does not need to ask for stockholder approval of the amendment unless applicable law requires it. The 2006 Equity Incentive Plan will continue in effect indefinitely, unless the board of directors decides to terminate the plan.

As of December 31, 2005, we had outstanding options under the prior plan to purchase an aggregate of 1,079,480 shares of common stock at exercise prices ranging from $0.29 to $10.00 per share, or a weighted average per share exercise price of $1.40. A total of shares of common stock are available for future issuance under the 2006 Equity Incentive Plan.

Employee Stock Purchase Plan

Our Employee Stock Purchase Plan was adopted by our board of directors on , 2006 and is expected to be approved by our stockholders. The Employee Stock Purchase Plan will become effective on a date after the effective date of the registration statement of which this prospectus is a part to be determined by our board of directors. Our Employee Stock Purchase Plan is intended to qualify under Section 423 of the Internal Revenue Code.

Share Reserve. We have reserved shares of our common stock for issuance under the plan.

Administration. The compensation committee of our board of directors will administer the plan.

Eligibility. All of our employees are eligible to participate if we employ them for more than 20 hours per week and for more than five months per year. Eligible employees may begin participating in the Employee Stock Purchase Plan at the start of any offering period.

Offering Periods. In general, each offering period is 24 months long, but a new offering period begins every six months or on such other date as determined by our board of directors. Thus up to four overlapping offering periods may be in effect at the same time. An offering period continues to apply to a participant for the full 24 months, unless the market price of common stock is lower when a subsequent offering period begins. In that event, the subsequent offering period automatically becomes the applicable period for purposes of determining the purchase price. The first offering period is expected to commence shortly after the effective date of this offering and will end on January 31, 2008.

Amount of Contributions. Our Employee Stock Purchase Plan permits each eligible employee to purchase common stock through payroll deductions. Each employee's payroll deductions may not exceed 15% of the employee's cash compensation. Purchases of our common stock will generally occur on January 31 and July 31 of each year, except that the first purchase will occur at least 6 months after the date of this prospectus. Each participant may purchase up to the number of shares determined by our board of directors on any purchase date, not to exceed shares. The value of the shares purchased in any calendar year may not exceed $25,000. Participants may withdraw their contributions at any time before stock is purchased.

Purchase Price. The price of each share of common stock purchased under our Employee Stock Purchase Plan will not be less than 85% of the lower of:

- the fair market value per share of common stock on the date immediately before the first day of the applicable offering period, or
- the fair market value per share of common stock on the purchase date.

Other Provisions. Employees may end their participation in the Employee Stock Purchase Plan at any time. Participation ends automatically upon termination of employment with Synchronoss. If a change in control of Synchronoss occurs, our Employee Stock Purchase Plan will end and shares will be purchased with the payroll deductions accumulated to date by participating employees. Our board of directors may amend or terminate the Employee Stock Purchase Plan at any time. Our chief executive officer may also amend non-material provisions of the plan. If our board of directors increases the number of shares of common stock reserved for issuance under the plan, except for the automatic increases described above, it must seek the approval of our stockholders.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Since January 1, 2003, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or are a party in which the amount involved exceeded or exceeds $60,000 and in which any of our directors, executive officers, holders of more than 5% of any class of our voting securities, or any member of the immediate family of any of the foregoing persons, had or will have a direct or indirect material interest, other than:

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

We believe that we have executed all of the transactions set forth below on terms no less favorable to us than we could have obtained from unaffiliated third parties. It is our intention to ensure that all future transactions between us and our officers, directors and principal stockholders and their affiliates, are approved by a majority of the board of directors, including a majority of the independent and disinterested members of the board of directors, and are on terms no less favorable to us than those that we could obtain from unaffiliated third parties.

Registration Rights Agreement

In November 2000, we entered into a registration rights agreement with certain of our Series A stockholders pursuant to which we granted such stockholders certain registration rights with respect to shares of our common stock issuable upon conversion of the shares of our Series A convertible preferred stock held by them. The agreement was approved by a majority of our board of directors, including a majority of the independent and disinterested members of the board of directors. For more information regarding this agreement, see “Description of Capital Stock — Registration Rights.”

Investors Rights Agreement

In December 2000, we entered into an amended and restated investors rights agreement with certain holders of our common stock, Series 1 convertible preferred stock and Series A convertible preferred stock. The agreement was approved by a majority of our board of directors, including a majority of the independent and disinterested members of the board of directors. Pursuant to the agreement, certain restrictions have been placed upon the sale of shares of common stock by James McCormick and Stephen G. Waldis. The agreement also provides for the election of certain stockholder-designated directors to our board of directors and requires that we provide certain information rights to selected stockholders of the Company. The agreement will terminate upon a firm commitment initial public offering with an aggregate offering price of at least $20,000,000 and per share price of at least $8.70. We anticipate that the amended and restated investors rights agreement will terminate upon the closing of this offering.

Transactions with our Executive Officers and Directors

Prior to the completion of this offering, we intend to enter into indemnification agreements with each of our directors, providing for indemnification against expenses and liabilities reasonably incurred in connection with their service for us on our behalf. For more information regarding these agreements, see “Management — Limitation of Liability and Indemnification.”

Loans to Executive Officers.

We provided loans to the employees specified below for the purpose of their exercise of options to purchase shares of our common stock. Each loan was approved by a majority of our board of directors, including a majority of the independent and disinterested members of the board of directors. The loans bore interest at rates ranging from 2.8% to 6.3%. The shares acquired under the loan were pledged as security for the promissory note evidencing such loan. All of the loans were repaid by June 30, 2005.

Name & Title	Principal Amount	Number of Shares Acquired with Loan	Date of Loan	Indebtedness as of 5/31/05 (Largest Aggregate Indebtedness)	Indebtedness as of 6/30/05
Stephen G. Waldis Chairman of the Board of Directors, President and Chief Executive Officer	$ 325,003	1,120,700	1/26/01	$ 195,701	$ 0
Lawrence R. Irving	$ 68,078	234,750	6/1/01	$ 81,758	$ 0
Chief Financial Officer and Treasurer	$ 22,454	77,428	7/9/02	$ 24,311	$ 0
David E. Berry	$ 31,000	155,000	10/27/00	$ 39,979	$ 0
Vice President and Chief Technology Officer	$ 5,800	20,000	1/26/01	$ 7,288	$ 0
Peter Halis Executive Vice President of Operations	$ 113,152	390,178	7/9/02	$ 122,512	$ 0
Robert Garcia Executive Vice President of Product Management and Service Delivery	$ 6,200	31,000	10/27/00	$ 7,996	$ 0

Stock Option Awards

For information regarding stock options and stock awards granted to our named executive officers and directors, see “Management — Director Compensation” and “Management — Executive Compensation.”

Omniglobe International, L.L.C.

Omniglobe International, L.L.C., a Delaware limited liability company with operations in India, provides data entry services relating to our exception handling management. We pay Omniglobe an hourly rate for each hour worked by one of its data entry agents. For these services, we paid Omniglobe $2,210,795 and $8,089,041 during 2004 and 2005, respectively. For information regarding minimum contractual commitments to Omniglobe, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Contractual Obligations.”

Certain of our executive officers and their family members own indirect equity interests in Omniglobe through Rumson Hitters, L.L.C., a Delaware limited liability company, as follows:

Name	Position with Synchronoss	Equity Interest in Omniglobe
Stephen G. Waldis	Chairman of the Board of Directors, President and Chief Executive Officer	12.23%
Lawrence R. Irving	Chief Financial Officer and Treasurer	2.58%
David E. Berry	Vice President and Chief Technology Officer	2.58%
Robert Garcia	Executive Vice President of Product Management and Service Delivery	1.29%

Synchronoss considered making an investment in Omniglobe but elected not to pursue the opportunity based on the recommendation of our independent directors. Only after Synchronoss declined to pursue the opportunity did members of our management team make their investments. None of the members of our management team devotes time to the management of Omniglobe.

Upon completion of this offering, Rumson Hitters will repurchase, at the original purchase price, the equity interests in Rumson Hitters held by each of our employees and their family members, such that no employee of Synchronoss or family member of such employee will have any interest in Rumson Hitters or Omniglobe after this offering. Neither Synchronoss nor any of its employees will provide any of the funds to be used by Rumson Hitters in repurchasing such equity interests.

Vertek Corporation

Vertek Corporation, a New Jersey corporation with principal offices in New Jersey and Vermont, is a solutions provider to the communications services industry. On October 2, 2000, Vertek contributed to Synchronoss all of its application service provider business (including rights to the intellectual property, all current contracts and licenses related to that business) and tangible assets with a fair market value of approximately $2.1 million. In exchange, we issued to Vertek 2 million shares of our Series 1 convertible preferred stock and 8 million shares of our common stock. Vertek subsequently distributed its 8 million shares of our common stock to its stockholders. Synchronoss also assumed and agreed to perform, pay and discharge certain liabilities of Vertek relating to the application service provider business, which included a software contract payable over 30 monthly installments totaling approximately $458,000 and a lease for office space. At the time that Vertek contributed its application service provider business and tangible assets to Synchronoss, Vertek was held 84% by James McCormick, a member of our board of directors, and 16% by Stephen G. Waldis, our Chairman of the Board of Directors, President and Chief Executive Officer. However, pursuant to a subsequent agreement between Vertek and Messrs. McCormick and Waldis, Vertek repurchased all of the outstanding Vertek shares held by Mr. Waldis, such that Mr. McCormick is now the sole stockholder of Vertek. For various consulting services, we paid Vertek $9,000 in 2003 and $399,230 in 2004. We made no payments to Vertek in 2005.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table provides information concerning beneficial ownership of our capital stock as of December 31, 2005, and as adjusted to reflect the sale of the common stock being sold in this offering, by:

- each stockholder, or group of affiliated stockholders, that we know owns more than 5% of our outstanding capital stock;
- each of our named executive officers;
- each of our directors;
- all of our directors and executive officers as a group; and
- each selling stockholder.

The following table lists the number of shares and percentage of shares beneficially owned based on 23,971,651 shares of common stock outstanding as of December 31, 2005, as adjusted to reflect the conversion of the outstanding shares of preferred stock upon completion of this offering. The table also lists the applicable percentage beneficial ownership based on shares of common stock outstanding upon completion of this offering, assuming no exercise of the underwriters' over-allotment option to purchase up to an aggregate of shares of our common stock.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission, and generally includes voting power and/or investment power with respect to the securities held. Shares of common stock subject to options currently exercisable or exercisable within 60 days of December 31, 2005, are deemed outstanding and beneficially owned by the person holding such options for purposes of computing the number of shares and percentage beneficially owned by such person, but are not deemed outstanding for purposes of computing the percentage beneficially owned by any other person. Except as indicated in the footnotes to this table, and subject to applicable community property laws, the persons or entities named have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them.

Unless otherwise indicated, the principal address of each of the stockholders below is c/o Synchronoss Technologies, Inc., 750 Route 202 South, Sixth Floor, Bridgewater, New Jersey 08807.

Name and Address of Beneficial Owner	Shares Beneficially Owned Prior to Offering		Shares Being Offered(1)	Shares Beneficially Owned After Offering	
	Number	Percent		Number	Percent
5% Stockholders					
ABS Ventures(2) 890 Winter Street, Suite 225 Waltham, MA 02451	3,793,104	15.8%			%
Vertek Corporation(3) 463 Mountain View Drive Colchester, VT 05446	2,000,000	8.3%			
Rosewood Capital(4) One Maritime Plaza, Suite 1401 San Francisco, CA 94111	2,579,498	10.7%			
Ascent Venture Partners III, L.P. 255 State Street, 5th Floor Boston, MA 02109	1,256,483	5.2%			

Name and Address of Beneficial Owner	Shares Beneficially Owned Prior to Offering		Shares Being Offered(1)	Shares Beneficially Owned After Offering	
	Number	Percent		Number	Percent
James M. McCormick(5)	4,852,086	20.2%			%
Stephen G. Waldis(6)	2,352,624	9.8%			
Directors and Named Executive Officers					
James M. McCormick(5)	4,852,086	20.2%			%
Scott Yaphe(2)	3,793,104	15.8%			%
Stephen G. Waldis(6)	2,352,624	9.8%			
Peter Halis	390,178	1.6%			
Lawrence R. Irving	282,178	1.2%			%
David E. Berry(7)	205,000	0.9%			
Robert Garcia(8)	125,429	0.5%			%
Chris Putnam(9)	40,000	0.2%			
Thomas J. Hopkins	8,621	—			
All directors and executive officers as a group(10)	12,049,220	49.8%			

* Less than 1% of the outstanding shares of common stock.

(1) Does not include shares subject to the underwriters' over-allotment option.

(2) Consists of 3,751,830 shares held by ABS Ventures VI L.L.C. and 41,274 shares held by ABS Investors L.L.C. Mr. Yaphe, one of our directors, is a member of Calvert Capital IV, LLC which holds voting and dispositive power for the shares held of record by ABS Ventures VI L.L.C. He is also a member of ABS Investors L.L.C. Mr. Yaphe disclaims beneficial ownership of the shares held by each of the ABS Ventures funds, except to the extent of his pecuniary interest therein. Mr. Yaphe has no voting or dispositive control in either of the ABS Ventures funds.

(3) Mr. McCormick, one of our directors, is the Chief Executive Officer and the sole stockholder of Vertek Corporation.

(4) Consists of 2,138,295 shares held by Rosewood Capital IV, L.P., 420,970 shares held by Rosewood Capital III, L.P. and 20,233 shares held by Rosewood Capital IV Associates, L.P.

(5) Excludes 889,000 shares held in two separate trusts for the benefit of certain of his family members, as to which he has no voting or investment power and disclaims beneficial ownership.

(6) Includes 413,448 shares held by the Waldis Family Partnership, LP.

(7) Includes 30,000 shares of common stock issuable upon exercise of options exercisable within 60 days of December 31, 2005.

(8) Includes 110,000 shares of common stock issuable upon exercise of options exercisable within 60 days of December 31, 2005.

(9) Consists of shares of common stock issuable upon exercise of options exercisable within 60 days of December 31, 2005.

(10) Includes 180,000 shares of common stock issuable upon exercise of options exercisable within 60 days of December 31, 2005.

DESCRIPTION OF CAPITAL STOCK

General

Following the closing of this offering, our authorized capital stock will consist of 100,000,000 shares of common stock, par value $0.001 per share, and 10,000,000 shares of preferred stock, par value $0.001 per share. The following summary of our capital stock and certain provisions of our amended and restated certificate of incorporation and bylaws does not purport to be complete and is qualified in its entirety by the provisions of our amended and restated certificate of incorporation and bylaws, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part.

Common Stock

As of December 31, 2005 there were 23,971,651 shares of common stock outstanding, as adjusted to reflect the conversion of 11,549,256 shares of Series A convertible preferred stock into 11,549,256 shares of common stock and 2,000,000 shares of Series 1 convertible preferred stock into 2,000,000 shares of common stock upon the closing of this offering, that were held of record by approximately 185 stockholders. There will be shares of common stock outstanding, assuming no exercise of the underwriters' over-allotment option and assuming no exercise after , 200 of outstanding options or warrants, after giving effect to the sale of the shares of common stock to the public offered in this prospectus.

The holders of common stock are entitled to one vote per share on all matters to be voted upon by the stockholders. Subject to preferences that may be applicable to any outstanding preferred stock, the holders of common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by the board of directors out of funds legally available. See "Dividend Policy." In the event of our liquidation, dissolution or winding up, the holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding. The common stock has no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of common stock are fully paid and nonassessable, and the shares of common stock to be issued upon completion of this offering will be fully paid and nonassessable.

Preferred Stock

Upon the closing of this offering, outstanding shares of Series A convertible preferred stock will be converted into 11,549,256 shares of common stock and outstanding shares of Series 1 convertible preferred stock will be converted into 2,000,000 shares of common stock, provided that the aggregate offering price of the shares offered in this offering equals or exceeds $20,000,000 and the price per share in this offering equals or exceeds $8.70 per share.

The board of directors has the authority to issue the preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, dividend rates, conversion rights, voting rights, terms of redemption, redemption prices, liquidation preferences and the number of shares constituting any series or the designation of such series, without further vote or action by the stockholders. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of Synchronoss without further action by the stockholders and may adversely affect the voting and other rights of the holders of common stock. The issuance of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of common stock, including the loss of voting control to others. At present, we have no plans to issue any of the preferred stock.

Warrants

As of December 31, 2005 there were outstanding warrants or commitments to issue warrants to purchase up to 94,828 shares of preferred stock at exercise prices of $2.90 per share, up to 94,828 of which will be exercised prior to the closing of this offering. Upon the closing of this offering, warrants to purchase shares of preferred stock will be converted into warrants to purchase shares of common stock.

Registration Rights

After this offering, the holders of approximately 11,644,084 shares of common stock will be entitled to rights with respect to the registration of those shares under the Securities Act. Under the terms of the agreement between us and the holders of these registrable securities, if we propose to register any of our securities under the Securities Act, either for our own account or for the account of other security holders exercising registration rights, these holders are entitled to notice of registration and are entitled to include their shares of common stock in the registration. Holders of 11,644,084 shares of the registrable securities are also entitled to specified demand registration rights under which they may require us to file a registration statement under the Securities Act at our expense with respect to our shares of common stock, and we are required to use our best efforts to effect this registration. Further, the holders of these demand rights may require us to file additional registration statements on Form S-3. All of these registration rights are subject to conditions and limitations, among them the right of the underwriters of an offering to limit the number of shares included in the registration and our right not to effect a requested registration within six months following the initial offering of our securities, including this offering.

Anti-Takeover Effects of Our Amended and Restated Certificate of Incorporation, Bylaws and Delaware Law

Some provisions of Delaware law and our amended and restated certificate of incorporation and bylaws could make the following transactions more difficult:

- our acquisition by means of a tender offer;
- our acquisition by means of a proxy contest or otherwise; or
- removal of our incumbent officers and directors.

These provisions, summarized below, are expected to discourage and prevent coercive takeover practices and inadequate takeover bids. These provisions are designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors, and also are intended to provide management with flexibility to enhance the likelihood of continuity and stability in our composition if our board of directors determines that a takeover is not in our best interests or the best interests of our stockholders. These provisions, however, could have the effect of discouraging attempts to acquire us, which could deprive our stockholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices. We believe that the benefits of these provisions, including increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us, outweigh the disadvantages of discouraging takeover proposals because negotiation of takeover proposals could result in an improvement of their terms.

Election and Removal of Directors. Our board of directors is divided into three classes serving staggered three-year terms. This system of electing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us because generally at least two stockholders' meetings will be required for stockholders to effect a change in control of the board of directors. Our amended and restated certificate of incorporation and our bylaws contain provisions that establish specific procedures for appointing and removing members of the board of directors. Under our amended and restated certificate of incorporation, vacancies and newly created

directorships on the board of directors may be filled only by a majority of the directors then serving on the board, and under our bylaws, directors may be removed by the stockholders only for cause.

Stockholder Meetings. Under our bylaws, only the board of directors, the Chairman of the board or our Chief Executive Officer may call special meetings of stockholders.

Requirements for Advance Notification of Stockholder Nominations and Proposals. Our bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

Delaware Anti-Takeover Law. We are subject to Section 203 of the Delaware General Corporation Law, an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder, unless the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a business combination includes a merger, asset or stock sale, or another transaction resulting in a financial benefit to the interested stockholder. Generally, an interested stockholder is a person who, together with affiliates and associates, owns, or within three years prior to the date of determination of interested stockholder status did own, 15% or more of the corporation's voting stock. The existence of this provision may have an anti-takeover effect with respect to transactions that are not approved in advance by our board of directors, including discouraging attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

Elimination of Stockholder Action by Written Consent. Our amended and restated certificate of incorporation eliminates the right of stockholders to act by written consent without a meeting after this offering.

No Cumulative Voting. Our amended and restated certificate of incorporation and bylaws do not provide for cumulative voting in the election of directors. Cumulative voting allows a minority stockholder to vote a portion or all of its shares for one or more candidates for seats on the board of directors. Without cumulative voting, a minority stockholder will not be able to gain as many seats on our board of directors based on the number of shares of our stock the stockholder holds as the stockholder would be able to gain if cumulative voting were permitted. The absence of cumulative voting makes it more difficult for a minority stockholder to gain a seat on our board of directors to influence our board's decision regarding a takeover.

Undesignated Preferred Stock. The authorization of undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us.

Amendment of Charter Provisions. The amendment of certain of the above provisions in our amended and restated certificate of incorporation requires approval by holders of at least two-thirds of our outstanding common stock.

These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be American Stock Transfer & Trust Company. Its telephone number is (212) 936-5100.

Nasdaq National Market Listing

We have applied to list our common stock on The Nasdaq Stock Market's National Market under the symbol "SNCR."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and we cannot assure you that a significant public market for our common stock will develop or be sustained after this offering. As described below, no shares currently outstanding will be available for sale immediately after this offering due to certain contractual and securities law restrictions on resale. Sales of substantial amounts of our common stock in the public market after the restrictions lapse could cause the prevailing market price to decline and limit our ability to raise equity capital in the future.

Upon completion of this offering, we will have outstanding an aggregate of shares of common stock, assuming no exercise of the underwriters' over-allotment option and no exercise of options or warrants to purchase common stock that were outstanding as of , 2006. The shares of common stock being sold in this offering will be freely tradable without restriction or further registration under the Securities Act unless purchased by our affiliates or purchased in a directed share program.

The remaining 24,029,839 shares of common stock held by existing stockholders are restricted securities as that term is defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Section 4(1) or Rules 144, 144(k) or 701 promulgated under the Securities Act, which rules are summarized below.

The following table shows approximately when the 24,029,839 shares of our common stock that are not being sold in this offering, but which will be outstanding when this offering is complete, will be eligible for sale in the public market:

Eligibility of Restricted Shares for Sale in the Public Market

Days After Date of this Prospectus	Shares Eligible for Sale	Comment
Upon Effectiveness		Shares sold in the offering
Upon Effectiveness	—	Freely tradable shares saleable under Rule 144(k) that are not subject to the lock-up
90 Days	—	Shares saleable under Rules 144 and 701 that are not subject to a lock-up
180 Days	23,199,839	Lock-up released, subject to extension; shares saleable under Rules 144 and 701
Thereafter	830,000	Restricted securities held for one year or less

Resale of 17,358,151 of the restricted shares that will become available for sale in the public market starting 180 days after the effective date will be limited by volume and other resale restrictions under Rule 144 because the holders are our affiliates.

Lock-up Agreements

Our officers, directors and substantially all of our stockholders have agreed not to transfer or dispose of, directly or indirectly, any shares of our common stock, or any securities convertible into or exercisable or exchangeable for shares of our common stock, for a period of 180 days after the date of this prospectus, without the prior written consent of Goldman, Sachs & Co., which period of restriction may be extended for up to an additional 34 days under certain limited circumstances. Goldman, Sachs & Co. currently does not anticipate shortening or waiving any of the lock-up agreements and does not have any pre-established conditions for such modifications or waivers.

However, Goldman, Sachs & Co. may, in its sole discretion, at any time, and without notice, release for sale in the public market all or any portion of the shares subject to the lock-up agreement.

Rule 144

In general, under Rule 144 as currently in effect, beginning 90 days after the date of this prospectus, a person who has beneficially owned restricted shares for at least one year including the holding period of any prior owner except an affiliate would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding which will equal approximately shares immediately after this offering; or
- the average weekly trading volume of the common stock during the four calendar weeks preceding the filing of a Form 144 with respect to such sale.

Sales under Rule 144 are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us. Under Rule 144(k), a person who is not and has not been an affiliate of us at any time during the three months preceding a sale, and who has beneficially owned the shares proposed to be sold for a least two years including the holding period of any prior owner except an affiliate, is entitled to sell such shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144.

Rule 701

Rule 701, as currently in effect, permits resales of shares in reliance upon Rule 144 but without compliance with certain restrictions, including the holding period requirement, of Rule 144. Any employee, officer or director of or consultant to us who purchased shares under a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701. Rule 701 permits affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. Rule 701 further provides that nonaffiliates may sell such shares in reliance on Rule 144 without having to comply with the holding period, public information, volume limitation or notice provisions of Rule 144. All holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling such shares. However, all Rule 701 shares are subject to lock-up agreements and will only become eligible for sale upon the expiration of the 180-day lock-up agreements. Goldman, Sachs & Co. may, in its sole discretion and at any time without notice, release all or any portion of the securities subject to lock-up agreements.

Within 90 days following the effectiveness of this offering, we will file a Registration Statement on Form S-8 registering shares of common stock subject to outstanding options or reserved for future issuance under our stock plans. As of December 31, 2005, options to purchase a total of 1,079,480 shares were outstanding and 980,923 shares were reserved for future issuance under our stock plans. Common stock issued upon exercise of outstanding vested options or issued under our Employee Stock Purchase Plan is available for immediate resale in the open market, subject to compliance by affiliates with the requirements of Rule 144 other than the holding period requirement.

Registration Rights

Upon completion of this offering, the holders of 11,549,256 shares of our common stock and the holders of warrants to purchase 94,828 shares of our common stock have the right to have their shares registered under the Securities Act. See “Description of Capital Stock — Registration Rights.” All such shares are covered by lock-up agreements; following the expiration of the lock-up period, registration of these shares under the Securities Act would result in the shares becoming freely

tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by our affiliates.

We have agreed not to file any registration statements during the 180-day period after the date of this prospectus with respect to the registration of any shares of common stock or any securities convertible into or exercisable or exchangeable into common stock, other than one or more registration statements on Form S-8 covering securities issuable under our 2000 Stock Plan, 2006 Equity Incentive Plan and Employee Stock Purchase Plan, without the prior written consent of Goldman, Sachs & Co.

Form S-8 Registration Statements

Prior to the expiration of the lock-up period, we intend to file one or more registration statements on Form S-8 under the Securities Act to register the shares of our common stock that are issuable pursuant to our 2000 Stock Plan, 2006 Equity Incentive Plan and Employee Stock Purchase Plan. See “Management — Employee Benefit Plans.” Subject to the lock-up agreements described above and any applicable vesting restrictions, shares registered under these registration statements will be available for resale in the public market immediately upon the effectiveness of these registration statements, except with respect to Rule 144 volume limitations that apply to our affiliates.

UNDERWRITING

We, the selling stockholders and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co., Deutsche Bank Securities Inc. and Thomas Weisel Partners LLC are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman, Sachs & Co.	
Deutsche Bank Securities Inc	
Thomas Weisel Partners LLC	
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have an option to buy up to an additional shares from us and the selling stockholders to cover such sales. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following tables show the per share and total underwriting discounts and commissions to be paid to the underwriters by us and the selling stockholders. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

Paid by the Company	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Paid by the Selling Stockholders	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. Any such securities dealers may resell any shares purchased from the underwriters to certain other brokers or dealers at a discount of up to $ per share from the initial public offering price. If all the shares are not sold at the initial public offering price, the representatives may change the offering price and the other selling terms.

We and our directors, officers and holders of substantially all of our common stock, including the selling stockholders, have agreed, subject to certain exceptions, with the underwriters not to dispose of or hedge any of our and their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Goldman, Sachs & Co. Goldman, Sachs & Co. has advised us that they have no current intent or arrangement to release any of the shares subject to the lock-up agreements prior to the expiration of the lock-up period. There are no contractually specified conditions for the waiver of lock-up restrictions and any waiver is at the sole discretion of Goldman, Sachs & Co. See "Shares Available for Future Sale" for a discussion of certain transfer restrictions.

The 180-day restricted period described in the preceding paragraph will be automatically extended if: (1) during the last 17 days of the 180-day restricted period we issue an earnings release or announce material news or a material event; or (2) prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 15-day period following the last day of the 180-day period, in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release of the announcement of the material news or material event.

Prior to the offering, there has been no public market for the shares. The initial public offering price will be negotiated among us and the representatives of the underwriters. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be the company's historical performance, estimates of the business potential and earnings prospects of the company, an assessment of the company's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We intend to list the common stock on The Nasdaq Stock Market's National Market under the symbol "SNCR".

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares from us or the selling stockholders in the offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option granted to them. "Naked" short sales are any sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or retarding a decline in the market price of the company's stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected on The Nasdaq Stock Market's National Market, in the over-the-counter market or otherwise.

Each of the underwriters has represented and agreed that:

(a) it has not made or will not make an offer of shares to the public in the United Kingdom within the meaning of section 102B of the Financial Services and Markets Act 2000 (as amended) (FSMA) except to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities or otherwise in circumstances which do not require the publication by the

company of a prospectus pursuant to the Prospectus Rules of the Financial Services Authority (FSA);

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or in circumstances in which section 21 of FSMA does not apply to the Issuer; and

(c) it has complied with, and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each Underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of Shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Shares to the public in that Relevant Member State at any time:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or accounts; or

(c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Shares to the public” in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Shares to be offered so as to enable an investor to decide to purchase or subscribe the Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/ EC and includes any relevant implementing measure in each Relevant Member State.

The shares may not be offered or sold by means of any document other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the shares may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or

distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

The securities have not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered.

We estimate that the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $ million.

If you purchase shares of common stock offered in this prospectus, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus.

We and the selling stockholders have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

INDUSTRY AND MARKET DATA

We obtained the industry, market and competitive position data throughout this prospectus from our own internal estimates and research as well as from industry and general publications and research, surveys and studies conducted by third parties. Industry publications, studies and surveys generally state that they have been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe that each of these studies and publications is reliable, we have not independently verified market and industry data from third-party sources. While we believe our internal company research is reliable and the market definitions are appropriate, neither such research nor these definitions have been verified by any independent source.

LEGAL MATTERS

The validity of the common stock being offered will be passed upon for Synchronoss by Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP, Waltham, Massachusetts. As of the date of this prospectus, certain partners and employees of Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP beneficially owned an aggregate of 51,725 shares of our common stock. The underwriters are represented by Ropes & Gray LLP.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our financial statements and schedule at December 31, 2005 and 2004, and for each of the three years in the period ended December 31, 2005, as set forth in their report. We have included our financial statements and schedule in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock we are offering. This prospectus contains all information about us and our common stock that may be material to an investor in this offering. The registration statement includes exhibits to which you should refer for additional information about us.

You may inspect a copy of the registration statement and the exhibits and schedules to the registration statement without charge at the offices of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain copies of all or any part of the registration statement from the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549 upon the payment of the prescribed fees. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a Web site at www.sec.gov that contains reports, proxy and information statements and other information regarding registrants like us that file electronically with the SEC. You can also inspect our registration statement on this Web site.

SYNCHRONOSS TECHNOLOGIES, INC.

FINANCIAL STATEMENTS
December 31, 2005

Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
Synchronoss Technologies, Inc.

We have audited the balance sheets of Synchronoss Technologies, Inc. as of December 31, 2004 and 2005 and the related statements of operations, changes in stockholders' deficiency and cash flows for each of the three years in the period ended December 31, 2005. Our audits also included the financial statement schedule listed on page F-1. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Synchronoss Technologies, Inc. as of December 31, 2004 and 2005 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2005, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

MetroPark, NJ

February 17, 2006

SYNCHRONOSS TECHNOLOGIES, INC.

BALANCE SHEETS

(in thousands, except per share data)

	December 31,		
	2004	2005	2005 Pro Forma
Assets			
Current assets:			
Cash and cash equivalents	$ 3,404	$ 8,786	$ 8,786
Investments in marketable securities	1,193	4,152	4,152
Accounts receivable, net of allowance for doubtful accounts of $200 and $221 at 2004 and 2005, respectively	7,245	13,092	13,092
Prepaid expenses and other assets	699	1,189	1,189
Deferred tax assets	—	4,024	4,024
Total current assets	12,541	31,243	31,243
Property and equipment, net	4,098	4,207	4,207
Investments in marketable securities	5,924	3,064	3,064
Deferred tax assets	—	620	620
Other assets	221	1,074	1,074
Total assets	$ 22,784	$ 40,208	$ 40,208
Liabilities, redeemable convertible preferred stock and stockholders' deficiency			
Current liabilities:			
Accounts payable	$ 999	$ 1,822	$ 1,822
Accrued expenses ($399 and $577 was due to a related party at 2004 and 2005, respectively)	2,167	6,187	6,187
Short-term portion of equipment loan payable	667	667	667
Deferred revenues	631	793	793
Total current liabilities	4,464	9,469	9,469
Equipment loan payable, less current portion	1,333	666	666
Commitments and contingencies			
Series A redeemable convertible preferred stock, $.0001 par value; 13,103 shares authorized, 11,549 shares issued and outstanding in 2004 and 2005 (aggregate liquidation preference of $66,985 at December 31, 2004 and 2005), zero pro-forma shares outstanding	33,459	33,493	—
Series 1 convertible preferred stock, $.0001 par value; 2,000 shares authorized, issued and outstanding at December 31, 2004 and 2005 (aggregate liquidation preference of $12,000 at December 31, 2004 and 2005), zero pro-forma shares outstanding	1,444	1,444	—
Stockholders' (deficiency)/equity:			
Common stock, $0.0001 par value; 30,000 shares authorized, 10,504 and 10,518 shares issued; 10,408 and 10,423 outstanding at December 31, 2004 and 2005, respectively; 23,971 pro-forma shares outstanding	1	1	2
Treasury stock, at cost (96 shares at December 31, 2004 and 2005)	(19)	(19)	(19)
Additional paid-in capital	869	1,661	36,597
Deferred stock-based compensation	—	(702)	(702)
Stock subscription notes from stockholders	(536)	—	—
Accumulated other comprehensive loss	(111)	(114)	(114)
Accumulated deficit	(18,120)	(5,691)	(5,691)
Total stockholders' (deficiency)/equity	(17,916)	(4,864)	30,073
Total liabilities and stockholders' (deficiency)/equity	$ 22,784	$ 40,208	$ 40,208

See accompanying notes.

SYNCHRONOSS TECHNOLOGIES, INC.

STATEMENTS OF OPERATIONS
Years ended December 31, 2003, 2004, and 2005
(in thousands, except per share data)

	Year Ended December 31,		
	2003	2004	2005
Net revenues	$ 16,550	$ 27,191	$ 54,218
Costs and expenses:			
Cost of services ($9, $2,610 and $8,089, were purchased from a related party in 2003, 2004 and 2005, respectively)*	7,655	17,688	30,205
Research and development	3,160	3,324	5,689
Selling, general and administrative	4,053	4,340	7,544
Depreciation and amortization	2,919	2,127	2,305
Total costs and expenses	17,787	27,479	45,743
(Loss) income from operations	(1,237)	(288)	8,475
Interest and other income	321	320	258
Interest expense	(128)	(39)	(133)
(Loss) income before income tax benefit	(1,044)	(7)	8,600
Income tax benefit	—	—	3,829
Net (loss) income	(1,044)	(7)	12,429
Preferred stock accretion	(35)	(35)	(34)
Net (loss) income attributable to common stockholders	$ (1,079)	$ (42)	$ 12,395
Net (loss) income attributable to common stockholders per common share:			
Basic	$ (0.11)	$ (0.00)	$ 0.53
Diluted	$ (0.11)	$ (0.00)	$ 0.47
Weighted-average common shares outstanding:			
Basic	9,838	10,244	23,508
Diluted	9,838	10,244	26,204
Pro forma net income			$ 12,429
Pro forma net income per share:			
Basic			$ 0.49
Diluted			$ 0.47
Pro forma weighted-average shares outstanding:			
Basic			25,508
Diluted			26,204

* Cost of services excludes depreciation and amortization which is shown separately.

See accompanying notes.

SYNCHRONOSS TECHNOLOGIES, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIENCY
Years ended December 31, 2003, 2004, and 2005
(in thousands)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Stock Subscription Notes from Stockholders	Deferred Stock Based Compensation	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Deficiency
	Shares	Amount	Shares	Amount						
Balance December 31, 2002	10,501	$ 1	(96)	$ (19)	$ 939	$ (602)	$ —	$ —	$ (17,069)	$ (16,750)
Interest on notes						(28)				(28)
Accretion of Series A redeemable convertible preferred stock					(35)					(35)
Employee's repayment of notes						74				74
Net loss									(1,044)	(1,044)
Balance December 31, 2003	10,501	1	(96)	(19)	904	(556)	—	—	(18,113)	(17,783)
Interest on notes						(30)				(30)
Accretion of Series A redeemable convertible preferred stock					(35)					(35)
Employee's repayment of notes						50				50
Issuance of common stock on exercise of employee options	2									
Comprehensive loss:										
Net loss									(7)	(7)
Unrealized loss on investments in marketable securities								(111)		(111)
Total comprehensive loss										(118)
Balance December 31, 2004	10,503	1	(96)	(19)	869	(536)	—	(111)	(18,120)	(17,916)
Interest on notes						(9)				(9)
Deferred stock-based compensation					847		(847)			—
Amortization of deferred compensation							120			120
Reversal of deferred compensation due to employee termination					(25)		25			—
Accretion of Series A redeemable convertible preferred stock					(34)					(34)
Employee's repayment of notes and interest						545				545
Issuance of common stock on exercise of employee options	15				4					4
Comprehensive income:										
Net income									12,429	12,429
Unrealized loss on investments in marketable securities								(3)		(3)
Net total comprehensive income										12,426
Balance December 31, 2005	10,518	$ 1	(96)	$ (19)	$ 1,661	$ —	$ (702)	$ (114)	$ (5,691)	$ (4,864)

See accompanying notes.

SYNCHRONOSS TECHNOLOGIES, INC.

STATEMENTS OF CASH FLOWS
Years ended December 31, 2003, 2004 and 2005
(in thousands)

	Year Ended December 31,		
	2003	2004	2005
Operating activities:			
Net (loss) income	$ (1,044)	$ (7)	$ 12,429
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:			
Depreciation and amortization expense	2,919	2,127	2,305
Deferred income taxes	—	—	(4,644)
Provision for (reversal of) doubtful accounts	137	(123)	21
Amortization of deferred stock-based compensation	—	—	120
Non-cash interest expense	47	—	—
Non-cash interest income	(28)	(30)	—
Changes in operating assets and liabilities:			
Accounts receivable	(4,658)	(1,790)	(5,868)
Prepaid expenses and other current assets	(333)	(239)	(490)
Other assets	21	(109)	(853)
Accounts payable	1,237	(579)	823
Accrued expenses	988	(253)	3,842
Due to a related party	9	399	178
Amounts due from stockholder	1,075	—	—
Deferred revenues	(427)	(1,044)	162
Net cash (used in) provided by operating activities	(57)	(1,648)	8,025
Investing activities:			
Purchases of fixed assets	(2,419)	(3,282)	(2,414)
Employees' repayment of notes	75	50	545
Purchases of marketable securities available for sale	(778)	—	(2,959)
Sale of marketable securities available for sale	2,961	1,396	2,848
Net cash used in by investing activities	(161)	(1,836)	(1,980)
Financing activities:			
Proceeds from equipment loan	—	2,000	—
Proceeds from issuance of common stock	—	—	4
Repayments of equipment loan	(663)	(42)	(667)
Net cash provided by (used in) financing activities	(663)	1,958	(663)
Net (decrease) increase in cash and cash equivalents	(881)	(1,526)	5,382
Cash and cash equivalents at beginning of year	5,811	4,930	3,404
Cash and cash equivalents at end of period	$ 4,930	$ 3,404	$ 8,786
Supplemental disclosures of cash flow information			
Cash paid for interest	$ 81	$ 39	$ 133
Cash paid for income taxes	$ —	$ —	$ —
Accretion of redeemable preferred stock	$ 35	$ 35	$ 34

See accompanying notes.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2004 and 2005
(in thousands, except per share data)

1. Description of Business

Synchronoss Technologies, Inc. (the Company, or Synchronoss) is a leading provider of e-commerce transaction management solutions to the communications services marketplace. The Company conducts its business operations primarily in the United States of America, with some aspects of its operations being outsourced to entities located in India and Canada. The Company's proprietary on-demand software platform enables communications service providers, or CSPs, to take, manage and provision orders and other customer-oriented transactions and perform related critical service tasks. The Company targets complex and high-growth industry segments including wireless, Voice over Internet Protocol, or VoIP, wireline and other markets. By simplifying technological complexities through the automation and integration of disparate systems, the Company enables CSPs to acquire, retain and service customers quickly, reliably and cost-effectively.

2. Summary of Significant Accounting Policies

Pro Forma Information

The pro forma balance sheet data as of December 31, 2005, reflects the automatic conversion of all outstanding shares of the Company's Series A and Series 1 convertible preferred stock into an aggregate of 13,549 shares of common stock upon completion of the Company's initial public offering.

Pro forma net income per share is computed using the weighted-average number of common shares outstanding, including the pro forma effects of the automatic conversion of all outstanding Series A and Series 1 convertible preferred stock into shares of the Company's common stock effective upon the assumed closing of the Company's proposed initial public offering, as if such conversion had occurred on January 1, 2005.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Revenue Recognition and Deferred Revenue

The Company provides services principally on a transaction fee basis or, at times, on a fixed fee basis and recognizes the revenues as the services are performed or delivered as described below:

Transaction service arrangements: Transaction service revenues consists of revenues derived from the processing of transactions through the Company's service platform and represents approximately 47%, 63% and 83% of net revenues during the years ended December 31, 2003, 2004 and 2005, respectively. Transaction service arrangements include services such as equipment orders, new account setup, number port requests, credit checks and inventory management.

Transaction revenues are principally based on a contractual price per transaction and revenues are recognized based on the number of transactions processed during each reporting period. For

these arrangements, revenues are recorded based on the total number of transactions processed at the applicable price established in the relevant contract. The total amount of revenues recognized is based primarily on the volume of transactions. At times, transaction revenues may also include billings to customers that reimburse the Company based on the number of individuals dedicated to processing transactions. The Company records revenues based on the applicable hourly rate per employee for each reporting period.

Many of the Company's contracts have guaranteed minimum volume transactions from its customers. In these instances, if the customers' total transaction volume for the period is less than the contractual amount, the Company records revenues at the minimum guaranteed amount.

Revenue is presented net of a provision for discounts, which are customer volume level driven, or credits, which are performance driven, and are determined in the period in which the volume thresholds are met or the services are provided.

Set-up fees for transactional service arrangements are deferred and recognized on a straight-line basis over the life of the contract since these amounts would not have been paid by the customer without the related transactional service arrangement. The amount of set-up fees amortized in revenues during the years ended December 31, 2003, 2004 and 2005, were $661, $650 and $363, respectively. Deferred revenues principally represent set-up fees.

Subscription Service Arrangements: Subscription service arrangements which are generally based upon fixed fees represent approximately 27%, 17% and 6% of the Company's net revenues for the years ended December 31, 2003, 2004 and 2005, and relate principally to the Company's enterprise portal management services. The Company records revenues on a straight line basis over the life of the contract for its subscription service contracts.

Professional Service and Other Service Arrangements: Professional services and other services arrangements represent approximately 26%, 20% and 11% of the Company's net revenues for the years ended December 31, 2003, 2004 and 2005. Professional services, when sold with transactional service arrangements, are accounted for separately when these services have value to the customer on a standalone basis and there is objective and reliable evidence of fair value of each deliverable. When accounted for separately, professional service (i.e. consulting services) revenues are recognized as the services are rendered for time and material contracts. The majority of the Company's professional service arrangements are on a time and material basis.

In determining whether professional services can be accounted for separately from transaction support revenues, the Company considers the following factors for each professional services agreement: availability of the consulting services from other vendors, whether objective and reliable evidence for fair value exists for these services, the nature of the consulting services, the timing of when the consulting contract was signed in comparison to the transaction service start date, and the contractual dependence of the transactional service on the customer's satisfaction with the consulting work.

If a professional service arrangement does not qualify for separate accounting, the Company would recognize the professional service revenues ratably over the remaining term of the transaction contract. As of December 31, 2005, and for the three year period then ended, all professional services have been accounted for separately.

Concentration of Credit Risk

The Company's financial instruments that are exposed to concentration of credit risk consist primarily of cash and cash equivalents, marketable securities and accounts receivable. The Company maintains its cash and cash equivalents in bank accounts, which, at times, exceed federally insured limits. The Company invests in high-quality financial instruments, primarily certificates of deposits and United States bonds. The Company has not recognized any losses in such accounts. The Company believes it is not exposed to significant credit risk on cash and cash equivalents. Concentration of credit risks with respect to accounts receivable are limited because of the creditworthiness of the Company's major customers.

One customer accounted for 41%, 82% and 80% of revenues in 2003, 2004 and 2005, respectively. One customer accounted for 65%, 92% and 76% of accounts receivable at December 31, 2003, 2004 and 2005, respectively.

Fair Value of Financial Instruments

SFAS No. 107, *Disclosures about Fair Value of Financial Instruments*, requires disclosures of fair value information about financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate that value. Due to their short-term nature, the carrying amounts reported in the financial statements approximate the fair value for cash and cash equivalents, accounts receivable, accounts payable and accrued expenses. As of December 31, 2003, 2004 and 2005, the Company believes the carrying amount of its equipment loan approximates its fair value since the interest rate of the equipment loan approximates a market rate. The fair value of the Company's convertible preferred stock is not practicable to determine, as no quoted market price exists for the convertible preferred stock nor have there been any recent transactions in the Company's convertible preferred stock. The convertible preferred stock will be converted into common stock of the Company upon consummation of a qualified initial public offering.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less at the date of acquisition, to be cash equivalents.

Investments in Marketable Securities

Marketable securities consist of fixed income investments with a maturity of greater than three months and other highly liquid investments that can be readily purchased or sold using established markets. In accordance with SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities*, these investments are classified as available-for-sale and are reported at fair value on the Company's balance sheet. The Company classifies its securities with maturity dates of twelve months or more as long term. Unrealized holding gains and losses are reported within accumulated other comprehensive income as a separate component of stockholders' deficiency. Unrealized holding gains and losses were not material in 2003. If a decline in the fair value of a marketable security below the Company's cost basis is determined to be other than temporary, such marketable security is written down to its estimated fair value as a new cost basis and the amount of the write-down is included in earnings as an impairment charge. No other than temporary impairment charges have been recorded in any of the years presented herein.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS — (Continued)
(in thousands, except per share data)

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable consist of amounts due to the company from normal business activities. The Company maintains an allowance for estimated losses resulting from the inability of its customers to make required payments. The Company estimates uncollectible amounts based upon historical bad debts, current customer receivable balances, age of customer receivable balances, the customer's financial condition and current economic trends.

Property and Equipment

Property and equipment and leasehold improvements are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the lesser of the estimated useful lives of the assets, which range from 3 to 5 years, or the lesser of the related initial term of the lease or useful life for leasehold improvements.

Expenditures for routine maintenance and repairs are charged against operations. Major replacements, improvements and additions are capitalized in accordance with Company policy.

Deferred Offering Costs

Costs directly attributable to the Company's offering of its equity securities have been deferred and capitalized as part of Other Assets. These costs will be charged against the proceeds of the offering once completed. The total amount deferred as of December 31, 2005 was approximately $850.

Impairment of Long-Lived Assets

In accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, a review of long-lived assets for impairment is performed when events or changes in circumstances indicate the carrying value of such assets may not be recoverable. If an indication of impairment is present, the Company compares the estimated undiscounted future cash flows to be generated by the asset to its carrying amount. If the undiscounted future cash flows are less than the carrying amount of the asset, the Company records an impairment loss equal to the excess of the asset's carrying amount over its fair value. The fair value is determined based on valuation techniques such as a comparison to fair values of similar assets or using a discounted cash flow analysis. There were no impairment charges recognized during the years ended December 31, 2003, 2004 and 2005.

Cost of Services

Cost of Services includes all direct materials, direct labor and those indirect costs related to revenues such as indirect labor, materials and supplies and facilities cost, exclusive of depreciation expense.

Research and Development

Research and development costs are expensed as incurred. Research and development expense consists primarily of costs related to personnel, including salaries and other personnel-related expenses, consulting fees and the cost of facilities, computer and support services used in service technology development. We also expense costs relating to developing modifications and enhancements of our existing technology and services.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS — (Continued)
(in thousands, except per share data)

Advertising

The Company expenses advertising as incurred. Advertising expenses were $2, $1, and $40 for the years ended December 31, 2003, 2004 and 2005, respectively.

Income Taxes

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109 ("SFAS No. 109"), *Accounting for Income Taxes*. Under SFAS No. 109, the liability method is used in accounting for income taxes. Under this method deferred income tax liabilities and assets are determined based on the difference between the financial statement carrying amounts and tax basis of assets and liabilities and for operating losses and tax credit carryforwards, using enacted tax rates in effect in the years in which the differences are expected to reverse. A valuation allowance is recorded if it is "more likely than not" that a portion or all of a deferred tax asset will not be realized.

Comprehensive Loss

Statement of Financial Accounting Standards No. 130, *Reporting Comprehensive Income*, requires components of other comprehensive loss, including unrealized gains and losses on available-for-sale securities, to be included as part of total comprehensive loss. The components of comprehensive loss are included in the statements of changes in stockholders' deficiency.

Stock-Based Compensation

The Company accounts for stock option grants in accordance with Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* (APB 25), and related interpretations as permitted under Financial Accounting Standards Board Statement No. 123, *Accounting for Stock-Based Compensation* (SFAS 123) which requires the use of option valuation models that were not developed for use in valuing employee stock options. Under APB 25, when the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recorded. The following table illustrates the effect on net (loss) income if the Company had applied the minimum value recognition provisions of SFAS 123.

	Year Ended December 31,		
	2003	2004	2005
Numerator:			
Net (loss) income attributable to common stockholders, as reported	$ (1,079)	$ (42)	$ 12,395
Add non-cash employee compensation and preferred stock accretion as reported	—	—	155
Less total stock-based employee compensation expense determined under the minimum value method for all awards	(4)	(7)	(139)
Pro forma net (loss) income	$ (1,083)	$ (49)	$ 12,411

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS — (Continued)
(in thousands, except per share data)

	Year Ended December 31,		
	2003	2004	2005
Net income (loss) per common share:			
Basic:			
As reported	$ (0.11)	$ (0.00)	$ 0.53
Pro forma	$ (0.11)	$ (0.00)	$ 0.53
Diluted:			
As reported	$ (0.11)	$ (0.00)	$ 0.47
Pro forma	$ (0.11)	$ (0.00)	$ 0.47

Pro forma information regarding net income (loss) is required by FAS 123 and has been determined as if the Company has been accounting for its stock options awards under the minimum value method of that statement. The value of these options was estimated at the date of grant using a minimum value method with the following weighted-average assumptions:

	Employee Stock Options		
	Year Ended December 31,		
	2003	2004	2005
Expected term (in years)	6.5	7.0	5.0
Risk-free interest rate	4.26%	3.92%	4.38%
Dividend yield	0.00%	0.00%	0.00%

The minimum value option-pricing valuation model was developed for use in estimating the value of options that have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions.

Basic and Diluted Net (Loss) Income Attributable to Common Stockholders per Common Share

The Company calculates net income (loss) per share in accordance with SFAS No. 128, *Earnings Per Share*. The Company has determined that its Series A Redeemable Convertible Preferred Stock represents a participating security. Because the Series A Redeemable Convertible Preferred Stock participates equally with common stock in dividends and unallocated income, the Company calculated basic earnings per share when the Company reports net income using the if-converted method, which in the Company's circumstances is equivalent to the two class approach required by EITF 03-6 *Participating Securities and the Two-Class Method under FASB Statement No. 128*. Net losses are not allocated to the Series A Redeemable Convertible Series A Preferred Stockholders. The Series I convertible preferred stock, stock options and warrants are not considered for diluted earnings per share for the years ended December 31, 2003 and 2004 as their effect is anti-dilutive for such periods.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS — (Continued)
(in thousands, except per share data)

The following table provides a reconciliation of the numerator and denominator used in computing basic and diluted net income (loss) attributable to common stockholders per common share and pro forma net income (loss) attributable to common stockholders per common share.

	Year Ended December 31,		
	2003	2004	2005
Historical			
Numerator:			
Net (loss) income	$ (1,044)	$ (7)	$ 12,429
Accretion of convertible preferred stock	(35)	(35)	(34)
Net (loss) income attributable to common stockholders	$ (1,079)	$ (42)	$ 12,395
Denominator:			
Weighted average common shares outstanding	9,838	10,244	11,959
Assumed conversion of Series A Redeemable convertible preferred stock	—	—	11,549
Weighted average common shares outstanding — basic	9,838	10,244	23,508
Dilutive effect of:			
Unvested restricted shares	—	—	46
Stock options and warrants for the purchase of common stock	—	—	650
Conversion of Series 1 convertible preferred stock into common stock	—	—	2,000
Weighted average common shares outstanding — diluted	9,838	10,244	26,204
Pro forma			
Numerator:			
Net income			$ 12,429
Denominator:			
Historical weighted average common shares outstanding — basic			23,508
Assumed conversion of preferred stock into common stock			2,000
Pro forma weighted average common shares outstanding — basic			25,508
Dilutive effect of:			
Unvested restricted shares			46
Stock options and warrants for the purchase of common stock			650
Pro forma weighted average common shares outstanding — diluted			26,204

Impact of Recently Issued Accounting Standards

In May 2003, the Financial Accounting Standards Board, or FASB, issued SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity* (SFAS No. 150). SFAS No. 150 requires that an issuer classify certain financial instruments as a liability because they embody an obligation of the issuer. The remaining provisions of SFAS No. 150 revise the definition of a liability to encompass certain obligations that a reporting entity can or must settle by issuing its own equity shares, depending on the nature of the relationship established between the holder and the issuer. The provisions of this statement require that any financial instruments that are mandatorily redeemable on a fixed or determinable date or upon an event certain to occur be classified as liabilities. Since the Company's convertible preferred stock may be converted into common stock at the option of the stockholder, it is not classified as a liability under the provisions of SFAS No. 150.

On December 16, 2004, the FASB issued FASB Statement No. 123 (revised 2004), *Share-Based Payment* (SFAS 123(R)), which is a revision of SFAS No. 123. SFAS 123(R) supersedes APB

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS — (Continued)
(in thousands, except per share data)

No. 25, and amends SFAS No. 95, *Statement of Cash Flows*. Generally the approach in SFAS 123(R) is similar to the approach described in SFAS No. 123. However, SFAS 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the statement of operations based on their fair values. Pro forma disclosure is no longer an alternative upon adopting SFAS 123(R).

SFAS 123(R) must be adopted no later than January 1, 2006. Early adoption will be permitted in periods in which financial statements have not yet been issued. Because the Company used the minimum value method to determine values of its pro forma stock based compensation disclosures, the Company will adopt SFAS 123(R) using the prospective method on January 1, 2006.

Although the Company cannot fully determine the amount of the impact of this new standard since it will be dependent upon the extent of stock based compensation awards issued in the future as well as the fair value attributed to the awards, it expects that adoption of the new standard will decrease earnings in the future.

Segment Information

The Company currently operates in one business segment providing critical technology services to the communications industry. The Company is not organized by market and is managed and operated as one business. A single management team reports to the chief operating decision maker who comprehensively manages the entire business. The Company does not operate any material separate lines of business or separate business entities with respect to its services. Accordingly, the Company does not accumulate discrete financial information with respect to separate service lines and does not have separately reportable segments as defined by SFAS No. 131*, Disclosure About Segments of an Enterprise and Related Information.*

3. Investments in Marketable Securities

The following is a summary of available for sale securities held by the Company:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2005				
Certificates of deposit	$ 3,416	$ —	$ (60)	$ 3,356
Government bonds	3,914	—	(54)	3,860
	$ 7,330	$ —	$ (114)	$ 7,216
December 31, 2004				
Certificates of deposit	$ 3,916	$ —	$ (77)	$ 3,839
Government bonds	3,312	—	(34)	3,278
	$ 7,228	$ —	$ (111)	$ 7,117

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS — (Continued)
(in thousands, except per share data)

The Company's available for sale investments have the following maturities at:

	December 31, 2004	December 31, 2005
Due in one year or less	$ 1,193	$ 4,152
Due after one year, less than five years	5,924	3,064
	$ 7,117	$ 7,216

3. Investments in Marketable Securities (continued)

Unrealized gains and losses are reported as a component of accumulated other comprehensive loss in stockholders' deficiency. For the years ended December 31, 2003, 2004 and 2005, realized losses were $9, $17 and $39, respectively. The cost of securities sold is based on specific identification method.

Unrealized loss positions for which other than temporary impairments have not been recognized at December 31, 2004 and 2005 are summarized as follows:

	December 31, 2004	December 31, 2005
Less than 12 months	$ 34	$ 66
Greater than 12 months	77	48
	$ 111	$ 114

Unrealized gains and losses were not material in 2003. Unrealized losses in the Company's portfolio relate primarily to fixed income debt securities. For these securities, the unrealized losses are due to increases in interest rates and not changes in credit risk. The Company has concluded that the unrealized losses in its marketable securities are not other-than-temporary as the Company has the ability to hold the securities to maturity or a planned forecasted recovery.

4. Property and Equipment

Property and equipment consist of the following:

	December 31, 2004	December 31, 2005
Computer hardware	$ 6,888	$ 7,928
Computer software	6,070	5,882
Furniture and fixtures	481	498
Leasehold improvements	750	904
	14,189	15,212
Less accumulated depreciation and amortization	(10,091)	(11,005)
	$ 4,098	$ 4,207

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS — (Continued)
(in thousands, except per share data)

5. Accrued Expenses

Accrued expenses consist of the following:

	December 31, 2004	December 31, 2005
Accrued compensation and benefits	$ 926	$ 2,635
Accrued other	1,241	2,737
Income tax payable	—	815
	$ 2,167	$ 6,187

6. Financing Arrangements

On October 6, 2004, the Company entered into a Loan and Security Agreement (the "Agreement") with a bank which expires on December 1, 2007. The Agreement includes a Revolving Promissory Note for up to $2,000 and an Equipment Term Note for up to $3,000. This replaced a previous loan which was fully paid in 2004.

Availability under the Agreement for the Revolving Promissory Note is based on defined percentages of eligible accounts receivable. Borrowings on the revolving credit agreement bear interest at the prime rate plus 1.25% (6.5% at December 31, 2004 and 8.5% at December 31, 2005) payable monthly. Interest only on the unpaid principal amount is due and payable monthly in arrears, commencing January 1, 2005 and continuing on the first day of each calendar month thereafter until maturity, at which point all unpaid principal and interest related to the revolving advances will be payable in full. There were no draws against the Revolving Promissory Note as of December 31, 2005.

As of December 31, 2004 and 2005, the Company had outstanding borrowings of $2,000 and $1,333, respectively, against the Equipment Term Note to fund purchases of eligible equipment. Borrowings on the equipment line bear interest at the prime rate plus 1.75% (7% at December 31, 2004 and 9% at December 31, 2005) and principal and interest is payable monthly.

The Company paid a facility fee and certain other bank fees in connection with the financing arrangement. The agreement requires the Company to meet certain financial covenants. The Company was in compliance with the covenants at December 31, 2004 and December 31, 2005. Borrowings are collateralized by all of the assets of the Company.

Principal payments due on the outstanding Equipment Term Note at December 31, 2005 are as follows:

2006	667
2007	666
	$ 1,333

7. Capital Structure

As of December 31, 2004 and 2005, the Company's authorized capital stock was 45,103 shares of stock with a par value of $0.0001 of which 30,000 shares were designated Common Stock and 15,103 shares were designated Preferred Stock (Series A and Series 1).

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS — (Continued)
(in thousands, except per share data)

Common Stock

Each holder of Common Stock is entitled to vote on all matters and is entitled to one vote for each share held. Dividends on Common Stock will be paid when, as and if declared by the Board of Directors. No dividends have ever been declared or paid by the Company. At December 31, 2004 and 2005, there were 13,549 shares of Common Stock reserved for the conversion of the Series 1 and Series A Preferred Stock and 4,483 shares of Common Stock reserved for issuance under the 2000 Stock Plan.

Preferred Stock

Preferred Stock may be issued from time to time in one or more series. The Company designated 2,000 shares as Series 1 Convertible Preferred Stock ("Series 1") and 13,103 as Series A Redeemable Convertible Preferred Stock ("Series A") as of December 31, 2004 and 2005. The Series A Redeemable Convertible Preferred Stock and the Series 1 Convertible Preferred Stock are automatically convertible into common stock on a one-for-one basis in the event of an underwritten public offering (or a combination of offerings) of common stock with gross proceeds to the Company of not less than $20 million (Qualified IPO) and a per share price of at least $8.70.

Series A Redeemable Convertible Preferred Stock

The holders of Series A have the right, at their option, at any time, to convert their shares into fully paid and non-assessable shares of Common Stock at the conversion price of $2.90 per share, adjusted for events as defined in the Certificate of Incorporation (as amended and restated). The holders of Series A are entitled to one vote for each share of Common Stock into which the Series A could then be converted. In the event the Company declares or pays dividends to the holders of the Common Stock, the holders of Series A are entitled to such dividends, based on the number of shares of Common Stock into which the Series A could then be converted. Upon any liquidation, sale, merger, dissolution or winding up of the Corporation, the holders of Series A are entitled to receive, in preference to Series 1, Common Stock and any other series of Preferred Stock, an amount equal to $5.80 per share, plus any accrued or declared but unpaid dividends with any remaining assets being distributed ratably to the holders of Series 1 and Common Stock.

The holders of a majority of the Series A Preferred Stock had the right to require the Company to redeem all shares of the Series A Preferred Stock at the initial purchase price plus any declared but unpaid dividends in three equal installments beginning on the date which is five years after the first issuance of shares of Series A Preferred Stock (November 13, 2005). The redemption right was exercisable by the holders of a majority of the Series A Preferred Stock by providing written notice to the Company at least 30 days prior to November 13, 2005. Notice of exercise was not provided to the Company at least 30 days prior to November 13, 2005, resulting in termination of the redemption right as of October 14, 2005 (the date 30 days prior to November 13, 2005). The Series A Redeemable Convertible Preferred Stock continues to be classified in the "mezzanine" section of the Balance Sheet as the security has certain change in control provisions that warrant such a classification.

The carrying value of the Series A Redeemable Convertible Preferred Stock was increased by periodic accretions so that the carrying amount was equal to the redemption amount at the redemption date. These increases were effected through charges to additional paid-in capital. At December 31, 2005, the Series A Redeemable Convertible Preferred Stock amount was fully accreted to its redemption value of $33.5 million.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS — (Continued)
(in thousands, except per share data)

Series 1 Convertible Preferred Stock

The holders of Series 1 have the right, at their option, at any time, to convert their shares into fully paid and non-assessable shares of Common Stock by dividing the liquidation preference ($12 million) by the conversion price of $6.00 per share, adjusted for events as defined in the Certificate of Incorporation (as amended and restated). The holders of Series 1 are entitled to one vote for each share of Common Stock into which the Series 1 could then be converted. The Series 1 holders are not entitled to dividends. Upon any liquidation, sale, merger, dissolution or winding up of the Corporation, the holders of Series 1 are entitled to receive, in preference to Common Stock, an amount equal to $6.00 per share, plus any accrued or declared but unpaid dividends, with any remaining assets being distributed ratably to the holders of Common Stock.

The Series 1 Convertible Preferred Stock is classified in the “mezzanine” section of the balance sheet because the security has certain change in control provisions that warrant such a classification. However, the Series 1 Convertible Preferred Stock is not being accreted because as of December 31, 2005 it is not probable that a change in control would require a payment to the Series 1 shareholder.

Warrants

Prior to 2003, the Company issued Series A Preferred Stock warrants to a bank as part of a loan and security agreement. The Company has 95 of these warrant shares outstanding for each of the years ended 2003, 2004 and 2005. The warrants have an exercise price of $2.90 per share (adjusted for stock splits, stock dividends, etc.). The value of the warrants was capitalized as debt issuance cost and amortized to interest expense over the term of the loans. The total charge to interest expense was not material for the periods presented herein. The warrants may be exercised at any time, in whole or in part, during the exercise period, which expires on May 20, 2008. No warrants were issued or exercised in 2003, 2004 and 2005. The warrants will automatically become exercisable for shares of common stock upon the closing of a qualified public offering.

8. Stock Plan

On October 27, 2000, the Board of Directors approved the Synchronoss Technologies, Inc. 2000 Stock Plan (the “Stock Plan”) to provide employees, outside directors and consultants an opportunity to acquire a proprietary interest in the success of the Company or to increase such interest, by receiving options or purchasing shares of the Company’s stock at a price not less than the fair market value at the date of grant for “incentive” stock options and a price not less than 30% of the fair market value at the date of grant for “non-qualified” options. No option will have a term in excess of 10 years. The Company has reserved up to 4,483 shares for issuance under the Stock Plan.

The Stock Plan is administered by the Board and is responsible for determining the individuals to be granted options or shares, the number each individual will receive, the price per share, and the exercise period of each option.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS — (Continued)
(in thousands, except per share data)

Stock Options

The following table summarizes information about stock options outstanding.

		Options Outstanding		
	Shares Available for Grant	Number of Shares	Option Price Per Share Range	Weighted-Average Exercise Price
Balance at December 31, 2002	1,792	285	$ 0.29	$ 0.29
Options granted	(278)	278	0.29	0.29
Options exercised	—	—	0.29	0.29
Options forfeited	155	(155)	—	.29
Balance at December 31, 2003	1,669	408	0.29	0.29
Options granted	(562)	562	0.29	0.29
Options exercised	—	(1)	0.29	0.29
Options forfeited	179	(179)	—	0.29
Balance at December 31, 2004	1,286	790	0.29	—
Options granted	(425)	424	0.45 - 10.00	3.15
Options exercised	—	(15)	0.29	0.29
Options forfeited	120	(120)	0.29 - 10.00	0.30
Balance at December 31, 2005	981	1,079		
Exercisable at December 31, 2003		88		
Exercisable at December 31, 2004		178		
Exercisable at December 31, 2005		377		

At December 31, 2005, the average remaining contractual life of outstanding options was approximately 8.4 years. The weighted-average fair value of options granted during 2003, 2004 and 2005 was approximately $0.07, $0.07 and $5.11 per share, respectively.

Options may be exercised in whole or in part for 100% of the shares subject to vesting at any time after the date of grant. Options generally vest 25% on the first year anniversary date of grant plus an additional 1/48 for each month thereafter. If an option is exercised prior to vesting, the underlying shares are subject to a right of repurchase at the exercise price paid by the option holder. The right of repurchase shall lapse with respect to the first 25% of the purchased shares when the purchaser completes 12 months of continuous service and shall lapse an additional 1/48 of the purchased shares when the purchaser completes each month of continuous service thereafter. There were no options exercised prior to vesting during 2003, 2004 and 2005.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS — (Continued)
(in thousands, except per share data)

During the 12 month period ended December 31, 2005, the Company granted stock options with exercise prices as follows:

Grant Date	Number of Options Granted	Exercise Price	Retrospective Determination of Fair Value	Intrinsic Value
April 12, 2005	207	$ 0.45	$ 1.84	$ 1.39
July 14, 2005	98	$ 0.45	$ 6.19	$ 5.74
October 21, 2005	120	$ 10.00	$ 7.85	—

The Company recorded approximately $847 in gross deferred compensation expense and recognized compensation expense of approximately $120 during the year ended December 31, 2005 in connection with these stock grants. The Company reversed deferred compensation of approximately $25 related to employee terminations during the year ended December 31, 2005.

The following table summarizes information about stock options outstanding at December 31, 2005:

Exercise Price	Options Outstanding	Options Vested	Weighted-Average Remaining Contractual Life (in years)
$0.29	681	199	7.82
$0.45	279	—	9.37
$10.00	119	—	9.81
	1,079	199	

Restricted Stock Purchases

Under the Stock Plan, certain eligible individuals may be given the opportunity to purchase the Company's Common Stock at a price not less than the par value of the shares. The Board of Directors determines the purchase price at its sole discretion. The purchase price paid for restricted stock awards granted to date has been equal to the fair market value at the date of grant. Shares awarded or sold under the Stock Plan are subject to certain special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Board of Directors may determine. Under most circumstances, the right of repurchase shall lapse with respect to the first 25% of the purchased shares when the purchaser completes 12 months of continuous service and shall lapse an additional 1/48 of the purchased shares when the purchaser completes each month of continuous service thereafter. Unless otherwise provided in the stock purchase agreement, any right to repurchase the shares at the original purchase price upon termination of the purchaser's service shall lapse with respect to the number of shares that would vest over a twelve-month period or shall lapse to all remaining shares if the Company is subject to a change of control before the purchaser's service terminates or if the purchaser is subject to an involuntary termination within 12 months following a change of control. No restricted shares were purchased or granted during 2004 and 2005. As of December 31, 2004 and 2005 approximately $47 (162 shares) and $13 (45 shares), respectively, of restricted stock is unvested and subject to repurchase rights.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS — (Continued)
(in thousands, except per share data)

Stock Subscription Notes

As permitted under the Stock Plan, the purchasers of restricted stock signed full recourse promissory notes for the value of their shares at the date of grant and interest rates range from 5.5% to 6.3%. The notes were collateralized by a first-priority interest in all of the shares and the purchaser is personally liable for full payment of the principal and interest, with the Company having full recourse against the borrower's personal assets. At December 31, 2004 notes and accrued interest receivable of $536 remain outstanding and are classified in stockholders' deficiency. As of December 31, 2005, all loans were fully repaid and there are no further loans outstanding.

9. 401(k) Plan

The Company has a 401(k) plan (the "Plan") covering all eligible employees. The Plan allows for a discretionary employer match. The Company incurred and expensed $54, $38 and $71 for the years ended December 31, 2003, 2004 and 2005, respectively, in 401(k) contributions during the year.

10. Income Taxes

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax asset are as follows:

	December 31,		
	2003	2004	2005
Deferred tax assets:			
Current deferred tax assets			
Accrued vacation	$ 25	$ 25	$ 35
Accrued miscellaneous	—	—	101
Bad debts reserve	144	80	89
Net operating loss carryforwards	—	—	3,799
	169	105	4,024
Non-current deferred tax assets:			
Net operating loss carryforwards	6,646	6,612	—
Depreciation and amortization	458	437	356
Deferred compensation	—	—	49
Charitable contributions	12	21	51
AMT credit carryover	—	—	164
Total gross deferred tax assets	7,285	7,175	4,644
Valuation allowance	(7,285)	(7,175)	—
Net deferred income taxes	$ —	$ —	$ 4,644

The Company records a valuation allowance for temporary differences for which it is more likely than not that the Company will not receive future tax benefits. During 2005, the Company generated substantial taxable income and expects to continue to generate taxable income for the foreseeable future. As such, the Company determined that it is more likely than not that it will realize its future tax benefits and reduced the valuation allowance to zero.

At December 31, 2005, the Company has approximately $8,400 of Federal and $14,500 of state net operating loss carry forwards available to offset future taxable income. The federal and state net operating loss carry forwards will begin expiring in 2021 and 2011, respectively, if not

(in thousands, except per share data)

utilized. In addition, the utilization of the state net operating loss carry forwards is subject to a $2,000 annual limitation. The Company has determined that substantially all of its net operating losses are available for future use since it has not had a "change in ownership", as defined by the Tax Reform Act of 1986, since 2000. The Company believes that it is possible that a change in ownership could occur if the Company completes its initial public offering as a result of the issuance of new shares of Common Stock in the initial public offering. If such a change in ownership occurs, its ability to use the net operating loss carryforwards may be limited.

Significant components of the Company's deferred tax assets and liabilities as of December 2003, 2004, and 2005 are shown above. Due to the uncertainty of the Company's ability to realize the benefit of the deferred tax assets, the net deferred tax assets are fully offset by a valuation allowance at December 31, 2003 and 2004.

A reconciliation of the statutory tax rates and the effective tax rates for the three years ended December 31, 2005 are as follows:

	Year Ended December 31,		
	2003	2004	2005
Statutory rate	34%	34%	34%
State taxes, net of federal benefit	0%	0%	5%
Permanent adjustments	(1)%	(631)%	0%
Valuation allowance	(33)%	597%	(84)%
Net	—	—	(45)%

Income tax expense (benefit) consisted of the following components:

	Year Ended December 31,		
	2003	2004	2005
Current:			
Federal	$ —	$ —	$ 164
State	—	—	651
Deferred:			
Federal	—	—	(3,579)
State	—	—	(1,065)
Income tax benefit	$ —	$ —	$ (3,829)

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS — (Continued)
(in thousands, except per share data)

11. Commitments and Contingencies

Leases

The Company leases office space, automobiles and office equipment under noncancelable operating lease agreements, which expire through March 2012. Aggregate annual future minimum lease payments under these noncancelable leases are as follows:

Year ending December 31:	
2006	$ 1,168
2007	1,180
2008	1,106
2009	905
2010	529
2011 and thereafter	658
	$ 5,546

Rent expense for the years ended December 31, 2003, 2004 and 2005 was $619, $873 and $1,353, respectively.

12. Related Parties

Omniglobe International, L.L.C.

Omniglobe International, L.L.C., a Delaware limited liability company with operations in India, provides data entry services relating to the Company's exception handling management. The Company pays Omniglobe an hourly rate for each hour worked by each of its data entry agents. For these services, the Company has paid Omniglobe $0, $2,211 and $8,089 in 2003, 2004 and 2005, respectively. At December 31, 2004 and 2005, amounts due to Omniglobe were $399 and $577, respectively.

As of December 31, 2005, the Company had agreements with Omniglobe. One of the Company's agreements with Omniglobe provides for minimum levels of staffing at a specific price level resulting in an overall minimum commitment of $350 over the next six months. Services provided include data entry and related services as well as development and testing services. The current agreements may be terminated by either party without cause with 30 or 60 days written notice prior to the end of the term. Unless terminated, the agreement will automatically renew in six month increments. As of December 31, 2005 the Company does not intend to terminate its arrangements with Omniglobe.

Certain of the Company's executive officers and their family members own indirect equity interests in Omniglobe through Rumson Hitters, L.L.C., a Delaware limited liability company, as follows:

Name	Position with Synchronoss	Equity Interest in Omniglobe
Stephen G. Waldis	Chairman of the Board of Directors, President and Chief Executive Officer	12.23%
Lawrence R. Irving	Chief Financial Officer and Treasurer	2.58%
David E. Berry	Vice President and Chief Technology Officer	2.58%
Robert Garcia	Executive Vice President of Product Management and Service Delivery	1.29%

Synchronoss considered making an investment in Omniglobe but elected not to pursue the opportunity based on the recommendation of the Company's independent directors. Only after Synchronoss declined to pursue the opportunity did members of the Company's management team make their investments. None of the members of the management team devotes time to the management of Omniglobe.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS — (Continued)
(in thousands, except per share data)

Upon completion of the Company's initial public offering, Rumson Hitters will repurchase, at the original purchase price, the equity interests in Rumson Hitters held by each of the Company's employees and their family members, such that no employee of the Company or family member of such employee will have any interest in Rumson Hitters or Omniglobe after this offering. Neither the Company nor any of its employees will not provide any of the funds to be used by Rumson Hitters in repurchasing such equity interests.

Vertek Corporation

Vertek Corporation, a New Jersey corporation with principal offices in New Jersey and Vermont, is a solutions provider to the communications services industry and at December 31, 2005 is 100% owned by one of the Company's directors, James McCormick.

For various consulting services, the Company paid Vertek $9,000, $399,230 and $0 in 2003, 2004 and 2005, respectively. However, Synchronoss may use the consulting services of Vertek for various contracts that Company is currently pursuing. At December 31, 2004 and 2005, there were no amounts due to or from Vertek.

13. Selected Quarterly Financial Data (Unaudited)

	Quarter Ended			
	March 31	June 30	September 30	December 31
	(in thousands, except per share data)			
2004				
Net Revenues	$ 5,819	$ 6,265	$ 6,381	$ 8,726
Gross Profit	2,051	1,952	2,240	3,260
Net (loss) income	(320)	(204)	119	398
Net (loss) income attributable to common stockholders	(329)	(212)	110	389
Basic net (loss) income per common share(1)	(0.02)	(0.01)	0.01	0.02
Diluted net income per common share(1)	(0.01)	(0.01)	0.00	0.02
2005				
Net Revenues	$ 11,350	$ 13,776	$ 14,115	$ 14,977
Gross Profit	5,069	5,829	6,139	6,976
Net income	1,527	1,929	1,998	6,975(2)
Net income attributable to common stockholders	1,519	1,921	1,987	6,968
Basic net (loss) income per common share(1)	0.07	0.09	0.09	0.32
Diluted net income per common share(1)	0.06	0.08	0.08	0.29

(1) Per common share amounts for the quarters and full years have been calculated separately. Accordingly, quarterly amounts do not add to the annual amount because of differences in the weighted-average common shares outstanding during each period principally due to the effect of the Company's issuing shares of its common stock during the year.

(2) Includes the impact of a reduction of the Company's deferred tax valuation allowance of $4.6 million.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in the prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of the date.

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Through and including , 2006 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Shares

Synchronoss Technologies, Inc.

Common Stock

Goldman, Sachs & Co.
Deutsche Bank Securities
Thomas Weisel Partners LLC

PART II

Information Not Required in Prospectus

Item 13. *Other Expenses of Issuance and Distribution*

The following table presents the costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the sale of common stock being registered. All amounts are estimates except the SEC registration fee and the NASD filing fees.

SEC Registration fee	$ 8,025
NASD fee	*
Nasdaq National Market listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue sky fees and expenses	*
Custodian and transfer agent fees	*
Miscellaneous fees and expenses	*
Total	$ *

* To be provided by subsequent amendment.

Item 14. *Indemnification of Directors and Officers*

Section 145 of the Delaware General Corporation Law authorizes a court to award or a corporation's board of directors to grant indemnification to directors and officers in terms sufficiently broad to permit indemnification under limited circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act of 1933, as amended (the "Securities Act"). Article VI, Section 6.1 of our bylaws provides for mandatory indemnification of our directors and officers to the maximum extent permitted by the Delaware General Corporation Law. Our amended and restated certificate of incorporation provides that, under Delaware law, our directors and officers shall not be liable for monetary damages for breach of the officers' or directors' fiduciary duty as officers or directors to our stockholders and us. This provision in the amended and restated certificate of incorporation does not eliminate the directors' or officers' fiduciary duty, and in appropriate circumstances, equitable remedies like injunctive or other forms of non-monetary relief will remain available under Delaware law. In addition, each director or officer will continue to be subject to liability for breach of the director's or officer's duty of loyalty to us, for acts or omissions not in good faith or involving intentional misconduct or a knowing violation of law, for actions leading to improper personal benefit to the director or officer, and for payment of dividends or approval of stock repurchases or redemptions that are unlawful under Delaware law. This provision also does not affect a director's or officer's responsibilities under any other law, such as the federal securities laws or state or federal environmental laws. We have entered into indemnification agreements with our directors and officers, a form of which is attached as Exhibit 10.1 and incorporated by reference. The indemnification agreements provide our directors and officers with further indemnification to the maximum extent permitted by the Delaware General Corporation Law. Reference is made to Section 8 of the underwriting agreement contained in Exhibit 1.1 to this prospectus, indemnifying our directors and officers against limited liabilities. In addition, Section 1.7 of the Registration Rights Agreement contained in Exhibits 4.5 to this registration statement provides for indemnification of certain of our stockholders against liabilities described in the Registration Rights Agreement.

Item 15. ***Recent Sales of Unregistered Securities***

In the three years preceding the filing of this registration statement, we have issued the following securities that were not registered under the Securities Act:

1. We granted direct issuances or stock options to purchase 1,264,000 shares of our common stock at exercise prices ranging from $0.29 to $10.00 per share to employees, consultants, directors and other service providers under our 2000 Stock Plan. We did not grant any direct issuances or stock options outside of the 2000 Plan.

2. We issued and sold an aggregate of shares of our common stock to employees, consultants, and other service providers for aggregate consideration of approximately $ under direct issuances or exercises of options granted under our 2000 Stock Plan. We did not issue or sell any shares of our common stock to employees, consultants, and other service providers outside of the 2000 Stock Plan.

3. The sale of the above securities was deemed to be exempt from registration under the Securities Act in reliance upon Section 4(2) of the Securities Act or Regulation D promulgated thereunder, or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or transactions under compensation benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of securities in each transaction represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution and appropriate legends were affixed to the share certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us.

Item 16. ***Exhibits and Financial Statement Schedules***

(a) ***Exhibits***

Exhibit No.	Description
1.1*	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of the Registrant.
3.2*	Form of Restated Certificate of Incorporation to be effective upon closing.
3.3	Bylaws of the Registrant.
3.4*	Amended and Restated Bylaws of the Registrant to be effective upon closing.
4.1	Reference is made to Exhibits 3.1, 3.2, 3.3 and 3.4.
4.2*	Form of Registrant's Common Stock certificate.
4.3	Amended and Restated Investors Rights Agreement, dated December 22, 2000, by and among the Registrant, certain stockholders and the investors listed on the signature pages thereto.
4.4	Amendment No. 1 to Synchronoss Technologies, Inc. Amended and Restated Investors Rights Agreement, dated April 27, 2001, by and among the Registrant, certain stockholders and the investors listed on the signature pages thereto.
4.5	Registration Rights Agreement, dated November 13, 2000, by and among the Registrant and the investors listed on the signature pages thereto.
4.6	Amendment No. 1 to Synchronoss Technologies, Inc. Registration Rights Agreement, dated May 21, 2001, by and among the Registrant, certain stockholders listed on the signature pages thereto and Silicon Valley Bank.
5.1*	Opinion of Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP.
10.1*	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.
10.2†	Synchronoss Technologies, Inc. 2000 Stock Plan and forms of agreements thereunder.
10.3*†	2006 Equity Incentive Plan and forms of agreements thereunder.

Exhibit No.	Description
10.4*†	2006 Employee Stock Purchase Plan.
10.5	Lease Agreement between the Registrant and BTCT Associates, L.L.C. for the premises located at 750 Route 202 South, Bridgewater, New Jersey, dated as of May 11, 2004.
10.6	Lease Agreement between the Registrant and Liberty Property Limited Partnership for the premises located at 1525 Valley Center Parkway, Bethlehem, Pennsylvania, dated as of February 14, 2002.
10.7	Lease Agreement between the Registrant and Apple Tree LLC for the premises located at 8201 164th Avenue NE, Redmond, Washington, dated as of November 28, 2005.
10.8	Warrants to Purchase Series A Preferred Stock of the Registrant issued to Silicon Valley Bank, dated as of May 21, 2001 and June 26, 2002.
10.9	Loan and Security Agreement between the Registrant and Silicon Valley Bank, dated as of May 21, 2001.
10.10*‡	Cingular Master Services Agreement, effective September 1, 2005 by and between the Registrant and Cingular Wireless LLC.
23.1*	Consent of Ernst & Young, LLP, Independent Registered Public Accounting Firm.
23.2*	Consent of Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP (contained in Exhibit 5.1).
24.1	Power of Attorney (included on signature page of this filing).

† Compensation Arrangement.

* To be filed by amendment.

‡ Confidential treatment has been requested for portions of this document. The omitted portions of this document have been filed with the Securities and Exchange Commission.

(b) ***Financial Statement Schedules***

The following financial supplement schedule is filed as part of this Registration Statement:

Schedule II: Valuation and Qualifying Accounts

All other schedules have been omitted as they are not required, not applicable, or the required information is otherwise included.

Schedule II: Valuation and Qualifying Accounts

Allowance for Doubtful Accounts	Balance Beginning of Year	Charged to Expense	Write-Offs	Balance at End of Year
		(in thousands)		
December 31, 2003	$ 220	$ 137	$ —	$ 357
December 31, 2004	$ 357	$ (123)	$ (34)	$ 200
December 31, 2005	$ 200	$ 21	$ —	$ 221

Note: Additions to the allowance for doubtful accounts are charged to expenses.

Item 17. ***Undertakings***

We undertake to provide to the underwriters at the closing specified in the underwriting agreement, certificates in the denominations and registered in the names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant under the Delaware General Corporation Law, the amended and restated certificate of incorporation or our bylaws, the underwriting agreement, or otherwise, we have been advised that in the opinion of the Securities and Exchange Commission this indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against these liabilities, other than the payment by us of expenses incurred or paid by a director, officer, or controlling person of ours in the successful defense of any action, suit or proceeding, is asserted by a director, officer or controlling person in connection with the securities being registered in this offering, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether this indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of this issue.

We undertake that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by us under Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered, and the offering of these securities at that time shall be deemed to be the initial bona fide offering.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Bridgewater, State of New Jersey, on this 28th day of February, 2006.

SYNCHRONOSS TECHNOLOGIES, INC.

By: /s/ Stephen G. Waldis

Stephen G. Waldis
Chairman of the Board of Directors,
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints Stephen G. Waldis and Lawrence R. Irving, and each of them, his true and lawful attorneys-in-fact and agents with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to sign any registration statement for the same offering covered by this Registration Statement that is to be effective on filing pursuant to Rule 462(b) promulgated under the Securities Act of 1933, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Stephen G. Waldis Stephen G. Waldis	Chairman of the Board of Directors, President and Chief Executive Officer	February 28, 2006
/s/ Lawrence R. Irving Lawrence R. Irving	Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	February 28, 2006
/s/ William Cadogan William Cadogan	Director	February 28, 2006

Signature	Title	Date
/s/ Thomas J. Hopkins	Director	February 28, 2006
Thomas J. Hopkins		
/s/ James McCormick	Director	February 28, 2006
James McCormick		
/s/ Scott Yaphe	Director	February 28, 2006
Scott Yaphe		

INDEX TO EXHIBITS

Exhibit No.	Description
1.1*	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of the Registrant.
3.2*	Form of Restated Certificate of Incorporation to be effective upon closing.
3.3	Bylaws of the Registrant.
3.4*	Amended and Restated Bylaws of the Registrant to be effective upon closing.
4.1	Reference is made to Exhibits 3.1, 3.2, 3.3 and 3.4.
4.2*	Form of Registrant's Common Stock certificate.
4.3	Amended and Restated Investors Rights Agreement, dated December 22, 2000, by and among the Registrant, certain stockholders and the investors listed on the signature pages thereto.
4.4	Amendment No. 1 to Synchronoss Technologies, Inc. Amended and Restated Investors Rights Agreement, dated April 27, 2001, by and among the Registrant, certain stockholders and the investors listed on the signature pages thereto.
4.5	Registration Rights Agreement, dated November 13, 2000, by and among the Registrant and the investors listed on the signature pages thereto.
4.6	Amendment No. 1 to Synchronoss Technologies, Inc. Registration Rights Agreement, dated May 21, 2001, by and among the Registrant, certain stockholders listed on the signature pages thereto and Silicon Valley Bank.
5.1*	Opinion of Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP.
10.1*	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.
10.2†	Synchronoss Technologies, Inc. 2000 Stock Plan and forms of agreements thereunder.
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† Compensation Arrangement.

* To be filed by amendment.

‡ Confidential treatment has been requested for portions of this document. The omitted portions of this document have been filed with the Securities and Exchange Commission.

EXHIBIT 3.1

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF SYNCHRONOSS TECHNOLOGIES, INC.

SynchronOSS Technologies, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "General Corporation Law"),

DOES HEREBY CERTIFY THAT:

FIRST. The name of this corporation is SynchronOSS Technologies, Inc. and that the corporation was originally incorporated on September 19, 2000 pursuant to the General Corporation Law.

SECOND. The following resolutions amending and restating the corporation's Certificate of Incorporation were approved by a majority of the outstanding shares of Common Stock by written action in lieu of a meeting and by the corporation's board of directors in accordance with the provisions of Sections 245 and 242 of the General Corporation Law and notice has been given to the non-consenting stockholders in accordance with the provisions of Section 228(d) of the General Corporation Law.

RESOLVED, that the Certificate of Incorporation of the corporation be and it hereby is amended and restated to read in its entirety as follows:

ARTICLE I

The name of this corporation is SynchronOSS Technologies, Inc. (the "Corporation").

ARTICLE II

The duration of the corporation shall be perpetual.

ARTICLE III

The street address and the mailing address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801; and the name of the registered agent of the Corporation in the State of Delaware at such address is Corporation Trust Center.

ARTICLE IV

The purpose of the Corporation is to conduct any lawful business, to promote any lawful purpose, and to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

ARTICLE V

This Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock". The total number of shares of all classes of stock that the Corporation shall have authority to issue is 35,620,690 shares, consisting solely of 25,000,000 shares of common stock, $0.0001 par value per share, and 10,620,690 shares of preferred stock, $0.0001 par value per share.

2,000,000 shares of Preferred Stock are hereby designated as "Series 1 Preferred Stock" (the "Series 1 Preferred Stock") and 8,620,690 shares of Preferred Stock are hereby designated as "Series A Preferred Stock" (the "Series A Preferred Stock").

The relative powers, preferences, and rights, and relative, participating, optional, or other special rights, and the qualifications, limitations, or restrictions thereof, granted to or imposed on the respective classes and series of the shares of capital stock or the holders thereof are as set forth below.

1. DIVIDENDS. In the event funds are available for the payment of dividends

and the Corporation declares or pays any dividends upon the Common Stock (whether payable in cash, securities or other property), the Corporation also shall declare and pay to the holders of the Series A Preferred Stock at the same time that it declares and pays such dividends to the holders of the Common Stock, the dividends which would have been declared and paid with respect to the Common Stock issuable upon conversion of the Series A Preferred Stock had all of the outstanding Series A Preferred Stock been converted immediately prior to the record date for such dividend, or if no record date is fixed, the date as of which the record holders of Common Stock entitled to such dividends are to be determined.

2. LIQUIDATION PREFERENCE.

(a) Rights on Liquidation. In the event of any liquidation, sale, merger, dissolution or winding up of the Corporation, whether voluntary or involuntary (a "Liquidation Event"), the following order of priority shall apply:

(i) first, the holders of the Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of Series 1 Preferred Stock, the holders of Common Stock and any other series of Preferred Stock, an amount equal to the sum of $5.80 per share for each share of Series A Preferred Stock then held by such holder plus all accrued or declared but unpaid dividends on such share (as adjusted for any stock dividends, combinations and splits with respect to such shares). If upon a Liquidation Event the assets and funds thus distributed among the holders of the Series A Preferred Stock shall be insufficient to permit the payment to such holders of the full preferential amount, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series A Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive on a pari passu basis;

(ii) second, the holders of the Series 1 Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the

Corporation to the holders of Common Stock, an amount equal to the sum of $6.00 per share for each share of Series 1 Preferred Stock then held by such holder plus all accrued or declared but unpaid dividends on such share (as adjusted for any stock dividends, combinations and splits with respect to such shares). If upon a Liquidation Event the assets and funds thus distributed among the holders of the Series 1 Preferred Stock shall be insufficient to permit the payment to such holders of the full preferential amount, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series 1 Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive on a pari passu basis.

(b) Distribution of Remaining Assets. After payment to the holders of the Series A Preferred Stock and Series 1 Preferred Stock of the amounts set forth in Section 2(a) above, the entire remaining assets and funds of the Corporation legally available for distribution, if any, shall be distributed ratably among the holders of the Common Stock based on the number of shares of Common Stock held by each.

(c) Certain Other Transactions.

(i) Unless otherwise agreed by the holders of at least 75% of the then outstanding shares of Series A Preferred Stock, for purposes of this Section 2, a Liquidation Event shall be deemed to be occasioned by, or to include, (A) any transaction or series of transactions which results in the disposition to a single person or group of affiliated persons of greater than fifty percent (50%) of the voting power of the Corporation, (B) any acquisition of the Corporation effected by means of merger, consolidation, share exchange or other form of corporate reorganization in which outstanding shares of the Corporation are exchanged for securities or other consideration issued, or caused to be issued, by the acquiring corporation or its affiliate, other than any such transaction undertaken solely for the purpose of reincorporating the Corporation in a different jurisdiction, or (C) a sale of all or substantially

all of the assets of the Corporation.

(ii) In any of such events, if the consideration received by the Corporation is other than cash, its value will be deemed its fair market value. Any securities shall be valued as follows:

(A) Securities not subject to investment letter or other similar restrictions on free marketability covered by (B) below:

(1) if traded on a securities exchange or through the Nasdaq National Market (or a similar national quotation system), the value shall be deemed to be the average of the closing prices of the securities on such exchange or system over the thirty (30) day period ending three (3) days prior to the closing;

(2) if actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the closing; and

(3) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board of Directors.

(B) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in (A) (1), (2) or (3) to reflect the approximate fair market value thereof, as determined in good faith by the Board of Directors.

(iii) In the event the requirements of this subsection 2(c) are not complied with, the Corporation shall forthwith either:

(A) cause such closing to be postponed until such time as the requirements of this Section 2 have been complied with and/or such agreement has been reached; or

(B) cancel such transaction, in which event the rights, preferences and privileges of the holders of the Series A Preferred Stock shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in subsection 2(c)(iv) hereof.

(iv) The Corporation shall give each holder of record of Series A Preferred Stock written notice of such impending transaction not later than twenty (20) days prior to the stockholders' meeting called to approve such transaction, or twenty (20) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending transaction and the provisions of this Section 2, and the Corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than twenty (20) days after the Corporation has given the first notice provided for herein or sooner than ten (10) days after the Corporation has given notice of any material changes provided for herein; provided, however, that such periods may be shortened upon the consent of the holders of Series A Preferred Stock that are entitled to such notice rights or similar notice rights and that represent at least seventy-five percent (75%) of the voting power of all then outstanding shares of Series A Preferred Stock.

3. REDEMPTION.

(a) Redemption. The Corporation shall, if it receives written notice at least thirty (30) days before the date which is five years after the first issuance of shares of Series A Preferred Stock (the "Initial Redemption Date") from the holders of a majority of the then outstanding Series A Preferred Stock, redeem from any source of funds legally available therefor, such shares of Series A Preferred Stock at the Corporation's option by redeeming such shares of Series A Preferred Stock in three equal annual installments beginning on the

Initial Redemption Date, and continuing thereafter on the first and second anniversaries of the Initial Redemption Date (the Initial Redemption Date and the first and second anniversaries thereof each being a "Redemption Date"). The Corporation shall effect the redemption under this Section 3(a) by paying in cash an amount per share equal to the original issue price for each such share of Series A Preferred Stock to be redeemed, plus all declared but unpaid dividends on such shares.

(b) Number of Shares. The number of shares of Series A Preferred Stock that the Corporation shall be required under this Section 3 to redeem on any one Redemption Date shall be equal to the amount determined by dividing (i) the aggregate number of shares of Series A Preferred Stock to be redeemed outstanding immediately prior to such Redemption Date by (ii) the number of remaining Redemption Dates (including the Redemption Date to which such calculation applies). Any redemption effected pursuant to this Section 3 shall be made on a pro rata basis among the holders of Series A Preferred Stock to be redeemed based upon the total redemption price applicable to each holder's shares of such Preferred Stock.

(c) Procedure. At least fifteen (15) but no more than thirty (30) days prior to each Redemption Date, written notice shall be mailed, first class postage prepaid, to each holder of record (at the close of business on the business day next preceding the day on which notice is given) of Series A Preferred Stock irrespective of whether the holders of such shares have requested redemption. Such notice shall be sent to such holders at the address last shown on the records of the Corporation for such holder, notifying such holder of the redemption to be effected, specifying the total approximate funds that this Corporation has available to satisfy redemptions as of the date of such notice, the number of shares to be redeemed from such holder, the applicable Redemption Date, the applicable redemption price, the place at which payment may be obtained and calling upon such holder to surrender to the Corporation, in the manner and at the place designated, such holder's certificate or certificates representing the shares to be redeemed (the "Redemption Notice"). Except as provided in Section 3(d), on or after the applicable Redemption Date, each holder of Series A Preferred Stock to be redeemed shall surrender to the Corporation, the certificate or certificates representing such shares, in the manner and at the place designated in the Redemption Notice, and thereupon the applicable redemption price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

(d) Effect on Redemption; Insufficient Funds. From and after an applicable Redemption Date, unless there shall have been a default in payment of the redemption price, all rights of the holders of shares of Series A Preferred Stock relating to such Redemption Date (except the right to receive the applicable redemption price upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever. If the funds of the Corporation legally available for redemption of the total number of shares of Series A Preferred Stock to be redeemed on any Redemption Date are insufficient to redeem the total number of shares of Series A Preferred Stock to be redeemed on such date, those funds which are legally available will be used to redeem the maximum possible number of such shares ratably among the holders of such shares to be redeemed based upon the total redemption price applicable to each such holder's shares of Series A Preferred Stock which are subject to redemption on such Redemption Date. The shares of Series A Preferred Stock not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of such shares of Series A Preferred Stock, such funds will immediately be used to redeem the balance of the shares which the Corporation has become obliged to redeem on any Redemption Date but which it has not redeemed. The holder of any shares of Series A

Preferred Stock to be redeemed that remain unredeemed after the applicable Redemption Date pertaining to such shares shall be entitled to receive an additional dividend on such unredeemed shares at a rate that is equal to the higher of (i) twelve percent (12%) per annum compounded annually or (ii) five percent (5%) over the applicable adjusted federal rate at the Redemption Date.

4. EVENT OF NONCOMPLIANCE.

(a) Definition. An "Event of Noncompliance" shall be deemed to have occurred if the Corporation fails to redeem any shares of Series A Preferred Stock which it is obligated to redeem hereunder, whether or not such payment is legally permissible or is prohibited by any agreement to which the Corporation is subject, and such failure continues for a period of five (5) days after written notice from any holder of any such shares of Series A Preferred Stock of such failure.

(b) Election of Directors. Notwithstanding anything herein or pursuant to agreement or the Bylaws to the contrary, if at any time there has occurred and is continuing an Event of Noncompliance, the holders of the Series A Preferred Stock to be redeemed shall have the exclusive and special right (in addition to any other voting rights), voting together as a single series on a pari passu basis, to elect, at any annual meeting of stockholders, at a special meeting held in place thereof, at a special meeting of the holders of such shares of Series A Preferred Stock called as hereinafter provided, or by written consent, a majority of the members of the Board of Directors.

(i) At any time after an Event of Noncompliance has occurred and is continuing, the secretary of the Corporation may and, upon written request of holders of record of at least 20% of the shares of each such shares of Series A Preferred Stock then outstanding addressed to him at the principal executive offices of the corporation shall, call a special meeting of the holders of the shares of Series A Preferred Stock affected by the Event of Non-Compliance for the purpose of electing such members of the Board of Directors, such meeting to be held at the registered office of the Corporation, or such other place as such request shall specify, as soon as practicable after the receipt of such request, upon the notice provided by law and the Bylaws of the Corporation for the holding of special meetings of stockholders. If such special meeting shall not be called by the secretary within 3 days after receipt of such request, then the holders of record of at least 20% of the shares of Series A Preferred Stock then outstanding may designate in writing one of their number to call such a meeting at the place designated by such holders and upon the notice above provided, and any person so designated for that purpose shall have access to the stock records of the Corporation for such purpose.

(ii) Notwithstanding anything herein or pursuant to agreement or the Bylaws to the contrary, at any meeting at which the holders of shares of Series A Preferred Stock affected by the Event of Non-Compliance shall be entitled to elect a majority of the members of the Board of Directors as provided above, the holders of a majority of such shares of Series A Preferred Stock then outstanding present in person or by proxy shall constitute a quorum for the election of such directors, and the vote of the holders of shares representing a majority of the shares of such Series A Preferred Stock, voting together as a single series on a pari passu basis, so present at any such meeting at which there shall be such a quorum shall be sufficient to elect

such directors. The election of such directors shall automatically increase the number of members of the Board of Directors by the number of directors so elected. Therefore, the number of additional directors to be elected by such holders shall be equal to the total number of directors immediately prior to such election, plus one (e.g., if there were five directors, the number of additional directors would be six). The persons so elected as directors by such holders shall hold office until the next annual meeting of stockholders and until their successors shall have been elected by such holders or until there shall be no existing Event of Noncompliance. Upon there ceasing to be any existing Event of Noncompliance or at such time as there are no outstanding shares of Series A Preferred Stock to be redeemed, any directors so elected by such holders shall forthwith cease to be directors of the Corporation, and the number of directorships shall automatically be reduced accordingly. If a vacancy occurs in a directorship elected by such holders, a successor may be appointed

by the remaining directors or director so elected by such holders.

(iii) At any meeting at which the holders of shares of Series A Preferred Stock affected by the Event of Non-Compliance shall be entitled to elect the majority of the members of the Board of Directors as provided above, or any adjournment thereof, (1) the absence of a quorum of the holders of such shares of Series A Preferred Stock shall not prevent the election of directors other than those to be elected by the holders of such shares of Series A Preferred Stock, (2) the absence of a quorum of the holders of classes or series of stock entitled to elect directors other than those to be elected by the holders of shares of Series A Preferred Stock affected by the Event of Non-Compliance shall not prevent the election of the directors to be elected by the holders of such shares of Series A Preferred Stock voting separately as a series, (3) in the absence of a quorum of the holders of the shares of Series A Preferred Stock affected by the Event of Non-Compliance, the holders of shares representing a majority of such shares of Series A Preferred Stock present in person or by proxy shall have power to adjourn from time to time the meeting for the election of the directors which they are entitled to elect pursuant to this Section 4, without notice other than announcement at the meeting, until a quorum shall be present, and (4) in the absence of a quorum of the holders of the classes or series of stock entitled to elect directors other than those elected by the holders of the shares of Series A Preferred Stock affected by the Event of Non-Compliance, the holders of a majority of such classes or series present in person or by proxy shall have power to adjourn from time to time the meeting for the election of the directors which they are entitled to elect, without notice other than announcement at the meeting, until a quorum shall be present.

(iv) At any time after the holders of the shares of Series A Preferred Stock affected by the Event of Non-Compliance shall have become entitled to elect a majority of the Board of Directors pursuant to this Section 4, such holders may do so by a consent in writing setting forth the action so taken, and signed by the holders of shares representing a majority of the shares of such shares of Series A Preferred Stock then outstanding.

(c) Other Rights. If an Event of Noncompliance exists, each holder of shares of Series A Preferred Stock shall also have any other rights to which such holder is entitled to under any contract or agreement at any time and any other rights which such holder may have pursuant to applicable law.

(d) Delays or Omissions. No failure to exercise or delay in the exercise of any right, power or remedy accruing to any holder of Series A Preferred Stock upon any Event of Noncompliance hereunder shall impair such right, power or remedy of such holder or shall it be construed to be a waiver of any such Event of Noncompliance, or an acquiescence therein, or of or in any similar Event of Noncompliance thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any Event of Noncompliance theretofore or thereafter occurring.

5. VOTING RIGHTS.

(a) Generally. Except as otherwise required by applicable law or as set forth herein, the shares of Series 1 Preferred Stock and Series A Preferred Stock shall be voted equally with the shares of Common Stock (voting together with the shares of Common Stock as a single class) at any annual or special meeting of stockholders of the Corporation, or may act by written consent in the same manner as Common Stock, upon the following basis: each holder of one or more shares of Series 1 Preferred Stock and Series A Preferred Stock shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation and to such number of votes for the shares of Series 1 Preferred Stock and Series A Preferred Stock, as the case may be, held by such holder immediately after the close of business on the record date fixed for such meeting, or on the effective date of such written consent, as shall be equal to the number of whole shares of Common Stock into which all of his, her or its respective shares of Series 1 Preferred Stock and Series A Preferred Stock are convertible immediately after the close of business on the record date fixed for such meeting or the effective date of such written consent.

(b) Board of Directors. Subject to Section 4, the Board of Directors shall consist of no more than seven (7) members. As long as at least twenty-five percent (25%) of the shares of Series A Preferred Stock, issued as of the

Original Series A Issue Date (as defined in Section 6(d)(i)(3)) remain outstanding, the holders of Series A Preferred Stock shall be entitled to elect three (3) members of the Board of Directors at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors. The holders of outstanding Common Stock and Series 1 Preferred Stock, voting together as a single class but without the vote of the Series A Preferred Stock, shall be entitled to elect two (2) members of the Board of Directors at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors. The holders of Common Stock and Series 1 Preferred Stock, voting together as a single class but without the vote of the Series A Preferred Stock, shall be entitled to nominate the remaining two member(s) of the Board of Directors at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors, such nomination being subject to the approval of the holders of at least a majority of the shares of Series A Preferred Stock.

(c) Restrictions and Limitations. In addition to any other rights provided by law, and notwithstanding any provision in this Certificate of Incorporation to the contrary, so long as at least twenty-five percent (25%) of the shares of Series A Preferred Stock issued as of the Original Series A Issue Date remain outstanding, the Corporation, without first obtaining the affirmative vote or written consent of the holders of not less than a majority of the then-outstanding shares of Series A Preferred Stock will not:

(i) take any action that may alter or change the designations, powers, rights, preferences or privileges, or the qualifications, limitations or restrictions of the Series A Preferred Stock;

(ii) increase or decrease the authorized number of shares of Series A Preferred Stock, make any new issuance of shares of authorized but unissued Series A Preferred Stock for consideration other than immediately available funds, or create or designate any other series of Preferred Stock;

(iii) authorize, issue, or become obligated to issue shares of any class or series of stock having any preference, priority, or parity as to dividends, assets or other rights (including without limitation, conversion and redemption) superior to or on a parity with any such preference or priority of the Series A Preferred Stock, or authorize, issue, or become obligated to issue shares of stock of any class or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having option rights to purchase, any shares of stock of the Corporation having any preference, priority or parity as to dividends, assets or other rights (including without limitation, conversion and redemption) superior t o or on a parity with any such preference or priority of the Series A Preferred Stock;

(iv) effect any sale, lease, assignment, transfer, or other conveyance of all or substantially all of the assets of the Corporation or any of its subsidiaries, or any consolidation, merger, share exchange or other combination involving the Corporation or any of its subsidiaries, with any other entity in which more than fifty percent (50%) of the voting power of the Corporation would be disposed of or any reclassification or other change of any stock, or any recapitalization of the Corporation, other than any such transaction undertaken solely for the purpose of reincorporating the Corporation in a different jurisdiction;

(v) consent to or enter into any agreement for any liquidation, dissolution or winding up of the Corporation;

(vi) pay any dividend on, redeem or otherwise acquire any shares of Common Stock or series of Preferred Stock junior to or on parity with the Series A Preferred Stock (other than repurchase of Common Stock at cost in connection with termination of employment or service);

(vii) amend or waive any provision of this Certificate of Incorporation relative to the Series A Preferred Stock in a manner which would adversely affect the Series A Preferred Stock; or

(viii) change the authorized number of directors of the Corporation, subject to Section 4.

6. CONVERSION. The holders of the Series 1 Preferred Stock and Series A Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert. Each share of Series 1 Preferred Stock and Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Corporation or any transfer agent for such stock.

Each share of Series 1 Preferred Stock, and Series A Preferred Stock shall be converted into the number of fully paid and non-assessable shares of Common Stock as is determined by dividing the "Conversion Value" per share in effect for the Series 1 Preferred Stock or Series A Preferred Stock, as the case may be, at the time of conversion by the "Conversion Price" per share for the Series 1 Preferred Stock or Series A Preferred Stock, as the case may be. The number of shares of Common Stock into which each share of the Series 1 Preferred Stock or Series A Preferred Stock, as the case may be, is convertible is hereinafter collectively referred to as the "Conversion Rate." The initial Conversion Price per share of Series 1 Preferred Stock shall be $6.00. The initial Conversion Price per share of Series A Preferred Stock shall be $2.90. The initial Conversion Price of the Series A Preferred Stock shall be subject to adjustment as set forth in Section 6(d). The Conversion Value per share of Series 1 Preferred Stock shall be $6.00. The Conversion Value per share of Series A Preferred Stock shall be $2.90. Any accrued or declared but unpaid dividends on the shares of Preferred Stock may at the option of the Corporation be paid in cash or be converted into the number of shares of Common Stock equal to the amount of the accrued or declared but unpaid dividends divided by the Conversion Price per share of Series A Preferred Stock.

(b) Automatic Conversion. Each share of Preferred Stock shall automatically be converted into shares of Common Stock at the then-effective Conversion Rate, (i) on the date specified by vote or written consent or agreement of holders of at least fifty percent (50%) of the then-outstanding shares of Series A Preferred Stock, or (ii) immediately upon the closing of the sale of the Corporation's Common Stock in a firm commitment, underwritten public offering registered under the Securities Act of 1933, as amended (the "Securities Act"), at a per share offering price of not less than $8.70 (subject to adjustment for any stock dividends, combinations or splits), the aggregate gross proceeds to the Corporation (before deduction for underwriters' discounts and expenses relating to the issuance) of which equal or exceed Twenty Million Dollars ($20,000,000) (a "Qualified IPO").

(c) Mechanics of Conversion. Before any holder of Series 1 Preferred Stock or Series A Preferred Stock shall be entitled to convert the same into shares of Common Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for such stock, and shall give written notice to the Corporation at such office that such holder elects to convert the same and shall state therein the name or names in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series 1 Preferred Stock and Series A Preferred Stock, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of surrender of the shares of Series 1 Preferred Stock and Series A Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date. If the conversion is in connection with an underwritten offering of securities pursuant to the Securities Act, the conversion may, at the option of any holder tendering shares of Series 1 Preferred Stock and Series A Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock upon conversion of the Series 1 Preferred Stock and Series A Preferred Stock shall not be deemed to have converted

such Series 1 Preferred Stock and Series A Preferred Stock until immediately prior to the closing of such sale of securities. Notwithstanding that any certificate for Series 1 Preferred Stock and Series A Preferred Stock to be converted in a mandatory conversion shall not have been surrendered as of the date fixed for conversion, each holder of Series 1 Preferred Stock and Series A Preferred Stock shall thereafter be treated for all purposes as the record holder of the number of shares of Common Stock issuable to such holder upon conversion.

(d) Conversion Price Adjustments of Preferred Stock. The Conversion Price of the Preferred Stock shall be subject to adjustment from time to time as set forth below.

(i) Special Definitions. For purposes of this Section 6(d), the following definitions apply:

(1) "Additional Shares of Common Stock" shall mean,

(A) with respect to any adjustments required for the Series A Preferred Stock, all shares of Common Stock issued (or, pursuant to Section 6(d)(iv), deemed to be issued) by the Corporation after the Original Series A Issue Date, other than shares of Common Stock issued or issuable:

1) upon conversion of shares of Series 1 Preferred Stock or Series A Preferred Stock;

2) shares of Common Stock to employees, consultants, officers or non-employee directors of the Corporation pursuant to stock option, stock purchase or stock bonus plans or agreements or other stock incentive plans or arrangements, on terms approved by the Board of Directors, including directors elected by the holders of the Series A Preferred Stock;

3) as a dividend or distribution to all holders of Series A Preferred Stock;

4) upon the issuance or exercise of warrants to banks and other similar financial institutions, equipment lessors, or other persons in similar commercial situations with the Corporation if such issuance is approved by the Board of Directors, including the directors elected by the Series A Preferred Stock;

5) pursuant to the acquisition of another business entity or business segment of any such entity by the Corporation by merger, purchase of substantially all the assets or other reorganization or corporate partnering agreement if such issuance is

approved by the Board of Directors, including the directors elected by the Series A Preferred Stock;

6) in a Qualified IPO; or

7) for which adjustment of the Conversion Price is made pursuant to Section 6(e).

(2) "Convertible Securities" shall mean any evidences of indebtedness, shares (other than Common Stock and Preferred Stock) or other securities convertible into or exchangeable for Common Stock.

(3) "Original Series A Issue Date" shall mean November 14, 2000.

(4) "Options" shall mean rights, options, or warrants

to subscribe for, purchase or otherwise acquire either Common Stock or Convertible Securities.

(ii) No Adjustment of Conversion Price. Any provision herein to the contrary notwithstanding, no adjustment in the Conversion Price for any share of Preferred Stock shall be made in respect of the issuance of Additional Shares of Common Stock unless the consideration per share (determined pursuant to Section 6(d)(v) hereof) for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the Conversion Price for the Series A Preferred Stock in effect on the date of, and immediately prior to, such issue.

(iii) Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation, after the Original Series A Issue Date, shall issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 6(d)(iv)) without consideration or for a consideration per share less than the Conversion Price in effect for the Series A Preferred Stock in effect immediately prior to such issue, then and in such event, the Conversion Price shall be reduced, for the Series A Preferred Stock, concurrently with such issue, to a price (calculated to the nearest cent) determined by multiplying the applicable Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the number of shares of Common Stock which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at the applicable Conversion Price in effect immediately prior to such issuance, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the number of such Additional Shares of Common Stock so issued. For the purpose of the above calculation, the number of shares of Common Stock outstanding immediately prior to such issuance shall be calculated on a fully-diluted basis, as if all shares of Preferred Stock and all Convertible Securities had been fully converted into shares of Common Stock immediately prior to such issuance and any outstanding Options had been fully exercised immediately prior to such issuance (and the resulting securities fully converted into shares of Common Stock, if so convertible) as of such date.

(iv) Deemed Issue of Additional Shares of Common Stock. In the event the Corporation at any time, or from time to time, after the Original Series A Issue Date, shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities then entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein designed to protect against dilution) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issuance or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that in any such case in which Additional Shares of Common Stock are deemed to be issued:

(1) no further adjustments in the Conversion Price of the Preferred Stock shall be made upon the subsequent issuance of Convertible Securities or shares of Common Stock upon the exercise of such Options or conversion or exchange of such Convertible Securities;

(2) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Corporation, or decrease or increase in the number of shares of Common Stock issuable, upon the exercise, conversion or exchange thereof, the Conversion Price of the Preferred Stock computed upon the original issuance thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities (provided, however, that no such adjustment of the Conversion Price shall affect Common Stock previously issued upon conversion of the Preferred Stock);

(3) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price computed upon the original issuance thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if:

(A) in the case of Convertible Securities or Options for Common Stock, the only Additional Shares of Common Stock issued were the shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Corporation for the issuance of all such Options, whether or not exercised, plus the consideration actually received by the Corporation upon such exercise, or for the issuance of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange; and

(B) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were

issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common Stock deemed to have been then issued was the consideration actually received by the Corporation for the issuance of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Corporation (determined pursuant to Article II(C), Section 5(d)(v)) upon the issuance of the Convertible Securities with respect to which such Options were actually exercised;

(4) no readjustment pursuant to clause (2) or (3) above shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (a) the Conversion Price on the original adjustment date, or (b) the Conversion Price that would have resulted from any issuance of Additional Shares of Common Stock between the original adjustment date and such readjustment date;

(5) in the case of any Options which expire by their terms not more than thirty (30) days after the date of issuance thereof, no adjustment of the Conversion Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the same manner provided in clause (3) above; and

(6) if any such record date shall have been fixed and such Options or Convertible Securities are not issued on the date fixed therefor, the adjustment previously made in the Conversion Price which became effective on such record date shall be cancelled as of the close of business on such record date and shall instead be made on the actual date of issuance, if any.

(v) Determination of Consideration. For purposes of this Section 6(d), the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(1) Cash and property. Such consideration shall:

(A) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation excluding amounts paid or payable for accrued interest or accrued dividends;

(B) insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(C) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (A) and (B) above, as determined in good faith by the Board of Directors.

(2) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Section 6(d)(iv), relating to Options and Convertible Securities shall be determined by dividing:

(A) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein designed to protect against dilution) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(B) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein designed to protect against the dilution) issuable upon the exercise of such Options or conversion or exchange of such Convertible Securities.

(e) Adjustments to Conversion Price for Stock Dividends and for Combinations or Subdivisions of Common Stock. In the event that the Corporation at any time, or from time to time, after the Original Series A Issue Date shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock or in any right to acquire Common Stock for no consideration, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or in the event the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price for the Series 1 Preferred Stock and Series A Preferred Stock in effect immediately prior to such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate. In the event that this Corporation shall declare or pay, without consideration, any dividend on the Common Stock payable in any right to acquire Common Stock for no consideration, then the Corporation shall be deemed to have made a dividend payable in Common Stock in an amount of shares equal to the maximum number of shares issuable upon exercise of such rights to acquire Common Stock.

(f) Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Series 1 Preferred Stock and Series A Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 6(e) above or a merger or other reorganization treated as a liquidation, dissolution or winding up of the Corporation under Section 2(c) above), the Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series 1 Preferred Stock and Series A Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock, or other securities or property, which the holders would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series 1 Preferred Stock and Series A Preferred Stock immediately before that change.

(g) No Impairment. The Corporation will not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 6 and in the taking of all such action as may be necessary or

appropriate in order to protect the Conversion Rights of the holders of the Series 1 Preferred Stock and Series A Preferred Stock against impairment.

(h) Certificates as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 6, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series 1 Preferred Stock and Series A Preferred Stock a certificate executed by the Corporation's President or Chief Financial Officer setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Series 1 Preferred Stock and Series A Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price for the Series 1 Preferred Stock and Series A Preferred Stock at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of the Series 1 Preferred Stock and Series A Preferred Stock

(i) Notices of Record Date. In the event that the Corporation shall propose at any time: (i) to declare any dividend or distribution upon its Common Stock (other than by purchase of shares of Common Stock of employees, officers or directors of, or consultants to, the Corporation pursuant to the termination of such person's status as such or pursuant to the Corporation's exercise of rights of first refusal with respect to its shares), whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus; (ii) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (iii) to effect any re-classification or recapitalization of its Common Stock outstanding involving a change in the Common Stock; or (iv) to merge, consolidate or effect a share exchange or other combination with or into any other corporation, or sell, lease or convey all or substantially all of its assets, or to liquidate, dissolve or wind up; then, in connection with each such event, the Corporation shall send to the holders of Series 1 Preferred Stock and Series A Preferred Stock:

(1) at least twenty (20) days' prior written notice of the date on which a record shall be taken for such dividend, distribution or subscription rights (and specifying the date on which the holders of Common Stock shall be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (iii) and (iv) above; and

(2) in the case of the matters referred to in (iii) and (iv) above, at least twenty (20) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon the occurrence of such event).

(j) Issue Taxes. The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on mandatory conversion of Preferred Stock pursuant hereto; provided, however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder in connection with any such conversion.

(k) Reservation of Common Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series 1 Preferred Stock and Series A Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series 1 Preferred Stock and Series A Preferred Stock, and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series 1 Preferred Stock and Series A Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Certificate of Incorporation.

(l) Fractional Shares. No fractional shares of Common Stock shall be issued upon the conversion of any share or shares of Series 1 Preferred Stock and Series A Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series 1 Preferred Stock and Series A Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fraction of a share of Common Stock, the Corporation shall, in lieu of issuing any fractional share, pay the holder otherwise entitled to such fraction a sum in cash equal to the fair market value of such fraction on the date of conversion (as determined in good faith by the Board of Directors).

(m) Notices. Any notice required by the provisions of this Section 6 to be given to the holders of shares of Series 1 Preferred Stock and Series A Preferred Stock, shall be deemed given if deposited in the United States mail, postage prepaid, or if sent by facsimile or delivered personally by hand or nationally recognized courier and addressed to each holder of record at such holder's address or facsimile number appearing in the records of the Corporation.

7. INCREASING COMMON STOCK. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares of Common Stock then outstanding plus the number of shares of Common Stock necessary to allow for the conversion or exercise of all convertible or exercisable securities of the Corporation then outstanding) by an affirmative vote of the holders of a majority of the voting stock of the Corporation voting together as one class.

8. NO REISSUANCE OF PREFERRED STOCK. No share or shares of Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued as Preferred Stock and all such shares of such series shall be canceled and retired and

returned to shares of undesignated Preferred Stock which the Corporation shall be authorized to issue subject to the terms herein.

9. AMENDMENTS AND WAIVERS. Except as set forth herein, any amendment, waiver or action required or permitted under this Article V with respect to the Preferred Stock shall become effective and binding upon all holders of Preferred Stock if the same is approved by the vote or written consent of the holders of a majority of the Preferred Stock then outstanding; provided, however, that no amendment may be made to Article V Section 5 without the consent of the requisite holders of Preferred Stock as set forth therein.

ARTICLE VI

No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for conduct as a director, provided that this Article VI shall not eliminate the liability of a director for any act or omission for which such elimination of liability is not permitted under the General Corporation Law. No amendment to the General Corporation Law that further limits the acts or omissions for which elimination of liability is permitted shall affect the liability of a director for any act or omission which occurs prior to the effective date of the amendment.

ARTICLE VII

The Corporation shall indemnity any current or former director or officer or related person or agent (an "Indemnified Person") of the Corporation to the fullest extent not prohibited by law, who is made, or threatened to be made, a party to an action, suit or proceeding, whether civil, criminal, administrative, investigative or other (including an action, suit or proceeding by or in the right of the corporation), by reason of the fact that such person is or was a director, officer, employee, related person or agent of the Corporation or a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any employee benefit plan of the Corporation, or serves or served at the request of the Corporation as a director, officer, employee, related person or agent, or as a fiduciary of an employee benefit plan, of

another corporation, partnership, joint venture, trust or other enterprise. The Corporation may, at its sole discretion, pay for or reimburse the reasonable expenses incurred by any Indemnified Person in any such proceeding in advance of the final disposition of the proceeding if the person sets forth in writing (i) the person's good faith belief that the person is entitled to indemnification under this Article VII and (ii) the person's agreement to repay all advances if it is ultimately determined that the person is not entitled to indemnification under this Article VII. This Article VII shall not be deemed exclusive of any other provisions for indemnification of or advancement of expenses to an Indemnified Person that may be included in any statute, bylaw, agreement, general or specific action of the Board of Directors, vote of stockholders or other document or arrangement.

ARTICLE VIII

Elections of directors need not be by written ballot unless a stockholder demands election by written ballot before voting begins at a meeting of stockholders or unless the Bylaws of the corporation shall so provide.

ARTICLE IX

The management of the business and conduct of the Corporation shall be vested in its Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be no less than one (1) and, subject to Article V, Section 4, no more than seven (7), as shall be fixed exclusively by one or more resolutions adopted by the Board of Directors.

ARTICLE X

In furtherance and not in limitation of the powers conferred by statute, t he Board of Directors is expressly authorized to make, alter, amend or repeal the Bylaws of the Corporation.

ARTICLE XI

Meetings of the stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside of the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

IN WITNESS WHEREOF, the corporation has caused this Amended and Restated Certificate of Incorporation to be signed by Stephen G. Waldis, its President and Chief Executive Officer, on November __, 2000.

SYNCHRONOSS TECHNOLOGIES, INC.

By: _____

Name: Stephen G. Waldis
Title: President and Chief Executive Officer

CERTIFICATE OF AMENDMENT
OF THE
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
SYNCHRONOSS TECHNOLOGIES, INC.

Synchronoss Technologies, Inc. (the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware.

DOES HEREBY CERTIFY:

FIRST: The name of the Corporation is Synchronoss Technologies, Inc., and that the Corporation was originally incorporated pursuant to the General Corporation Law on September 19, 2001 under the name Synchronoss Technologies, Inc.

SECOND: The Board of Directors of the Corporation adopted a resolution setting forth a proposed amendment to the Amended and Restated Certificate of Incorporation of the Corporation (the "Restated Certificate"), declaring said amendment to be advisable and in the best interests of the Corporation and its stockholders and authorizing the appropriate officers of the Corporation to solicit the consent of the stockholders to such amendment. The proposed amendment is to replace the first two paragraphs of Article V of the Restated Certificate in their entirety with the following:

"ARTICLE V

"This Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares of all classes of stock that the Corporation shall have authority to issue is 45,103,449 shares, consisting solely of 30,000,000 shares of Common Stock, $0.0001 par value per share, and 15,103,449 shares of Preferred Stock, $0.0001 par value per share.

2,000,000 shares of Preferred Stock are hereby designated as "Series 1 Preferred Stock" (the "Series 1 Preferred Stock") and 13,103,449 shares of Preferred Stock are hereby designated as "Series A Preferred Stock" (the "Series A Preferred Stock")."

THIRD: That thereafter said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by written consent of the stockholders holding the requisite number of shares required by statute given in accordance with and pursuant to Section 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, Synchronoss Technologies, Inc., has caused this Certificate of Amendment to be signed by its Secretary as of April 2, 2001.

Marc F. Dupre, Secretary

EXHIBIT 3.3

BYLAWS OF

SYNCHRONOSS TECHNOLOGIES, INC.

(A DELAWARE CORPORATION)

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BYLAWS
OF
SYNCHRONOSS TECHONOLOGIES, INC.

ARTICLE I
OFFICES

1.1 The registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

1.2 The corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

2.1 All meetings of the stockholders for the election of directors shall be held in the City of Wilmington, State of Delaware, at such place as may be fixed from time to time by the Board of Directors, or at such other place either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. Meetings of stockholders for any other purpose may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

2.2 Annual meetings of stockholders, commencing with the year 2001, shall be held at corporate headquarters and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which they shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting.

2.3 Written notice of the annual meeting stating the place, date and

hour of the meeting shall be given to each stockholder entitled to vote at such meeting not fewer than ten (10) nor more than sixty (60) days before the date of the meeting.

2.4 The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

2.5 Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the president and shall be called by the president or secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of stockholders owning at least twenty-five percent (25%) in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

2.6 Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not fewer than ten (10) nor more than sixty (60) days before the date of the meeting, to each stockholder entitled to vote at such meeting.

2.7 Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

2.8 The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

2.9 When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question.

2.10 Unless otherwise provided in the certificate of incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.

2.11 Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking

of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III
DIRECTORS

3.1 The number of directors that shall constitute the whole Board of Directors shall be determined by resolution of the Board of Directors or by the stockholders at the annual meeting of the stockholders, except as provided in Section 3.2 of this Article, and each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

3.2 Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole Board of Directors (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent (10%) of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

3.3 The business of the corporation shall be managed by or under the direction of its Board of Directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

MEETINGS OF THE BOARD OF DIRECTORS

3.4 The Board of Directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

3.5 The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

3.6 Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

3.7 Special meetings of the Board of Directors may be called by the president on two (2) days' notice to each director by mail or forty-eight (48) hours notice to each director either personally or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of two (2) directors unless the Board of Directors consists of only one director, in which case special meetings shall be called by the president or secretary in like manner and on like notice on the written request of the sole director.

3.8 At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

3.9 Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

3.10 Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

COMMITTEES OF DIRECTORS

3.11 The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the General

Corporation Law of Delaware to be submitted to stockholders for approval or (ii) adopting, amending or repealing any provision of these bylaws.

3.11 Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

COMPENSATION OF DIRECTORS

3.12 Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

REMOVAL OF DIRECTORS

3.13 Unless otherwise restricted by the certificate of incorporation or these bylaws, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote

at an election of directors.

ARTICLE IV
NOTICES

4.1 Whenever, under the provisions of the statutes or of the certificate of incorporation or of these bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

4.2 Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE V
OFFICERS

5.1 The officers of the corporation shall be chosen by the Board of Directors and shall be a president, treasurer and a secretary. The Board of Directors may elect from among its members a Chairman of the Board and a Vice Chairman of the Board. The Board of Directors may also choose one or more vice-presidents, assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the certificate of incorporation or these bylaws otherwise provide.

5.2 The Board of Directors at its first meeting after each annual meeting of stockholders shall choose a president, a treasurer, and a secretary and may choose vice-presidents.

5.3 The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

5.4 The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors.

5.5 The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the corporation shall be filled by the Board of Directors.

THE CHAIRMAN OF THE BOARD

5.6 The Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which he shall be present. He shall have and may exercise such powers as are, from time to time, assigned to him by the Board of Directors and as may be provided by law.

5.7 In the absence of the Chairman of the Board, the Vice Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which he shall be present. He shall have and may exercise such powers as are, from time to time, assigned to him by the Board of Directors and as may be provided by law.

THE PRESIDENT AND VICE-PRESIDENTS

5.8 The president shall be the chief executive officer of the corporation; and in the absence of the Chairman and Vice Chairman of the Board he shall preside at all meetings of the stockholders and the Board of Directors; he shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect.

5.9 He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation.

5.10 In the absence of the president or in the event of his inability or refusal to act, the vice-president, if any, (or in the event there be more than one vice-president, the vice-presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARY

5.11 The secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president, under whose supervision he shall be. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

5.12 The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

5.13 The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

5.14 He shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

5.15 If required by the Board of Directors, he shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

5.16 The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

ARTICLE VI
CERTIFICATE OF STOCK

6.1 Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by, the Chairman or Vice Chairman of the Board of Directors, or the president or a vice-president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him in the corporation.

Certificates may be issued for partly paid shares and in such case upon the face or back of the certificates issued to represent any such partly paid shares, the total amount of the consideration to be paid therefor, and the amount paid thereon shall be specified.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualification, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in Section 202 of the General Corporation Law of Delaware, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

6.2 Any of or all the signatures on the certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

LOST CERTIFICATES

6.3 The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

TRANSFER OF STOCK

6.4 Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

FIXING RECORD DATE

6.5 In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholder or any

adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

REGISTERED STOCKHOLDERS

6.6 The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII
GENERAL PROVISIONS
DIVIDENDS

7.1 Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

7.2 Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purposes as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

CHECKS

7.3 All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

FISCAL YEAR

7.4 The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

SEAL

7.5 The Board of Directors may adopt a corporate seal having inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

INDEMNIFICATION

7.6 The corporation shall, to the fullest extent authorized under the laws of the State of Delaware, as those laws may be amended and supplemented from time to time, indemnify any director made, or threatened to be made, a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of being a director of the corporation or a predecessor corporation or, at the corporation's request, a director or officer of another corporation; provided, however, that the corporation shall indemnify any such agent in connection with a proceeding initiated by such agent only if such proceeding was authorized by the Board of Directors of the corporation. The

indemnification provided for in this Section 7.6 shall: (i) not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement or vote of stockholders or disinterested directors or otherwise, both as to action in their official capacities and as to action in another capacity while holding such office, (ii) continue as to a person who has ceased to be a director, and (iii) inure to the benefit of the heirs, executors and administrators of such a person. The corporation's obligation to provide indemnification under this Section 7.6 shall be offset to the extent of any other source of indemnification or any otherwise applicable insurance coverage under a policy maintained by the corporation or any other person.

Expenses incurred by a director of the corporation in defending a civil or criminal action, suit or proceeding by reason of the fact that he is or was a director of the corporation (or was serving at the corporation's request as a director or officer of another corporation) shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation as authorized by relevant sections of the General Corporation Law of Delaware. Notwithstanding the foregoing, the corporation shall not be required to advance such expenses to an agent who is a party to an action, suit or proceeding brought by the corporation and approved by a majority of the Board of Directors of the corporation that alleges willful misappropriation of corporate assets by such agent, disclosure of confidential information in violation of such agent's fiduciary or

contractual obligations to the corporation or any other willful and deliberate breach in bad faith of such agent's duty to the corporation or its stockholders.

The foregoing provisions of this Section 7.6 shall be deemed to be a contract between the corporation and each director who serves in such capacity at any time while this bylaw is in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought based in whole or in part upon any such state of facts.

The Board of Directors in its discretion shall have power on behalf of the corporation to indemnify any person, other than a director, made a party to any action, suit or proceeding by reason of the fact that he, his testator or intestate, is or was an officer or employee of the corporation.

To assure indemnification under this Section 7.6 of all directors, officers and employees who are determined by the corporation or otherwise to be or to have been "fiduciaries" of any employee benefit plan of the corporation that may exist from time to time, Section 145 of the General Corporation Law of Delaware shall, for the purposes of this Section 7.6, be interpreted as follows: an "other enterprise" shall be deemed to include such an employee benefit plan, including without limitation, any plan of the corporation that is governed by the Act of Congress entitled "Employee Retirement Income Security Act of 1974," as amended from time to time; the corporation shall be deemed to have requested a person to serve an employee benefit plan where the performance by such person of his duties to the corporation also imposes duties on, or otherwise involves services by, such person to the plan or participants or beneficiaries of the plan; excise taxes assessed on a person with respect to an employee benefit plan pursuant to such Act of Congress shall be deemed "fines."

ARTICLE VIII
AMENDMENTS

8.1 These bylaws may be altered, amended or repealed or new bylaws may be adopted by the stockholders or by the Board of Directors, when such power is conferred upon the Board of Directors by the certificate of incorporation at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the stockholders or of the Board of Directors if notice of such alteration, amendment, repeal or adoption of new bylaws be contained in the notice of such special meeting. If the power to adopt, amend or repeal bylaws is conferred upon the Board of Directors by the certificate or incorporation it shall not divest or limit the power of the stockholders to adopt, amend or repeal bylaws.

ARTICLE IX
LOANS TO OFFICERS

9.1 The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a Director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be

expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

CERTIFICATE OF SECRETARY OF

SYNCHRONOSS TECHNOLOGIES, INC.

The undersigned, Marc F. Dupre, hereby certifies that he is the duly elected and acting Secretary of SynchronOSS Technologies, Inc., a Delaware corporation (the "Corporation"), and that the Bylaws attached hereto constitute the Bylaws of said Corporation as duly adopted by Action by Written Consent in Lieu of Organizational Meeting by the Director on September 19, 2000.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed his name this 19th day of September, 2000.

/s/ MARC F. DUPRE

Marc F. Dupre
Secretary

EXHIBIT 4.3

AMENDED AND RESTATED INVESTORS RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS RIGHTS AGREEMENT (the "AGREEMENT") is made and dated as of the 22nd day of December 2000 by and among the individuals listed as Common Stockholders on Schedule A hereto (the "COMMON STOCKHOLDERS"), the individuals and entities listed as Other Stockholders on Schedule A hereto (the "OTHER STOCKHOLDERS"), the entity listed as a Series 1 Stockholder on Schedule A hereto (the "SERIES 1 STOCKHOLDER") and the individuals and entities listed as Series A Stockholders on Schedule A hereto (the "SERIES A STOCKHOLDERS") and SynchronOSS Technologies, Inc., a Delaware corporation (the "COMPANY").

BACKGROUND

WHEREAS, the Common Stockholders are holders of shares of outstanding Common Stock of the Company, $0.0001 par value per share (the "COMMON STOCK");

WHEREAS, certain of the Series A Stockholders (the "SUBSEQUENT SERIES A STOCKHOLDERS") are party to that certain Series A Preferred Stock Purchase Agreement (the "PURCHASE AGREEMENT"), dated the date hereof, pursuant to which they are acquiring shares of the Company's Series A Preferred Stock (the "SERIES A PREFERRED STOCK");

WHEREAS, the Common Stockholders, the Other Stockholders, certain of the Series A Stockholders and the Company are party to that certain Investors Rights Agreement, dated as of November 13, 2000 (the "PRIOR AGREEMENT"), entered into in connection with the issuance of shares of Series A Preferred Stock, which they now desire to amend and restate in certain respects;

WHEREAS, the Subsequent Series A Stockholders obligations under the Purchase Agreement are conditioned upon the execution and delivery of this Amended and Restated Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, and intending to be legally bound, the parties agree as follows:

SECTION 1. DEFINITIONS.

1.1 "AFFILIATE" means, with respect to any specified person, (i) any other person that owns (directly or indirectly), individually or as part of a group (as determined pursuant to Rule 13d-5 under the Securities Exchange Act of 1934, as amended (the "Act")), greater than fifty percent (50%) of the voting stock or other capital interest of such specified person, (ii) any other person of whom greater than fifty percent (50%) of the voting stock or other capital interest is owned by (directly or indirectly), individually or as part of a group (as determined pursuant to Rule 13d-5 under the Act, by such person, and (iii) any other person controlling, controlled by or under common control with such person.

1.2 "FULLY DILUTED COMMON STOCK" shall mean the Company's outstanding Common Stock and shares of Common Stock issued or issuable upon conversion of the Company's outstanding preferred stock, or upon exercise of outstanding rights, options and warrants to acquire Common Stock.

1.3 "QUALIFIED IPO" shall mean a firm commitment initial public offering by t he Company pursuant to a registration statement under the Securities Act of 1933 (i) with an aggregate offering price of at least Twenty Million Dollars ($20,000,000) and (ii) at a per share price equal to at least $8.70 (subject to adjustment for stock dividends, recapitalizations, splits and similar events).

SECTION 2. SALES BY THE COMMON STOCKHOLDERS.

2.1 Rights of Refusal.

(a) Transfer Notice. If at any time any Common Stockholder (the "SELLING STOCKHOLDER") proposes to transfer any shares of the Company's Common Stock ("EQUITY SECURITIES") to one or more third parties pursuant to an understanding with such third parties (a "TRANSFER"), then the Selling

Stockholder shall give to the Company, and to each of the other Common Stockholders and Series A Stockholders, if any (together, the "NON-SELLING STOCKHOLDERS"), written notice of the Selling Stockholder's intention to make the Transfer (the "TRANSFER NOTICE"), which Transfer Notice shall include (i) a description of the Equity Securities to be transferred (the "OFFERED SHARES"), (ii) the identity of the prospective transferee(s) and (iii) the consideration and the material terms and conditions upon which the proposed Transfer is to be made. The Transfer Notice shall certify that the Selling Stockholder has received a firm offer from the prospective transferee(s) and in good faith believes a binding agreement for the Transfer is obtainable on the terms set forth in the Transfer Notice. The Transfer Notice shall also include a copy of any written proposal, term sheet or letter of intent or other agreement relating to the proposed Transfer.

(b) Company's Option. The Company shall have an option for a period of ten (10) days from receipt of the Transfer Notice to elect to purchase all or a portion of the Offered Shares at the same price and subject to the same material terms and conditions as described in the Transfer Notice. The Company may exercise such purchase option and thereby purchase all (or a portion of) the Offered Shares by notifying the Selling Stockholder in writing before expiration of the such ten (10) day period as to the number of such Offered Shares which it wishes to purchase. If the Company gives t he Selling Stockholder notice that it desires to purchase such shares, then payment for the Offered Shares shall be by check, wire transfer or cancellation of indebtedness, against delivery of the Offered Shares to be purchased at a place agreed upon between the parties and at the time of the scheduled closing therefor, which shall be no later than forty-five (45) days after the Company's receipt of the Transfer Notice, unless the Transfer Notice contemplated a later closing with the prospective third party transferee(s). If the Company fails to purchase all of the Offered Shares by exercising the option granted in this Section 2.1(b) within the period provided, the Offered Shares which the Company has not elected to purchase shall be subject to the option granted to the Non-Selling Stockholders pursuant to this Agreement.

(c) Additional Transfer Notice. Subject to the Company's right set forth in Section 2.1(b), if at any time the Selling Stockholder proposes a Transfer, then, after the Company has declined to purchase all, or a portion of, the Offered Shares, the Selling Stockholder shall give each Non-Selling Stockholder an "ADDITIONAL TRANSFER NOTICE" which shall include all of the information and certifications required in a Transfer Notice and shall additionally identify the Offered Shares which the Company has declined to purchase (the "REMAINING SHARES") and briefly describe Non-Selling Stockholders' rights of first refusal and co-sale rights with respect to the proposed Transfer.

(d) Non-Selling Stockholders' Option. The Non-Selling Stockholders shall have an option for a period of twenty (20) days from the Non-Selling Stockholder's receipt of the Additional Transfer Notice to elect to purchase their respective pro rata shares of the Remaining Shares at the same price and subject to the same material terms and conditions as described in the Additional Transfer Notice. Each Non-Selling Stockholder may exercise such purchase option and thereby purchase all or any portion of his, her or its pro rata share (with any reallotments as provided below) of the Remaining Shares, by notifying the Selling Stockholder and the Company in writing, before expiration of the twenty (20) day period as to the number of such shares which he, she or it wishes to purchase (including any reallotment). Each Non-Selling Stockholder's pro rata share of the Remaining Shares shall be a fraction of the Remaining Shares, of which the number of shares of Common Stock (including shares of Common Stock issuable upon conversion of Preferred Stock) owned by such Non-Selling Stockholder on the date of the Transfer Notice shall be the numerator and the total number of shares of Common Stock (including shares of Common Stock issuable upon conversion of the Company's Preferred Stock) held by all Non-Selling Stockholders on the date of the Transfer Notice shall be the denominator.

2.2 Right of Co-Sale.

(a) To the extent t he Company and t he Non-Selling Stockholders do not exercise their respective rights of refusal as to all of the Offered Shares pursuant to Section 2.1, then each Non-Selling Stockholder (a "CO-SELLING

STOCKHOLDER") notifying t he Selling Stockholder in writing within thirty (30) days after receipt of the Transfer Notice referred to in Section 2.1(a), shall have the right to participate in such sale of Equity Securities on the same terms and conditions as specified in the Transfer Notice. Such Co-Selling Stockholder's notice to the Selling Stockholder shall indicate the number of shares of Equity Securities the Co-Selling Stockholder wishes to sell under his, her or its right t o participate. To t he extent one or more of t he Non-Selling Stockholders exercise such right of participation in accordance with the terms and conditions set forth below, the number of shares of Equity Securities that the Selling Stockholder may sell in the Transfer shall be correspondingly reduced.

(b) Each Co-Selling Stockholder may sell all or any part of t hat number of shares of Equity Securities equal to the product obtained by multiplying (i) the aggregate number of shares of Equity Securities covered by the Transfer Notice by (ii) a fraction, the numerator of which is the number of shares of Common Stock (including shares of Common Stock issuable upon conversion of Preferred Stock) owned by the Co-Selling Stockholder on the date of the Transfer Notice and the denominator of which is the total number of shares of Common Stock (including shares of Common Stock issuable upon conversion of Preferred

Stock) owned by the Selling Stockholder and all of the Co-Selling Stockholders on the date of the Transfer Notice.

2.3 Non-Exercise of Rights. To the extent that the Company and the Non-Selling Stockholders have not exercised their rights to purchase the Offered Shares or the Remaining Shares within the time periods specified in Section 2.1 and the Non-Selling Stockholders have not exercised their rights to participate in the sale of the Offered Shares or the Remaining Shares within the time periods specified in Section 2.2, the Selling Stockholder shall have a period of thirty (30) days from the expiration of such rights in which to sell the Offered Shares or the Remaining Shares, as the case may be, upon terms and conditions (including the purchase price) no more favorable than those specified in the Transfer Notice to the third-party transferee(s) identified in the Transfer Notice. In the event Selling Stockholder does not consummate the sale or disposition of the Remaining Shares within the thirty (30) day period from the expiration of these rights, the Company's first refusal rights and the Non-Selling Stockholders' first refusal rights and co-sale rights shall continue t o be applicable to any subsequent disposition of the Offered Shares or the Remaining Shares by Selling Stockholder until such right lapses in accordance with the terms of this Agreement. Furthermore, the exercise or non-exercise of the rights of the Company and the Non-Selling Stockholders under this Section 2 to purchase Equity Securities from t he Selling Stockholder or t o participate in sales of Equity Securities by the Selling Stockholder shall not adversely affect their rights to make subsequent purchases from the Selling Stockholder of Equity Securities or subsequently participate in sales of Equity Securities by the Selling Stockholder.

2.4 Delivery of Shares. Each Co-Selling Stockholder shall effect it s participation in a sale on a co-sale basis by promptly delivering to the Selling Stockholder for transfer to the prospective purchaser one or more certificates, properly endorsed for transfer, which represent: (a) that number of shares of Common Stock which such Co-Selling Stockholder elects to sell; or (b) that number of shares of Preferred Stock which is at such time convertible into the number of shares of Common Stock which such Co-Selling Stockholder elects t o sell on a co-sale basis; provided, however, that if the prospective purchaser objects to the delivery of Preferred Stock in lieu of Common Stock, such Co-Selling Stockholder shall convert such Preferred Stock into Common Stock and deliver Common Stock as provided in subparagraph 2.4(a) above. The Company agrees to make any such conversion concurrent with the actual transfer of such shares to the purchaser.

2.5 Closing. The stock certificate or certificates, if any, that the Co-Selling Stockholder delivers to the Selling Stockholder pursuant to Section 2.4 shall be transferred to the prospective purchaser in consummation of the sale of the Offered Shares pursuant to the terms and conditions specified in the Transfer Notice, and t he Selling Stockholder shall concurrently therewith remit to such Co-Selling Stockholder t hat portion of t he sale proceeds to which such Co-Selling Stockholder is entitled by reason of its participation in such sale.

To the extent that any prospective purchaser, or purchasers, prohibits such assignment or otherwise refuses to purchase shares or other securities from a Co-Selling Stockholder exercising its rights of co-sale hereunder, the Selling Stockholder shall not sell to such prospective purchaser or purchasers any Offered Shares unless and until, simultaneously with such sale, the Selling Stockholder shall purchase such shares or other securities from such Co-Selling Stockholder. To the extent that a Non-Selling Stockholder elects to purchase any of the Offered Shares covered in the Transfer

Notice directly from the Selling Stockholder, then such Selling Stockholder shall within ninety (90) days of the date of the Transfer Notice (or, if earlier, simultaneous with the consummation of the sale of the Offered Shares pursuant to the terms and conditions specified in the Transfer Notice) deliver certificate(s) for such shares to such acquiring Non-Selling Stockholders who shall deliver to the Selling Stockholder the consideration of the type and on the terms set forth in the Transfer Notice.

2.6 McCormick Assignment. James McCormick ("McCormick") hereby agrees that, pursuant to Section 6 of each the Employee Stock Transfer Agreements (as defined below), he will assign the right of first refusal granted therein (to the extent not exercised by McCormick) first to the Company and second to the Series A Stockholders with sufficient time to each such party to permit the exercise thereof; provided that, in the case of the Series A Stockholders, notice of such assignment by McCormick shall be given to the Series A Stockholders no less than ten (10) days prior to the expiration of such right. For purposes of this Section 2.6, "Employee Stock Transfer Agreements" shall mean those certain agreements, each dated October 5, 2000, between James McCormick and each of James Mortenson, Peter McCormick, Charles Machlin, Darrell Sagehorn and Richard McCormick.

SECTION 3. EXEMPT TRANSFERS.

3.1 Certain Transfers. The provisions of Sections 2.1 through 2.5 shall not apply to: (a) the transfer of Equity Securities by a Common Stockholder in one or more transactions representing an aggregate of 5% or less of the total number of Equity Securities held by such Common Stockholder as of the date hereof; (b) any transfer of Equity Securities to the ancestors, descendants or spouse of a Common Stockholder, or to trusts, family limited partnerships or similar estate planning entities for the benefit of such persons including such Common Stockholder; and (c) any bona fide gift, provided that, in any such case the Common Stockholder gives the Company and each of the members of the Board of Directors of the Company designated by the Series A Stockholders prior written notice of such transfer or gift and the transferee or donee shall first furnish the Company with a written agreement to be bound by and comply with all provisions of Section 2 as well as the terms of any other restrictive agreement to which such Equity Securities are subject. Such transferred Equity Securities shall remain "Equity Securities" hereunder, and such pledgee, transferee or donee shall be treated as a "Common Stockholder" for purposes of this Agreement.

3.2 Public Offering; Company Transfers. Notwithstanding the foregoing, the provisions of Section 2 shall not apply to the sale of any Equity Securities (a) to the public pursuant to a registration statement filed with, and declared effective by, the Securities and Exchange Commission under the Act; or (b) to the Company.

SECTION 4. PROHIBITED TRANSFERS.

4.1 Put Option Right. In the event a Common Stockholder should sell any Equity Securities in contravention of the right of first refusal or co-sale rights under Section 2 of this Agreement (a "PROHIBITED TRANSFER"), each Non-Selling Stockholder, in addition to such other remedies as may be available at law, in equity or hereunder, shall have the put option

provided below, and the Selling Stockholder shall be bound by the applicable

provisions of such option.

4.2 Put Option. In the event of a Prohibited Transfer, each Non-Selling Stockholder shall have the right to sell to the Selling Stockholder the number of Equity Securities equal to the number of Equity Securities each Non-Selling Stockholder would have been entitled to transfer to the purchaser had the Prohibited Transfer under Section 2 hereof been effected pursuant to and in compliance with the terms hereof. Such sale shall be made on the following terms and conditions:

(a) the price per share at which the Equity Securities are to be sold shall be equal to t he price per share paid by t he purchaser in t he Prohibited Transfer. The Selling Stockholder shall also reimburse each Non-Selling Stockholder for any and all fees and expenses, including legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of t he Non-Selling Stockholder's rights under Section 2;

(b) within ninety (90) days after the later of the dates on which the Non-Selling Stockholder (i) received notice of the Prohibited Transfer or (ii) otherwise became aware of the Prohibited Transfer, each Non-Selling Stockholder shall, if exercising the option created hereby, deliver to the Selling Stockholder the certificate or certificates representing Equity Securities to be sold, each certificate to be properly endorsed for transfer;

(c) the Selling Stockholder shall, upon receipt of the certificate or certificates for the Equity Securities to be sold by a Non-Selling Stockholder, pursuant to this Section 4.2, pay the aggregate purchase price therefor and the amount of reimbursable fees and expenses, as specified in Section 4.2(a), in cash or by other means acceptable to the Non-Selling Stockholder; and

(d) notwithstanding t he foregoing, any attempt by a Selling Stockholder t o transfer Equity Securities in violation of Section 2 hereof shall be void and the Company agrees it will not effect such a transfer nor will it treat any alleged transferee as the holder of such Equity Securities without the written consent of a majority in interest of the Non-Selling Stockholders.

SECTION 5. LEGEND

5.1 Legend. Each certificate representing Equity Securities now or hereafter owned by any party to this Agreement, or issued to any person in connection with a transfer pursuant hereto shall be endorsed with the following legend: "THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN INVESTORS RIGHTS AGREEMENT BY AND BETWEEN THE STOCKHOLDER, THE COMPANY AND CERTAIN HOLDERS OF STOCK OF THE COMPANY CONTAINING, AMONG OTHER THINGS CERTAIN AGREEMENTS TO VOTE SUCH SECURITIES AS SPECIFIED IN SUCH AGREEMENT. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY."

5.2 Stop Orders. Each Common Stockholder agrees that the Company may instruct its transfer agent to impose transfer restrictions on the shares represented by certificates bearing the legend referred to in Section 5.1 above to enforce the provisions of this Agreement and the Company agrees to do so promptly. The legend shall be removed upon termination of this Agreement.

SECTION 6. COVENANTS OF THE COMPANY. The Company hereby covenants and agrees as follows:

6.1 Basic Financial Information. So long as any Series A Stockholder continues to hold outstanding shares of Series A Preferred Stock (or Common Stock issued upon conversion thereof), the Company will furnish the following reports to each such Series A Stockholder:

(a) as soon as practicable after the end of each fiscal year of the Company, and in any event within ninety (90) days thereafter, an audited consolidated balance sheet of the Company and its subsidiaries, if any, as of the end of such fiscal year, and audited consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such year, prepared in accordance with generally accepted accounting principles consistently applied

and setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and certified by an independent public accounting firm of nationally recognized standing selected by the Company;

(b) as soon as practicable after the end of each calendar quarter in each fiscal year of the Company, and0 in any event within forty-five (45) days thereafter, an unaudited consolidated balance sheet of the Company and its subsidiaries, if any, as of the end of each such quarterly period, and unaudited consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such period and for the current fiscal year to date, prepared in accordance with generally accepted accounting principles consistently applied (subject to changes resulting from normal year-end audit adjustments and except that such financial statements need not contain the notes required by generally accepted accounting principles) and setting forth in comparative form the figures for the corresponding periods of the previous fiscal year and the corresponding budgeted figures for the current periods, all in reasonable detail and certified by the principal financial or accounting officer of the Company; and

(c) as soon as practicable after the end of each month, but in any event within 30 days thereafter, the unaudited balance sheet of the Company as of the end of such month and its unaudited statement of income and losses, stockholders' equity and cash flows for such month (without the footnotes required under generally accepted accounting principles).

6.2 Additional Information and Rights.

(a) The Company will permit any Series A Stockholder to visit and inspect any of the properties of the Company, including its books of account and other records (and make copies thereof and take extracts therefrom), and to discuss its affairs, finances and

accounts with the Company's officers and its independent public accountants, all at such reasonable times and as often as any Series A Stockholder may reasonably request.

(b) The Company will deliver to each Series A Stockholder annually (and in any event no later than thirty (30) days before the end of each fiscal year) the financial plan of the Company, in such manner and form as approved by the Board of Directors of the Company, which financial plan shall include at least a projection of income and a projected cash flow statement for each fiscal quarter in such fiscal year and a projected balance sheet as of the end of each fiscal quarter in such fiscal year.

(c) The provisions of Section 6.1 and this Section 6.2 shall not be in limitation of any rights which any Series A Stockholder may have with respect to the books and records of the Company and its subsidiaries, if any, or to inspect their properties or discuss their affairs, finances and accounts, under the applicable law.

(d) Each Series A Stockholder hereby agrees to hold in confidence and trust and not to misuse or disclose any confidential information provided pursuant to this Section 6.2.

6.3 Pre-Emptive Right. The Company hereby grants to each Series A Stockholder (including any permitted transferee under Section 6.3(d)) the right to purchase a pro rata share of New Securities (as defined in this Section 6.3) which the Company may, from time to time, propose to sell and issue. Each Series A Stockholder's pro rata share, for purposes of this right, is the ratio of the number of shares of Fully Diluted Common Stock owned by such holder immediately prior to the issuance of New Securities to the total number of shares of Fully Diluted Common Stock outstanding immediately prior to the issuance of New Securities. Each Series A Stockholder shall also have the right of over-allotment to purchase additional New Securities set forth in paragraph (b) of this Section 6.3. This pre-emptive right shall be subject to the following provisions:

(a) "NEW SECURITIES" shall mean any capital stock (including Common Stock and/or Preferred Stock) of the Company whether now authorized or not, and rights, options or warrants to purchase such capital stock, and

securities of any type whatsoever that are, or may become, convertible into capital stock; provided that the term "New Securities" does not include: (i) shares of Common Stock issued or issuable to employees, consultants, officers or non-employee directors of the Company pursuant to any stock option, stock purchase or stock bonus plan, agreement or arrangement on terms approved by the Board of Directors, including the directors elected by the holders of the Series A Preferred Stock; (ii) securities purchased under the Purchase Agreement; (iii) securities issued upon conversion of t he Series A Preferred Stock or other securities issuable upon conversion of securities outstanding as of the date hereof; (iv) securities issuable as dividends or distributions on shares of the Company's Series A Preferred Stock; (v) securities issued t o banks and other similar financial institutions, equipment lessors, or to other persons in similar commercial situations with the Company if such issuance is approved by the Board of Directors, including the directors elected by the holders of the Series A Preferred Stock; (vi) securities issued pursuant to the acquisition of another business entity or business segment of any such entity by the Company by merger, purchase of substantially all the assets or other reorganization or corporate partnering agreement if such

issuance is approved by the Board of Directors, including the directors elected by the holders of the Series A Preferred Stock; (vii) securities issued in a Qualified IPO; and (viii) securities issued in connection with any stock split, stock dividend or recapitalization of the Company.

(b) In the event the Company proposes to undertake an issuance of New Securities, it shall give each Series A Stockholder certified written notice of its intention, describing the type of New Securities, and their price and the general terms upon which the Company proposes to issue the same. Each Series A Stockholder shall have thirty (30) days after any such notice is mailed or delivered to agree to purchase such holder's pro rata share of such New Securities for the price and upon the terms specified in the notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased. Each Series A Stockholder shall have a right of over-allotment such that if any Series A Stockholder fails to exercise his, her or its right under this Section 6.3 to purchase its pro rata share of New Securities, the other Series A Stockholders may purchase the non-purchasing holder's portion on a pro rata basis within ten (10) days from the date such non-purchasing holder fails to exercise its right hereunder to purchase its pro rata share of New Securities.

(c) In the event the Series A Stockholders fail to exercise fully the pre-emptive right within such thirty (30) day period and after the expiration of the ten (10) day period for the exercise of the over-allotment provisions of this Section 6.3, the Company shall have sixty (60) days thereafter to sell or enter into an agreement (pursuant to which the sale of New Securities covered thereby shall be closed, if at all, within sixty (60) days from the date of such agreement) to sell the New Securities respecting which the holders' pre-emptive right set forth in this Section 6.3 was not exercised, at a price and upon terms no more favorable to the purchasers thereof or the Company than specified in the Company's notice to the Series A Stockholders pursuant to Section 6.3(b). In the event the Company has not sold within such sixty (60) day period or entered into an agreement to sell the New Securities in accordance with the foregoing within sixty (60) days from the date of such agreement, the Company shall not thereafter issue or sell any New Securities, without first again offering such securities to the Series A Stockholders in the manner provided in Section 6.3(b) above.

(d) The pre-emptive right set forth in this Section 6.3 may not be assigned or transferred, except that such right is assignable by each Series A Stockholder to any partner, retired partner, manager, member, former member, family member of such holder or a trust for the benefit of any such person.

6.4 Board of Directors.

(a) Subject to Section 6.4(b), each of the parties to this Agreement shall take all actions within their respective power, including but not limited to, the voting of all shares of capital stock of the Company owned by them, required to cause the Board of Directors to consist of seven (7) members to include:

(i) two representatives designated by the Common Stockholders and the Series 1 Stockholders, voting together as a single class;

(ii) three representatives designated by the Series A Stockholders; and

(iii) two representatives, who shall have the expertise in the industry in which the Company operates, (1) nominated by the Common Stockholders and the Series 1 Stockholders, voting together as a single class and (2) approved by the Series A Stockholders, voting as a separate class.

Additionally, Ascent Venture Partners III, L.P. ("Ascent"), for so long as it, or one of its Affiliates, holds at least 50% of the shares of Series A Preferred Stock purchased pursuant to the Purchase Agreement, shall be entitled to appoint one person as an observer director, who shall be entitled to notice of and to attend all meetings of the Board of Directors, and to receive all information provided to the members of the Board of Directors, subject to applicable law. Notwithstanding the foregoing, the Company reserves the right to exclude such observer director from access to any meeting of the Board of Directors, or any portion thereof, or from access to any information, if the Company reasonably believes such exclusion is reasonably necessary to protect the attorney-client privilege. Ascent agrees that, upon the request of the Company, Ascent shall cause such observer director to execute and deliver a confidentiality agreement requiring such observer director to make commercially reasonable efforts to hold in trust and confidence any confidential information learned by such observers as a result of his or her status as such.

(b) The directors of the Company shall be insured by the Company, through the purchase of director's liability insurance at such time and in such amount as is determined by the Board of Directors, and shall be indemnified by the Company to the fullest extent provided under applicable law.

(c) All reasonable expenses incurred by a director or an observer director of the Company in attending Board meetings or meetings of Board committees of which such director is a member and performing Company duties shall be borne by the Company.

(d) The holders of shares of Series A Preferred Stock hereby agree to vote their shares of Series A Preferred Stock pursuant to Section 6.4(a)(ii) to elect two representatives to the Board of Directors nominated by ABS Ventures SYN L.L.C. (or its successor) and one representative to the Board of Directors nominated by Rosewood Venture Group.

(e) The parties hereto will not vote for any amendment or change to the Company's Certificate of Incorporation or Bylaws providing for the election of more or less than seven (7) directors, or any other amendment or change to the Company's Certificate of Incorporation or Bylaws inconsistent with the terms of this Agreement or any proposed amendment thereto.

(f) The voting agreements contained herein are coupled with an interest and may not be revoked during the term of this Agreement.

6.5 Compensation Committee. The representatives to the Board of Directors nominated by the holders of the Series A Preferred Stock also shall be members of the

Company's Audit Committee and Compensation Committee, each of which shall meet at least once per year. Any grant by the Company of a stock option or other equity interest to Stephen Waldis shall require approval of the Compensation Committee, including approval by the members thereof designated by the Series A Stockholders. Any compensation plan applicable to any senior officer of the Company shall require the approval of the Compensation Committee. It is understood and agreed that Stephen G. Waldis shall receive an option pursuant to the Company's 2000 Stock Plan for the purchase of up to 1,120,700 shares of Common Stock (the "Option"). The Option shall vest as to 25% of the shares

covered by the grant as of one year following the date of grant and thereafter in equal monthly installments over the subsequent three (3) year period.

6.6 Key Person Life Insurance. The Company has as of t he date hereof and will continue to maintain term life insurance from financially sound and reputable insurers on the life of Stephen G. Waldis in the amount of at least Two Million Dollars ($2,000,000) payable to the Company.

6.7 Qualified Small Business Stock Status. The Company will use reasonable efforts to comply with the reporting and record keeping requirements of Section 1202 of the Code and any regulations promulgated thereunder, which efforts shall include submitting to the Series A Stockholders and to the Internal Revenue Service any reports that may be required under Section 1202(d)(1)(C) of the Code, any applicable state taxing jurisdictions and any regulations promulgated thereunder. For so long as shares of Series A Preferred Stock (the "Shares" for purposes of this Section 6.7) are held by Series A Stockholders, or transferee thereof, in whose hands the Shares and the shares of Common Stock issuable upon the conversion of the Shares (the "Conversion Shares" for purposes of this Section 6.7) are eligible for treatment as Qualified Small Business Stock under Section 1202 of the Code, the Company will use commercially reasonable efforts t o cause t he Shares (and Conversion Shares) to qualify as Qualified Small Business Stock. After any Series A Stockholder has delivered to the Company a written request seeking confirmation that such Series A Stockholder's interest in the Company derived as a result of the transactions contemplated by this Agreement constitutes Qualified Small Business Stock, the Company shall deliver to such Series A Stockholder a written statement (a "QSBS Notice") informing the Series A Stockholder whether such Series A Stockholder's interest in the Company, to the reasonably ascertainable knowledge of the Company and in the opinion of the Company, constitutes Qualified Small Business Stock, or would constitute Qualified Small Business Stock if determination of whether stock constitutes Qualified Small Business Stock were made by taking into account t he modifications set forth in Section 1045(b)(4) of the Code. The QSBS Notice shall not constitute a legal opinion of any kind, and the Series A Stockholder shall not construe it as such. The Company's obligation to furnish a QSBS Notice shall continue notwithstanding the fact that a class of the Company's stock may be an established securities market. The Company provides no assurance that Section 1202 treatment for t he Shares or Conversion Shares will actually be available at such time as a Series A Stockholder decides to sell such Shares (or Conversion Shares).

6.8 Assigned Agreements. The Company hereby agrees that, unless otherwise agreed by Series A Stockholders holding a majority of the then outstanding shares of Series A Preferred Stock, it shall, within 180 days of the date of this Agreement, use its best efforts to obtain the written consent of each of the parties (other than Vertek Corporation) to the Assigned

Agreements (as defined in Section 2.28 of the Purchase Agreement) to the assignment of such agreements or shall have entered into similar agreements in replacement thereof with such parties on substantially similar terms to the Assigned Agreement so replaced.

SECTION 7. MISCELLANEOUS.

7.1 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware, without regard to that state's conflicts of laws principles.

7.2 Amendment. Any provision of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only by the written consent of the Company and the holders of a majority of the shares of Series A Preferred Stock then outstanding; provided, however, that if such amendment or waiver has the effect of materially and adversely affecting the interests of the Common Stockholders, then such amendment or waiver shall also require the written consent of the Common Stockholders holding a majority of shares of Common Stock subject to this Agreement; provided further that waiver Section 6.8 of this Agreement shall require only the approval of the Series A Stockholders as provided for therein. Any such amendment or waiver shall be binding on each party hereto and each such party's successors, heirs and assigns.

7.3 Termination. The rights and obligations set forth in Sections 6.1 and 6.2 shall terminate upon a public offering by the Company expected to result in the Company being required to file periodic reports under the Act. All other rights and obligations established in this Agreement shall terminate upon the earlier of (a) the closing of a Qualified IPO, and (b) the closing of the Company's sale of all or substantially all of its assets or the acquisition of the Company by another entity by means of a merger or consolidation resulting in the exchange of the outstanding shares of the Company's capital stock for securities or consideration issued, or caused to be issued, by the acquiring entity, its subsidiary or another third party.

7.4 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by United States first-class mail, postage prepaid, sent by facsimile or delivered by a nationally recognized overnight courier addressed (a) if to a Common Stockholder or Series A Stockholder, as may be indicated on Schedule A hereto, or at such other address as such holder or permitted assignee shall have furnished to the Company in writing, or (b) if to the Company, at t he address or facsimile number indicated for t he Company on the signature page hereof. All such notices and other written communications shall be effective on the date of mailing, the time of confirmed facsimile transmission or t he date of delivery to a representative of a nationally recognized overnight courier, as the case may be. Notwithstanding the foregoing, the telephone notice permitted by Sections 2.3(c) shall be effective at the time it is given.

7.5 Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

7.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7.7 Entire Agreement. This Agreement constitutes the entire agreement between the parties relative to the specific subject matter hereof. Any previous agreement among the parties relative to the specific subject matter hereof, including without limitation the Prior Agreement, is superseded by this Agreement.

7.8 Further Assurances. The parties agree, from time to time and without further consideration, to execute and deliver such further documents and take such further actions as reasonably may be required to implement and effectuate the transactions contemplated in this Agreement.

7.9 Transfers of Rights. The rights and obligations of each Series A Stockholder (each, a "TRANSFERRING HOLDER") hereunder, may be transferred or assigned by such Transferring Holder to any person or entity who acquires not less than five percent (5%) of the shares of Common Stock (on an as-converted basis) owned by such Transferring Holder (as presently constituted and subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits, and the like), and such transferee or assignee shall be deemed a Series A Stockholder; provided that, in any case (i) the Company is given written notice at the time of, or within thirty (30) days after, transfer or assignment, stating the name and address of the transferee or assignee and identifying the securities with respect to which the rights and obligations of such Transferring Holder are being transferred or assigned, (ii) the transferee or assignee of such rights assumes in writing the obligations of such Transferring Holder under this Agreement, and (iii) the proposed transferee is not, in the Company's reasonable judgment, a competitor of the Company or a party who is demonstrably hostile towards the Company. Notwithstanding the foregoing, the transfer of rights and obligations pursuant to this Section 7.9 to a partner, retired partner, manager, member, former member, stockholder, Affiliate or family member of a Transferring Holder or a t rust for t he benefit of any such person, shall be without restriction, and such transferee shall be deemed a Series A Stockholder; provided that, such transferee assumes in writing the obligations of such Transferring Holder under this Agreement. Other than as provided for herein, this Agreement is intended to inure to the benefit of the parties hereto

only, and no other person shall have any rights, express or implied, by reason of this Agreement.

7.10 Additional Investors. Notwithstanding anything to the contrary herein, if the Company shall issue additional shares of its Series A Preferred Stock as contemplated by Section 1.1(d) of the Purchase Agreement, any purchaser of such shares may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement and no further action shall be required in connection therewith of a stockholder already party hereto.

7.11 Attorney Fees. In the event that any dispute among the parties to this Agreement should result in litigation, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such

reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

7.12 "Market Stand-Off" Agreement. In connection with t he initial public offering of the Company's securities and if requested by the Company and an underwriter of Common Stock (or other securities) of the Company, each Common Stockholder, each Other Stockholder and each Series 1 Stockholder agrees that he, she or it shall not sell or otherwise transfer or dispose of any Common Stock (or other securities) of the Company held by such stockholder (other than those included in the registration) during the one hundred eighty (180) day period following the effective date of a registration statement of the Company filed under the Securities Act, provided that all officers and directors of the Company, all other persons with registration rights (whether or not pursuant to this Agreement) and holders of at least 1% of the Company's equity securities are bound by and have entered into similar agreements.

The obligations described in this Section 7.12 shall not apply to a registration relating solely to employee benefit plans on Form S-3 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day period.

The foregoing Amended and Restated Investors Rights Agreement is hereby executed as of the date first above written.

SYNCHRONOSS TECHNOLOGIES, INC.

By: _____

Name: Stephen G. Waldis
Title: President and Chief Executive Officer
Address: 1525 Valley Center Parkway
Bethlehem, Pennsylvania 18017
Fax: (___) - _____

SCHEDULE A

COMMON STOCKHOLDERS

Stephen G. Waldis
c/o SynchronOSS Technologies, Inc.
1525 Valley Center Parkway
Bethlehem, Pennsylvania 18017
Facsimile: (___) ___-____

James McCormick
c/o SynchronOSS Technologies, Inc.
525 Valley Center Parkway
Bethlehem, Pennsylvania 18017
Facsimile: (___) ___-____

OTHER STOCKHOLDERS

Richard McCormick
c/o SynchronOSS Technologies, Inc.
1525 Valley Center Parkway
Bethlehem, Pennsylvania 18017
Facsimile: (___) ___-____

Charles Machlin
c/o SynchronOSS Technologies, Inc.
1525 Valley Center Parkway
Bethlehem, Pennsylvania 18017
Facsimile: (___) ___-____

Darrell Sagehorn
c/o SynchronOSS Technologies, Inc.
1525 Valley Center Parkway
Bethlehem, Pennsylvania 18017
Facsimile: (___) ___-____

Peter McCormick
c/o SynchronOSS Technologies, Inc.
1525 Valley Center Parkway
Bethlehem, Pennsylvania 18017
Facsimile: (___) ___-____

James Mortenson
c/o SynchronOSS Technologies, Inc.
1525 Valley Center Parkway
Bethlehem, Pennsylvania 18017
Facsimile: (___)

Waldis Family Limited Partnership LP
c/o SynchronOSS Technologies, Inc.
1525 Valley Center Parkway
Bethlehem, Pennsylvania 18017
Facsimile: (___) ___-____

James McCormick Children's Trust
c/o SynchronOSS Technologies, Inc.
1525 Valley Center Parkway
Bethlehem, Pennsylvania 18017
Facsimile: (___) ___-____

James McCormick Grandchildren's Trust
c/o SynchronOSS Technologies, Inc.
1525 Valley Center Parkway
Bethlehem, Pennsylvania 18017
Facsimile: (___) ___-____

SERIES 1 STOCKHOLDER

Vertek Corporation
430 Mountain Avenue
Murray Hill, New Jersey 07974
Facsimile: (___) ___-____

SERIES A STOCKHOLDERS

ABS Ventures SYN L.L.C.
c/o ABS Ventures
1 South Street
Baltimore, MD 21202

Facsimile: (410) 895-3899

with a copy to:

John E. Depke, Esq.
Fulbright & Jaworski L.L.P.
666 Fifth Avenue
New York, New York 10103
Facsimile: (212) 318-3400

ABS Investors L.L.C.
c/o ABS Ventures
1 South Street
Baltimore, MD 21202
Facsimile: (410) 895-3899

RVG III, L.P.
c/o Rosewood Venture Group
One Maritime Plaza
Suite 1330
San Francisco, CA 94111
Fax: 415-362-1192

RVG IV, L.P.
c/o Rosewood Venture Group
One Maritime Plaza
Suite 1330
San Francisco, CA 94111
Fax: 415-362-1192

VLG SynchronOSS Investors
c/o Venture Law Group
2800 Sand Hill Road
Menlo Park, CA 94025
fax: 650-233-8386
Attn: Donald M. Keller, Jr.

Green Mountain Ventures, LLC
430 Mountain Avenue
Murray Hill, NJ 07974
fax: _____

G & H Partners
155 Constitution Drive
Menlo Park, CA 94025
fax: _____

John D. Methfessel, Jr. and Kathleen S.
Methfessel, JTWROS
3 Ethel Road Suite 300 Edison, NJ 08818
fax: _____

Moses Venture Partners L.P.
3 Ethel Road
Suite 300
Edison, NJ 08818
fax: _____

Merrimack Partners LLC
c/o Edward D. Kutchin
Kutchin & Rufo, P.C.
175 Federal Street
Boston, MA 02110-2210
fax: _____

North Shore LLC
c/o Edward D. Kutchin
Kutchin & Rufo, P.C.
175 Federal Street
Boston, MA 02110-2210
fax: _____

Ascent Venture Partners III, L.P.
255 State Street
5th Floor
Boston, MA 02109
fax: 617-720-9401

EXHIBIT 4.4

AMENDMENT NO. 1 TO SYNCHRONOSS TECHNOLOGIES, INC. AMENDED AND RESTATED INVESTORS RIGHTS AGREEMENT

This Amendment No. 1 to Amended and Restated Investors Rights Agreement (this "Amendment") is entered into as of April 27, 2001 by and among Synchronoss Technologies, Inc., a Delaware corporation (the "Company"), and those certain investors in the Company (the "Investors") whose signatures are set forth below.

WHEREAS, the Investors and the Company are parties to that certain Amended and Restated Investors Rights Agreement dated as of December 22, 2000 (the "Investors Rights Agreement"), pursuant to which the Investors possess certain rights;

WHEREAS, the Company and the Investors desire to amend the Investors Rights Agreement to grant certain Board of Director observer rights in connection with the sale of Series A Preferred Stock, $0.0001 par value per share (the "Series A Preferred Stock") pursuant to that certain Series A Preferred Stock Purchase Agreement of even date herewith;

WHEREAS, the Investors are holders of a sufficient percentage of Series A Preferred Stock to approve such amendment to the Investors Rights Agreement;

NOW, THEREFORE, in consideration of the promises and conditions contained herein, the parties hereby agree as follows:

1. Upon execution of this Amendment, Section 6.4 of the Investors Rights Agreement shall be amended in its entirety and replaced with the following:

"6.4 Board of Directors.

(a) Subject to Section 6.4(b), each of the parties to this Agreement shall take all actions within their respective power, including but not limited to, the voting of all shares of capital stock of the Company owned by them, required to cause the Board of Directors to consist of seven (7) members to include:

(i) two representatives designated by the Common Stockholders and the Series 1 Stockholders, voting together as a single class;

(ii) three representatives designated by the Series A Stockholders; and

(iii) two representatives, who shall have the expertise in the industry in which the Company operates, (1) nominated by the Common Stockholders and the Series 1 Stockholders, voting together as a single class and (2) approved by the Series A Stockholders, voting as a separate class.

Additionally, both of Ascent Venture Partners III, L.P. ("Ascent") and BVCF IV, L.P. ("BVCF"), for so long as they, or one of their Affiliates, holds at least 50% of the respective shares of Series A Preferred Stock purchased by each pursuant to the Purchase Agreement, shall each be entitled to appoint one person as an observer director, who shall be entitled to notice of and to attend all meetings of the Board of Directors, and to receive all information provided to the members of the Board of Directors, subject to applicable law. Notwithstanding the foregoing, the Company reserves the right to exclude any such observer directors from access to any meeting of the Board of Directors, or any portion thereof, or from access to any information, if the Company reasonably believes, in good faith and upon written advice of Company counsel, such exclusion is reasonably necessary to protect the attorney-client privilege. Both Ascent and BVCF agree that, upon the request of the Company, Ascent and BVCF shall cause their respective observer director to execute and deliver a confidentiality agreement requiring such observer director to make commercially reasonable efforts to hold in trust and confidence any confidential information learned by such observer as a result of his or her status as such.

(b) The directors of the Company shall be insured by the Company, through the purchase of director's liability insurance at such time and in such amount as is determined by the Board of Directors, and shall be indemnified by the Company to the fullest extent provided under applicable law.

(c) All reasonable expenses incurred by a director or an observer director of the Company in attending Board meetings or meetings of Board committees of which such director is a member and performing Company duties shall be borne by the Company.

(d) The holders of shares of Series A Preferred Stock hereby agree to vote their shares of Series A Preferred Stock pursuant to Section 6.4(a)(ii) to elect two representatives to the Board of Directors nominated by ABS Ventures SYN L.L.C. (or its successor) and one representative to the Board of Directors nominated by Rosewood Venture Group.

(e) The parties hereto will not vote for any amendment or change to the Company's Certificate of Incorporation or Bylaws providing for the election of more or less than seven (7) directors, or any other amendment or change to the Company's Certificate of Incorporation or Bylaws inconsistent with the terms of this Agreement or any proposed amendment thereto.

(f) The voting agreements contained herein are coupled with an interest and may not be revoked during the term of this Agreement."

2. Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Amendment shall inure to the benefit of and be binding upon the respective successors and assigns of the parties

3. Governing Law. This Amendment shall be governed by and construed under the laws of the State of Delaware as applied to agreements among Delaware residents entered into and to be performed entirely within Delaware.

4. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Amendment No. 1 to Investors Rights Agreement as of the day and year first above written.

THE COMPANY:

SYNCHRONOSS TECHNOLOGIES, INC.

By: /s/ STEPHEN G. WALDIS

Name: Stephen G. Waldis
Title: President and
Chief Executive Officer

EXHIBIT 4.5

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "AGREEMENT") is made as of the 13th day of November 2000, by and among SynchronOSS Technologies, Inc., a Delaware corporation (the "COMPANY"), and the persons identified as "Investors" on Schedule A attached hereto.

BACKGROUND

WHEREAS, the Investors are parties to a Series A Preferred Stock Purchase Agreement (the "PURCHASE AGREEMENT"), dated the date hereof, pursuant to which they are acquiring shares of the Company's Series A Preferred Stock; and

WHEREAS, certain of the parties' obligations under the Purchase Agreement are conditioned upon the execution and delivery by the Investors and the Company of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, and intending to be legally bound, the parties agree as follows:

SECTION 1. RESTRICTIONS ON TRANSFERABILITY OF SECURITIES; REGISTRATION RIGHTS.

1.1 CERTAIN DEFINITIONS. As used in this Agreement, the following terms shall have the meanings set forth below:

(a) "AFFILIATE" means, with respect to any specified person, (i) any other person that owns (directly or indirectly), individually or as part of a group (as determined pursuant to Rule 13d-5 under the Exchange Act) greater than fifty percent (50%) of the voting stock or other capital interest of such specified person, (ii) any other person of whom greater than fifty percent (50%) of the voting stock or other capital interest is owned by (directly or indirectly), individually or as part of a group (as determined pursuant to Rule 13d-5 under the Exchange Act) by such person, and (iii) any other person controlling, controlled by or under common control with such person.

(b) "CLOSING" shall mean the date of the initial sale of shares of the Series A Preferred Stock pursuant to the Purchase Agreement.

(c) "COMMISSION" shall mean the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

(d) "EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, as amended, or any similar successor federal statute, and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(e) "HOLDER" shall mean an Investor who holds Registrable Securities and any holder of Registrable Securities to whom the registration rights conferred by this Agreement have been transferred in compliance with Section 1.11 hereof.

(f) "INITIATING HOLDERS" shall mean any Holder or Holders of Registrable Securities who in the aggregate hold(s) not less than fifty percent (50%) in interest of the outstanding Registrable Securities.

(g) "INVESTOR" shall mean each person named on Schedule A hereto.

(h) "REGISTRABLE SECURITIES" shall mean (i) shares of Common Stock issued or issuable pursuant to the conversion of the Series A Preferred, (ii) any additional shares of Common Stock acquired by the Investors and (iii) any Common Stock issued as a dividend or other distribution with respect to or in exchange for or in replacement of the shares referenced in (i) or (ii) above; provided, however, that Registrable Securities shall not include any shares of Common Stock that have previously been registered or that have been sold to the public either pursuant to a registration statement or an exemption from registration under the Securities Act (including Rule 144), that have been sold in a private transaction in which the transferor's rights under this Agreement are not assigned or that may then be sold by an Investor pursuant to Rule

144(k).

(i) The terms "REGISTER," "REGISTERED" and "REGISTRATION" shall refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

(j) "REGISTRATION EXPENSES" shall mean all expenses incurred in effecting any registration pursuant to this Agreement, including, without limitation, all registration, qualification, and printing expenses, filing fees, escrow fees, fees and disbursements of counsel for the Company, blue sky fees and expenses, expenses of any regular or special audits incident to or required by any such registration and reasonable fees and disbursements of a single special counsel for the Holders, but shall not include Selling Expenses and the compensation of regular employees of the Company, which shall be paid in any event by the Company.

(k) "RULE 144" shall mean Rule 144 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(l) "RULE 145" shall mean Rule 145 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(m) "SECURITIES ACT" shall mean the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(n) "SELLING EXPENSES" shall mean all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities.

(o) "SERIES A PREFERRED" shall mean the Company's Series A Preferred Stock, $0.0001 par value per share.

1.2 REQUESTED REGISTRATION.

(a) If the Company shall receive from Holders holding in the aggregate more than fifty percent (50%) of the then-outstanding shares of Registrable Securities at any time or times not earlier than eighteen (18) months after the Closing, a written request that the Company effect any registration in which the anticipated aggregate offering price to the public would exceed Ten Million Dollars ($10,000,000)), the Company will:

(i) promptly give written notice of the proposed registration to all other Holders; and

(ii) subject to Section 1.2(b) use its best efforts to effect such registration (including, without limitation, filing post-effective amendments, appropriate qualifications under applicable blue sky or other state securities laws, and appropriate compliance with the Securities Act) as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request received by the Company within twenty (20) days after such written notice from the Company is mailed or delivered.

The Company shall not be obligated to effect, or to take any action to effect, any such registration pursuant to this Section 1.2:

(A) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification, or compliance, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(B) after the Company has initiated two (2) such registrations pursuant to Section 1.2(a) (counting for these purposes only registrations which have been declared or ordered effective and registrations which have been withdrawn by the Holders as to which the Holders have not elected to bear all the Registration Expenses relating to such registration

except as provided below);

(C) during the period starting with the date thirty (30) days prior to the Company's good faith estimate of the filing of, and ending on a date one hundred eighty (180) days after the effective date of, a Company-initiated registration; provided that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective; or

(D) if the Initiating Holders propose to dispose of shares of Registrable Securities which may be immediately registered on Form S-3 pursuant to a request made under Section 1.4 hereof.

In the event that a withdrawal of a registration by the Holders is based upon material adverse information relating to the Company that is different from the information known to the Initiating Holders requesting registration at the time of their request for registration under this Section 1.2 and the holders of a majority of the Registrable Securities held by the Initiating Holders with respect to such registration elect not to proceed with such registration, such registration shall not be treated as a counted registration for purposes of this Section 1.2 hereof.

(b) Subject to the foregoing clauses (A) through (D) of Section 1.2(a)(ii), the Company shall use commercially reasonable best efforts to effect such a registration of the Registrable Securities so requested as soon as practicable but in any event within one hundred twenty (120) days after receipt of the request or requests of the Initiating Holders; provided, however, that if (i) in the good faith judgment of the Board of Directors of the Company, such registration would be materially detrimental to the Company and the Board of Directors of the Company concludes, as a result, that it is essential to defer t he filing of such registration statement at such time, and (ii) the Company shall furnish to such Holders a certificate signed by the President of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be materially detrimental to the Company for such registration statement to be filed in the near future and that it is, therefore, essential to defer the filing of such registration statement, then the Company shall have the right to defer such filing, upon furnishing such certificate, for a period of not more than one hundred twenty (120) days after receipt of the request of the Initiating Holders; provided further, that the Company shall not defer its obligation in this manner more than once in any rolling twelve (12) month period.

The registration statement filed pursuant to the request of the Initiating Holders may, subject to the provisions of Sections 1.2(d) and 1.12 hereof, include other securities of the Company, with respect to which registration rights have been granted and may include securities of the Company being sold for the account of the Company.

(c) The right of any Holder to registration pursuant to Section 1.2(a) shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder with respect to such participation and inclusion) to the extent provided herein. Except as otherwise provided herein, a Holder may elect to include in such underwriting all or a part of the Registrable Securities he holds.

(d) If the Company shall request inclusion in any registration pursuant to Section 1.2 of securities being sold for its own account, or if other persons shall request inclusion in any registration pursuant to Section 1.2, then the Company shall provide the Initiating Holders with written notice of such participation and the Initiating Holders shall, on behalf of all Holders, offer to include such securities in the underwriting and may condition such offer on their acceptance of the further applicable provisions of this Section 1. The Company shall (together with all Holders and other persons proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected for such underwriting by the Initiating Holders, to which the Company has reasonably consented. Notwithstanding any other provision of this Section 1.2, if the underwriter advises the Company that marketing factors require a

limitation of the number of securities to be underwritten (including Registrable Securities), then the Company shall so advise all Holders of Registrable Securities which would otherwise be underwritten pursuant hereto, and the securities of the Company held by individuals or entities other than the selling Holders shall be excluded from such underwriting to the extent so required by such limitation. If, after the exclusion of such shares and securities being sold for the Company's own account, further reductions are still required, the number of shares that may be included in the underwriting shall be allocated to t he selling Holders on a pro rata basis based on the number of Registrable Securities held by all such Holders. If a person who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such person shall be excluded therefrom by written notice from the Company, the underwriter or the Initiating Holders. The securities so excluded shall also be withdrawn from registration.

1.3 COMPANY REGISTRATION.

(a) If the Company shall determine to register any of its securities either for its own account or the account of a security holder or holders exercising their respective demand registration rights (other than pursuant to Sections 1.2 or 1.4 hereof), other than a registration relating solely to employee benefit plans, or a registration relating to a corporate reorganization or other transaction under Rule 145, or a registration on any registration form that does not permit secondary sales, the Company will:

(i) promptly give to each Holder written notice thereof; and

(ii) use its best efforts to include in such registration (and any related qualification under blue sky laws or other compliance), except as set forth in Section 1.3(b) below, and in any underwriting involved therein, all the Registrable Securities specified in a written request or requests, made by any Holder and received by the Company within twenty (20) days after the written notice from the Company described in clause (i) above is mailed or delivered by the Company. Such written request may specify all or a part of a Holder's Registrable Securities.

(b) If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to Section 1.3(a)(i). In such event, the right of any Holder to registration pursuant to this Section 1.3 shall be conditioned upon such Holder's participat ion in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company and the other holders of securities of the Company with registration rights to participate therein distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected by the Company.

Notwithstanding any other provision of this Section 1.3, if the managing underwriter for the offering shall advise the Company in writing that the total amount of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the amount of securities to be sold other than by the Company that marketing

factors allow, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the managing underwriter believes marketing factors allow (the securities so included to be reduced as follows: (i) all securities which are not Registrable Securities shall be excluded from the offering to the extent limitation on the number of shares included in the underwriting is required, and (ii) if further limitation on the number of shares to be included in the underwriting is required, then the number of shares that may be included in the underwriting held by selling Holders shall be reduced pro rata based on the total number of Registrable Securities held by such Holders; provided, however, in no event shall the amount of securities of the selling Holders included in the offering be reduced below twenty-five percent (25%) of the total amount of securities included in such offering, unless such offering is the initial public offering of the Company's securities in which case the selling Holders may be excluded entirely if the managing underwriter makes the determination described above and no securities other than those of the Company are included.

If any person does not agree to the terms of any such underwriting or otherwise fails to comply with the provisions of this Agreement, he shall be excluded therefrom by written notice from the Company or the underwriter. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall be withdrawn from such registration.

1.4 REGISTRATION ON FORM S-3.

(a) After it s initial public offering, the Company shall use it s best efforts to qualify for registration on Form S-3 under the Securities Act or any comparable or successor form or forms. After the Company has qualified for the use of Form S-3, in addition to the rights contained in the foregoing provisions of this Section 1, Holders of the Registrable Securities shall have the right to request registrations on Form S-3 (such requests shall be in writing and shall state the number of shares of Registrable Securities to be disposed of and the intended methods of disposition of such shares by such Holder or Holders); provided, however, that the Company shall not be obligated to effect any such registration: (i) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) on Form S-3 at an aggregate price to the public of less than One Million Dollars ($1,000,000); (ii) in the event that the Company shall furnish the certification described in paragraph 1.2(b) (but subject to the limitations set forth therein); (iii) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance; or (iv) if the Company has previously effected two registrations on Form S-3 for the Holders during the twelve (12) month period preceding such request.

(b) If a request complying with the requirements of Section 1.4(a) hereof is delivered to the Company, the provisions of Sections 1.2(a)(i) and (ii) and Section 1.2(b) hereof shall apply to such registration. If the registration is for an underwritten offering, the provisions of Sections 1.2(c) and 1.2(d) hereof shall in addition apply to such registration.

1.5 EXPENSES OF REGISTRATION. All Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to Section 1.2, 1.3 and 1.4 hereof shall be borne by the Company. All Selling Expenses relating to securities so registered

shall be borne by the holders of such securities pro rata on the basis of the number of shares of securities so registered on their behalf.

1.6 REGISTRATION PROCEDURES. In the case of each registration effected by the Company pursuant to Section 1.2 or 1.4, the Company will keep each Holder advised in writing as to the initiation of each registration and as to the completion thereof. At its expense, the Company will use its best efforts to:

(a) subject to Section 1.13 below, keep such registration effective for a period of one hundred twenty (120) days or until the Holder or Holders have completed the distribution described in the registration statement relating thereto, whichever first occurs; provided, however, that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains from selling any securities included in such registration at the request of an underwriter of Common Stock (or other securities) of the Company; and (ii) in the case of any registration of Registrable Securities on Form S-3 which are intended to be offered on a continuous or delayed basis, such one hundred twenty (120) day period shall be extended, if necessary, to keep the registration statement effective until all such Registrable Securities are sold, provided that Rule 415, or any successor rule under the Securities Act, permits an offering on a continuous or delayed basis, and provided further that applicable rules under the Securities Act governing the obligation to file a post-effective amendment permit, in lieu of filing a post-effective amendment that (I) includes any prospectus required by Section 10(a)(3) of the Securities Act or (II) reflects facts or events representing a material or fundamental change in the information set forth in the registration statement, the incorporation by reference of information required to be included in (I) and (II) above to be contained in periodic reports filed pursuant to Section 13 or 15(d) of the Exchange Act in the registration statement;

(b) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection

with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement;

(c) furnish such number of prospectuses and other documents incident thereto, including any amendment of or supplement to the prospectus, as a Holder from time to time may reasonably request;

(d) notify each seller of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the occurrence of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing, and at the request of any such seller, prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein

or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing;

(e) cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange or market on which similar securities issued by the Company are then listed;

(f) provide a transfer agent and registrar for all Registrable Securities registered pursuant to such registration statement and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(g) otherwise use its best efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months, but not more than eighteen (18) months, beginning with the first month after the effective date of the Registration Statement, which earnings statement shall conform materially with the provisions of Section 11(a) of the Securities Act;

(h) in connection with any underwritten offering pursuant to a registration statement filed pursuant to Section 1.2 hereof, the Company will enter into an underwriting agreement in usual and customary form reasonably necessary to effect the offer and sale of Common Stock, provided such underwriting agreement contains customary underwriting provisions and provided further that if the underwriter so requests the underwriting agreement will contain customary contribution provisions; and

(i) furnish, at the request of a majority of the Holders participating in the registration, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to the underwriters in an underwritten public offering addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities and (ii) a letter dated as of such date from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering addressed to the underwriters, if any, and if permitted by applicable accounting standards, to the Holders requesting registration of Registrable Securities.

1.7 INDEMNIFICATION.

(a) The Company will indemnify each Holder, each of such Holder's officers, directors, managers, members, partners, legal counsel, and accountants and each person controlling such Holder within the meaning of Section 15 of the Securities Act with respect to which registration, qualification, or compliance has been effected pursuant to this Section 1, and each underwriter, if any, and

each person who controls within the meaning of Section 15 of the Securities Act any underwriter, against all claims, losses, damages, and liabilities (joint or several)(or actions, proceedings or settlements in respect thereof) arising out of or based on any

untrue statement (or alleged untrue statement) of a material fact contained in any prospectus, offering circular or other document (including any related registration statement, notification, or the like) incident to any such registration, qualification, or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or any violation (or alleged violation) by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification, or compliance, and will reimburse each such Holder, each of its officers, directors, partners, legal counsel, and accountants and each person controlling such Holder, each such underwriter, and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred (and as incurred) in connection with investigat ing and defending or settling any such claim, loss, damage, liability, or action, provided that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability, or expense arises out of or is based on the Company's reliance upon and in conformity with any untrue statement or omission set forth in written information furnished to the Company by such Holder or underwriter and stated to be specifically for use therein, unless such Holder (or underwriter as the case may be) timely provided to the Company additional information to correct the previously inaccurate or incomplete information. It is agreed that the indemnity agreement contained in this Section 1.7(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent has not been unreasonably withheld or delayed).

(b) Each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration, qualification, or compliance is being effected, indemnify the Company, each of its directors, officers, partners, legal counsel, and accountants and each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter within the meaning of Section 15 of the Securities Act, each other such Holder, and each of their officers, directors, managers, members, partners, legal counsel and accountants and each person controlling such Holder or other stockholder, against all claims, losses, damages and liabilities (joint or several) (or actions, proceedings or settlements in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement, prospectus, offering circular or other document, (including any related registration statement, notification, or the like) incident to any such registration, qualification, or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Company and such Holders, other stockholders, directors, officers, managers, members, partners, legal counsel, and accountants, persons, underwriters, or control persons for any legal or any other expenses reasonably incurred (as incurred) in connection with investigating and defending or settling any such claim, loss, damage, liability, or action, in each case to the extent but only to the extent that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular, or other document in reliance upon and in conformit y with written information furnished to the Company by such Holder and stated to be specifically for use therein provided, however, that the obligations of such Holder hereunder shall not apply to amounts paid in settlement of any such claims, losses, damages, or liabilities (or actions in

respect thereof) if such settlement is effected without the consent of such Holder (which consent shall not be unreasonably withheld or delayed); and provided that in no event shall any indemnity under this Section 1.7 exceed the net proceeds from the offering received by such Holder.

(c) Each party entitled to indemnification under this Section 1.7 (the "Indemnified Party") shall give written notice to the party required t o provide indemnification (the "Indemnifying Party") promptly after such

Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of such claim or any litigation resulting therefrom; provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld or delayed), and the Indemnified Party may participate in such defense at such party's expense, except that such participation by an Indemnified Party shall be at the expense of the Indemnifying Party if representation of such Indemnified Party by the counsel retained by the Indemnifying Party would be inappropriate due to actual or potential differing interests, as reasonably determined by either party, between such Indemnified Party and any other party represented by such counsel in such proceeding; provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 1, to the extent such failure is not prejudicial. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect t o such claim or litigation. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with the defense of such claim and litigation resulting therefrom.

(d) If the indemnification provided for in this Section 1.7 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, liability, claim, damage, or expense referred to therein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the statements or omissions t hat resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations; provided that in no event shall any contribution obligation hereunder exceed the net proceeds from the offering received by such Holder. The relative fault of the Indemnifying Part y and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in

connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

1.8 INFORMATION BY HOLDER. Each Holder of Registrable Securities shall furnish to the Company such information regarding such Holder and the distribution proposed by such Holder as the Company may reasonably request in writing and as shall be reasonably required in connection with any registration, qualification, or compliance referred to in this Section 1.

1.9 LIMITATIONS ON SUBSEQUENT REGISTRATION RIGHTS. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of at least a majority of the then-outstanding Registrable Securities, enter into any agreement with any holder or prospective holder of any securities of the Company giving such holder or prospective holder any registration rights; provided that the Company may, without the consent of the Holders, grant "piggy back" registration rights to equipment lessors or other persons in similar commercial situations with the Company provided that any such granted rights by their terms are expressly subordinated in all respects to any registration right granted hereunder.

1.10 RULE 144 REPORTING. With a view to making available the benefits of certain rules and regulations of the Commission that may permit the sale of the Registrable Securities to the public without registration, the Company agrees to:

(a) make and keep public information regarding the Company available as those terms are understood and defined in Rule 144, at all times from and after ninety (90) days following the effective date of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public;

(b) file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act at any time after it has become subject to such reporting requirements; and

(c) so long as a Holder owns any Registrable Securities, furnish to the Holder forthwith upon written request as to the Company's compliance with the reporting requirements of Rule 144 (at any time from and after ninety (90) days following the effective date of the first registration statement filed by the Company for an offering of its securities to the general public), and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed and information as a Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a Holder to sell any such securities without registration.

1.11 TRANSFER OR ASSIGNMENT OF REGISTRATION RIGHTS. The rights to cause the Company to register securities granted to a Holder by the Company under this Section 1 may be transferred or assigned by a Holder only to a transferee or assignee who acquires not less than fifteen percent (15%) of such Holder's Registrable Securities (as presently constituted and subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits, and the like); provided that, in either case (i) the Company is given written notice at the time of or within

thirty (30) days after transfer or assignment, stating the name and address of the transferee or assignee and identifying the securities with respect to which such registration rights are being transferred or assigned, and (ii) the transferee or assignee of such rights assumes in writing the obligations of such Holder under this Agreement. Notwithstanding the foregoing, the transfer of regist rat ion rights to an Affiliate or a partner, retired partner, manager, member, former member, family member of a Holder or a trust for the benefit of any such person, shall be without restriction, provided that such transferee assumes in writing the obligations of such Holder under this Agreement.

1.12 TERMINATION OF REGISTRATION RIGHTS. The rights to request registration of any Company securities pursuant to Sections 1.2, 1.3 and 1.4 shall terminate as to any Holder upon the earlier of: (a) when all of a Holder's Registrable Securities may be sold during a single three (3) month period under Rule 144; and (b) when a Holder's Registrable Securities may be transferred under Rule 144(k) unless such Holder later becomes an affiliate of the Company (as defined in Rule 144) in which case such Holder's rights to request registration shall be revived until such Holder's rights otherwise terminate under this Section 1.12.

1.13 "MARKET STAND-OFF" AGREEMENT. In connection with the initial public offering of the Company's securities and if requested by the Company and an underwriter of Common Stock (or other securities) of the Company, the Investor shall not sell or otherwise transfer or dispose of any Common Stock (or other securities) of the Company held by such Investor (other than those included in the registration) during the one hundred eighty (180) day period following the effective date of a registration statement of the Company filed under the Securities Act, provided that all officers and directors of the Company, all other persons with registration rights (whether or not pursuant to this Agreement) and holders of at least 1% of the Company's equity securities are bound by and have entered into similar agreements.

The obligations described in this Section 1.13 shall not apply to a registration relating solely to employee benefit plans on Form S-3 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day period.

SECTION 2. MISCELLANEOUS.

2.1 GOVERNING LAW. This Agreement shall be governed in all respects by the laws of the State of Delaware without regard to conflicts of laws principles.

2.2 SUCCESSORS AND ASSIGNS. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, permitted assigns, heirs, executors and administrators of the parties hereto.

2.3 ENTIRE AGREEMENT; AMENDMENT; WAIVER. This Agreement, the Purchase Agreement and the other agreements contemplated hereby and thereby constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof and thereof, and any previous agreement among the parties relative to the specific subject matter

hereof is superseded by this Agreement. Neither this Agreement nor any term hereof may be amended, waived, discharged or terminated, except by a written instrument signed by the Company and the Holders of at least a majority of the Registrable Securities then outstanding, and any such amendment, waiver, discharge or termination shall be binding on all holders of any Registrable Securities and each future holder of all such Registrable Securities.

2.4 NOTICES. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by United States first-class mail, postage prepaid, sent by facsimile or delivered by a nationally recognized overnight courier addressed (a) if to a Holder as indicated on the Schedule A hereto, or at such other address as such Holder or permitted assignee shall have furnished to the Company in writing, or (b) if to the Company, at the address or facsimile number indicated for the Company on the signature page hereof. All such notices and other written communications shall be effective on the date of mailing, the time of confirmed facsimile transmission or the date of delivery to a representative of a nationally recognized overnight courier, as the case may be.

2.5 DELAYS OR OMISSIONS. No delay or omission to exercise any right, power or remedy accruing to any Holder, upon any breach or default of the Company under this Agreement shall impair any such right, power or remedy of such Holder nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default therefore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Holder of any breach or default under this Agreement or any waiver on the part of any Holder of any provisions or conditions of this Agreement must be made in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any Holder, shall be cumulative and not alternative.

2.6 RIGHTS; SEVERABILITY. Unless otherwise expressly provided herein, a Holder's rights hereunder are several rights, not rights jointly held with any of the other Holders. In case any provision of the Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

2.7 INFORMATION CONFIDENTIAL. Each party acknowledges that the information received by them pursuant hereto may be confidential and for its use only, and it will not use such confidential information in violation of the Securities Act or Exchange Act or reproduce, disclose or disseminate such information to any other person (other than its employees or agents having a need to know the contents of such information, and its attorneys), except in connection with the exercise of rights under this Agreement, unless the Company has made such information available to the public generally or such party is required to disclose such information by a governmental body.

2.8 TITLES AND SUBTITLES. The titles of the paragraphs and subparagraphs of this Agreement are for convenience of reference only and are not to be considered in construing or interpreting this Agreement.

2.9 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

2.10 FURTHER ASSURANCES. The parties agree, from time to time and without further consideration, to execute and deliver such further documents and take such further actions as reasonably may be required to implement and effectuate the transactions contemplated in this Agreement.

2.11 NO THIRD-PARTY BENEFICIARIES. Other than as provided for herein, this Agreement is intended to inure to the benefit of the parties hereto only, and no other person shall have any rights, express or implied, by reason of this Agreement.

2.12 ADDITIONAL INVESTORS. Notwithstanding anything to the contrary herein, if the Company shall issue additional shares of its Series A Preferred Stock as contemplated by Section 1.1(d) of the Purchase Agreement, any purchaser of such shares may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement and no further action shall be required of any Investor already party hereto at such time.

[signature pages to follow]

IN WITNESS WHEREOF, the parties hereto have executed this Registration Rights Agreement effective as of the day and year first above written.

SYNCHRONOSS TECHNOLOGIES, INC.

By: _____

Name: Stephen G. Waldis
Title: President and
Chief Executive Office
Address: 1525 Valley Center Parkway
Bethlehem, Pennsylvania 18017
Fax: (___) - _____

SCHEDULE A

SERIES A PREFERRED STOCKHOLDERS

ABS Ventures SYN L.L.C.
c/o ABS Ventures
1 South Street
Baltimore, MD 21202
Facsimile: (410) 895-3899

with a copy to: John E. Depke,
Esq. Fulbright & Jaworski L.L.P.
666 Fifth Avenue
New York, New York 10103
Facsimile: (212) 318-3400

ABS Investors L.L.C.
c/o ABS Ventures
1 South Street
Baltimore, MD 21202
Facsimile: (410) 895-3899

RVG III, L.P.
c/o Rosewood Venture Group
One Maritime Plaza
Suite 1330
San Francisco, CA 94111
Fax: 415-362-1192

RVG IV, L.P.
c/o Rosewood Venture Group
One Maritime Plaza

Suite 1330
San Francisco, CA 94111
Fax: 415-362-1192

VLG SynchronOSS Investors
c/o Venture Law Group
2800 Sand Hill Road
Menlo Park, CA 94025
fax: 650-233-8386
Attn: Donald M. Keller, Jr.

Green Mountain Ventures, LLC
430 Mountain Avenue

Murray Hill, NJ 07974
Fax: _____

G & H Partners
155 Constitution Drive
Menlo Park, CA 94025
Fax: _____

John D. Methfessel, Jr. and Kathleen
S. Methfessel, JTWROS
3 Ethel Road
Suite 300
Edison, NJ 08818
Fax: _____

Moses Venture Partners
3 Ethel Road
Suite 300
Edison, NJ 08818
Fax: _____

Merrimack Partners LLC
[Address]
fax: _____

North Shore LLC
[Address]
fax: _____

EXHIBIT 4.6

SYNCHRONOSS TECHNOLOGIES, INC.
AMENDMENT NO. 1 TO
REGISTRATION RIGHTS AGREEMENT

This Amendment No. 1 to the Registration Rights Agreement ("AMENDMENT") is agreed to as of May 21, 2001, by and between Synchronoss Technologies Inc., a Delaware corporation (the "COMPANY"), the undersigned holders (the "STOCKHOLDERS") of the Company's Series A Preferred Stock, $0.0001 par value per share, and Silicon Valley Bank (the "BANK"). Capitalized terms used herein but not otherwise defined herein shall have the meanings set forth in the Registration Rights Agreement dated as of November 13, 2000 (the "REGISTRATION RIGHTS AGREEMENT") between the Company and the Investors (as defined therein) listed on the signature pages thereto.

Whereas, the Stockholders are "INVESTORS" as such term is defined in the Registration Rights Agreement;

Whereas, the Board of Directors and stockholders of the Company have approved a transaction (the "LOAN AGREEMENT") between the Company and the Bank, which provides for the borrowing of up to $3,500,000 from the Bank;

Whereas, in connection with the Loan Agreement, the Company intends to issue a Warrant to Purchase Stock (the "WARRANT") to the Bank which will entitle the Bank to purchase up to 60,345 shares of the Company's Series A Preferred Stock at an exercise price of $2.90 per share;

Whereas, the Stockholders and the Company now wish to amend certain Sections of the Registration Rights Agreement to, among other things, include the Bank as a party to such agreement to the limited extent set forth herein;

Whereas, the Bank desires to become a party to the Registration Rights Agreement for the purposes and to the extent provided herein;

Whereas, pursuant to Section 2.3 of the Registration Rights Agreement, the Registration Rights Agreement may only be amended upon the written consent of the Company and the holders of at least a majority of Registrable Securities presently outstanding; and

Whereas, pursuant to Section 1.9 of the Registration Rights Agreement, the Company shall not grant registration rights to any prospective holder of Registrable Securities without the written consent of the holders of at least a majority of the Registrable Securities presently outstanding.

Now, therefore, the Stockholders, representing a sufficient percentage of the Registrable Securities to approve this Amendment and consent to the grant of certain registration rights to the Bank; the Company, in accordance with Section 2.3 of the Registration Rights Agreement; and the Bank hereby agree as follows:

1. Schedule A to the Registration Rights Agreement shall be amended in part to include Silicon Valley Bank, Attn: Treasury Department, 3003 Tasman Drive, HG 110, Santa Clara, CA 95054.

2. The Bank will be treated as an "Investor" with respect to rights granted to an "Investor" pursuant to the Registration Rights Agreement, including, but not limited to, the registration rights under Sections 1.2, 1.3 and 1.4 of the Registration Rights Agreement; provided, however, that the Bank shall not be entitled to initiate a requested registration pursuant to Section 1.2 of the Registration Rights Agreement.

3. The Stockholders, in accordance with Section 1.9 of the Registration Rights Agreement, hereby consent to the Company granting certain registration rights to the Bank pursuant to the Registration Rights Agreement and this Amendment.

4. The Bank hereby adopts the Registration Rights Agreement and agrees to become a party thereto and subject to the terms and conditions thereof as if it were an original party thereto; provided, however, that the Bank understands and acknowledges that it shall not be entitled to the rights granted to Investors pursuant to Section 1.2 of the Registration Rights

Agreement.

5. To the extent not addressed by this Amendment, all other provisions of the Registration Rights Agreement shall remain unaffected and in full force and effect without change.

6. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7. Except as otherwise provided herein, the terms and conditions of this Amendment shall inure to the benefit of and be binding upon the respective successors and assigns of the parties.

8. This Amendment shall be governed by and construed under the laws of the State of Delaware as applied to agreements among Delaware residents entered into and to be performed entirely within Delaware.

[Remainder of page intentionally left blank]

In Witness Whereof, each of the parties has executed this Amendment as of the day and year first above written.

SYNCHRONOSS TECHNOLOGIES, INC.

By: _____

Name: _____

Title: _____

SILICON VALLEY BANK

By: _____

Name: _____

Title: _____

STOCKHOLDERS:

Date: May __, 2001

_____

Print Exact Name of Stockholder
(as it appears on the stockholder's certificate(s))

_____

Signature of Stockholder
(or authorized person on behalf of Stockholder)

_____

Title of Signatory (if applicable)

Principal Residence/Place of Business:

_____

_____

EXHIBIT 10.2

SYNCHRONOSS TECHNOLOGIES, INC.

2000 STOCK PLAN

ADOPTED ON OCTOBER 27, 2000

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SYNCHRONOSS TECHNOLOGIES, INC. 2000 STOCK PLAN

SECTION 1. ESTABLISHMENT AND PURPOSE.

The purpose of the Plan is to offer selected individuals an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, by purchasing Shares of the Company's Stock. The Plan provides both for the direct award or sale of Shares and for the grant of Options to purchase Shares. Options granted under the Plan may include Nonstatutory Options as well as ISOs intended to qualify under Section 422 of the Code.

Capitalized terms are defined in Section 12.

SECTION 2. ADMINISTRATION.

(a) COMMITTEES OF THE BOARD OF DIRECTORS. The Plan may be administered by one or more Committees. Each Committee shall consist of one or more members of the Board of Directors who have been appointed by the Board of Directors. Each Committee shall have such authority and be responsible for such functions as the Board of Directors has assigned to it. If no Committee has been appointed, the entire Board of Directors shall administer the Plan. Any reference to the Board of Directors in the Plan shall be construed as a reference to the Committee (if any) to whom the Board of Directors has assigned a particular function.

(b) AUTHORITY OF THE BOARD OF DIRECTORS. Subject to the provisions of the Plan, the Board of Directors shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. All decisions, interpretations and other actions of the Board of Directors shall be final and binding on all Purchasers, all Optionees and all persons deriving their rights from a Purchaser or Optionee.

SECTION 3. ELIGIBILITY.

(a) GENERAL RULE. Only Employees, Outside Directors and Consultants shall be eligible for the grant of Options or the direct award or sale of Shares. Only Employees shall be eligible for the grant of ISOs.

(b) TEN-PERCENT STOCKHOLDERS. An individual who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company, its Parent or any of its Subsidiaries shall not be eligible for the grant of an ISO unless (i) the Exercise Price is at least 110% of the Fair Market Value of a Share on the date of grant and (ii) such ISO by its terms is

not exercisable after the expiration of five years from the date of grant. For purposes of this Subsection (b), in determining stock ownership, the attribution rules of Section 424(d) of the Code shall be applied.

SECTION 4. STOCK SUBJECT TO PLAN.

(a) BASIC LIMITATION. Shares offered under the Plan may be authorized but unissued Shares or treasury Shares. The aggregate number of Shares that may be issued under the Plan (upon exercise of Options or other rights to acquire Shares) shall not exceed 4,482,798 Shares, subject to adjustment pursuant to Section 8. The number of Shares that are subject to Options or other rights outstanding at any time under the Plan shall not exceed the number of Shares that then remain available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan.

(b) ADDITIONAL SHARES. In the event that any outstanding Option or other right for any reason expires or is canceled or otherwise terminated, the Shares allocable to the unexercised portion of such Option or other right shall again be available for the purposes of the Plan. In the event that Shares issued under the Plan are reacquired by the Company pursuant to any forfeiture provision, right of repurchase or right of first refusal, such Shares shall again be available for the purposes of the Plan, except that the aggregate number of Shares which may be issued upon the exercise of ISOs shall in no event exceed 2,000,000 Shares (subject to adjustment pursuant to Section 8).

SECTION 5. TERMS AND CONDITIONS OF AWARDS OR SALES.

(a) STOCK PURCHASE AGREEMENT. Each award or sale of Shares under the Plan (other than upon exercise of an Option) shall be evidenced by a Stock Purchase Agreement between the Purchaser and the Company. Such award or sale shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Stock Purchase Agreement. The provisions of the various Stock Purchase Agreements entered into under the Plan need not be identical.

(b) DURATION OF OFFERS AND NONTRANSFERABILITY OF RIGHTS. Any right to acquire Shares under the Plan (other than an Option) shall automatically expire if not exercised by the Purchaser within 30 days after the grant of such right was communicated to the Purchaser by the Company. Such right shall not be transferable and shall be exercisable only by the Purchaser to whom such right was granted.

(c) PURCHASE PRICE. The Purchase Price of Shares to be offered under the Plan, if newly issued, shall not be less than the par value of such Shares. Subject to the preceding sentence, the Board of Directors shall determine the Purchase Price at its sole discretion. The Purchase Price shall be payable in a form described in Section 7.

(d) WITHHOLDING TAXES. As a condition to the purchase of Shares, the Purchaser shall make such arrangements as the Board of Directors may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such purchase.

(e) RESTRICTIONS ON TRANSFER OF SHARES. Any Shares awarded or sold under the Plan shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Board of Directors may determine. Such restrictions shall be set forth in the applicable Stock Purchase Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally.

(f) ACCELERATED VESTING. Unless the applicable Stock Purchase Agreement provides otherwise, any right to repurchase a Purchaser's Shares at the original Purchase Price (if any) upon termination of the Purchaser's Service shall lapse with respect to the number of Shares that would vest over a twelve (12) month period or, in the event a lesser number of Shares is then subject to such right, with respect to all remaining Shares, if:

(i) the Company is subject to a Change in Control before the Purchaser's Service terminates; and

(ii) the Purchaser is subject to an Involuntary Termination within twelve (12) months following such Change in Control.

A Stock Purchase Agreement may also provide for accelerated vesting in the event of the Purchaser's death or disability or other events.

SECTION 6. TERMS AND CONDITIONS OF OPTIONS.

(a) STOCK OPTION AGREEMENT. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Stock Option Agreement. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

(b) NUMBER OF SHARES. Each Stock Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 8. The Stock Option Agreement shall also specify whether the Option is an ISO or a Nonstatutory Option.

(c) EXERCISE PRICE. Each Stock Option Agreement shall specify the Exercise Price. The Exercise Price of an ISO shall not be less than 100% of the Fair Market Value of a Share on the date of grant, and a higher percentage may be required by Section 3(b). The Exercise Price of a Nonstatutory Option to purchase newly issued Shares shall not be less than 30% of the Fair Market Value of a Share on the date of grant. Subject to the preceding two sentences, the Exercise Price under an Option shall be determined by the Board of Directors at its sole discretion. The Exercise Price shall be payable in a form described in Section 7.

(d) WITHHOLDING TAXES. As a condition to the exercise of an Option, the Optionee shall make such arrangements as the Board of Directors may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such exercise. The Optionee shall also make such arrangements as the Board of Directors

may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with the disposition of Shares acquired by exercising an Option.

(e) EXERCISABILITY. Each Stock Option Agreement shall specify the date when all or any installment of the Option is to become exercisable. The Board of Directors shall determine the exercisability provisions of a Stock Option Agreement at its sole discretion.

(f) BASIC TERM. The Stock Option Agreement shall specify the term of the Option. The term shall not exceed 10 years from the date of grant, and in the case of an ISO a shorter term may be required by Section 3(b). Subject to the preceding sentence, the Board of Directors at its sole discretion shall determine when an Option is to expire. A Stock Option Agreement may provide for expiration prior to the end of its term in the event of the termination of the Optionee's Service or death.

(g) NONTRANSFERABILITY. No Option shall be transferable by the Optionee other than by beneficiary designation, will or the laws of descent and distribution. During the lifetime of the Optionee, only the Optionee or the Optionee's guardian or legal representative may exercise an Option. No Option or interest therein may be transferred, assigned, pledged or hypothecated by the Optionee during the Optionee's lifetime, whether by operation of law or otherwise, or be made subject to execution, attachment or similar process.

(h) NO RIGHTS AS A STOCKHOLDER. An Optionee, or a transferee of an Optionee, shall have no rights as a stockholder with respect to any Shares covered by the Optionee's Option until such person becomes entitled to receive such Shares by filing a notice of exercise and paying the Exercise Price pursuant to the terms of such Option.

(i) MODIFICATION, EXTENSION AND ASSUMPTION OF OPTIONS. Within the limitations of the Plan, the Board of Directors may modify, extend or assume outstanding Options or may accept the cancellation of outstanding Options (whether granted by the Company or another issuer) in return for the grant of new Options for the same or a different number of Shares and at the same or a different Exercise Price. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair the Optionee's rights or increase the Optionee's obligations under such Option.

(j) RESTRICTIONS ON TRANSFER OF SHARES. Any Shares issued upon exercise of an Option shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Board of Directors may determine. Such restrictions shall be set forth in the applicable Stock Option Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally.

(k) ACCELERATED EXERCISABILITY. Unless the applicable Stock Option Agreement provides otherwise, the number of an Optionee's Options that would become exercisable over a twelve (12) month period or, in the event a lesser number of Options have yet to become exercisable, all remaining Options, shall become exercisable if:

(i) the Company is subject to a Change in Control before the Optionee's Service terminates; and

(ii) the Optionee is subject to an Involuntary Termination within twelve (12) months following such Change in Control.

A Stock Option Agreement may also provide for accelerated exercisability in the event of the Optionee's death, disability or retirement or other events.

(l) ACCELERATED VESTING. Unless the applicable Stock Option Agreement provides otherwise, any right to repurchase an Optionee's Shares at the original Exercise Price (if any) upon termination of the Optionee's Service shall lapse with respect to the number of Shares that would vest over a twelve (12) month period or, in the event a lesser number of Shares is then subject to such right, with respect to all remaining Shares, if:

(iii) the Company is subject to a Change in Control before the Optionee's Service terminates; and

(iv) the Optionee is subject to an Involuntary Termination within twelve (12) months following such Change in Control.

A Stock Option Agreement may also provide for accelerated vesting in the event of the Optionee's death or disability or other events.

SECTION 7. PAYMENT FOR SHARES.

(a) GENERAL RULE. The entire Purchase Price or Exercise Price of Shares issued under the Plan shall be payable in cash or cash equivalents at the time when such Shares are purchased, except as otherwise provided in this Section 7.

(b) SURRENDER OF STOCK. To the extent that a Stock Option Agreement so provides, all or any part of the Exercise Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value on the date when the Option is exercised. The Optionee shall not surrender, or attest to the ownership of, Shares in payment of the Exercise Price if such action would cause the Company to recognize compensation expense (or additional compensation expense) with respect to the Option for financial reporting purposes.

(c) SERVICES RENDERED. At the discretion of the Board of Directors, Shares may be awarded under the Plan in consideration of services rendered to the Company, a Parent or a Subsidiary prior to the award.

(d) PROMISSORY NOTE. To the extent that a Stock Option Agreement or Stock Purchase Agreement so provides, all or a portion of the Exercise Price or Purchase Price (as the case may be) of Shares issued under the Plan may be paid with a full-recourse promissory note. However, the par value of the Shares, if newly issued, shall be paid in cash or cash equivalents. The Shares shall be

pledged as security for payment of the principal amount of the promissory note and interest thereon. The interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest

under the Code. Subject to the foregoing, the Board of Directors (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any) and other provisions of such note.

(e) EXERCISE/SALE. To the extent that a Stock Option Agreement so provides, and if Stock is publicly traded, payment may be made all or in part by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

(f) EXERCISE/PLEDGE. To the extent that a Stock Option Agreement so provides, and if Stock is publicly traded, payment may be made all or in part by the delivery (on a form prescribed by the Company) of an irrevocable direction to pledge Shares to a securities broker or lender approved by the Company, as security for a loan, and to deliver all or part of the loan proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

SECTION 8. ADJUSTMENT OF SHARES.

(a) GENERAL. In the event of a subdivision of the outstanding Stock, a declaration of a dividend payable in Shares, a declaration of an extraordinary dividend payable in a form other than Shares in an amount that has a material effect on the Fair Market Value of the Stock, a combination or consolidation of the outstanding Stock into a lesser number of Shares, a recapitalization, a spin-off, a reclassification or a similar occurrence, the Board of Directors shall make appropriate adjustments in one or more of (i) the number of Shares available for future grants under Section 4, (ii) the number of Shares covered by each outstanding Option or (iii) the Exercise Price under each outstanding Option.

(b) MERGERS AND CONSOLIDATIONS. In the event that the Company is a party to a merger or consolidation, outstanding Options shall be subject to the agreement of merger or consolidation. Such agreement shall provide for:

(i) The continuation of such outstanding Options by the Company (if the Company is the surviving corporation);

(ii) The assumption of the Plan and such outstanding Options by the surviving corporation or its parent;

(iii) The substitution by the surviving corporation or its parent of options with substantially the same terms for such outstanding Options;

(iv) The full exercisability of such outstanding Options and full vesting of the Shares subject to such Options, followed by the cancellation of such Options; or

(v) The settlement of the full value of such outstanding Options (whether or not then exercisable) in cash or cash equivalents, followed by the cancellation of such Options.

(c) RESERVATION OF RIGHTS. Except as provided in this Section 8, an Optionee or Purchaser shall have no rights by reason of (i) any subdivision or consolidation of shares of stock of any class, (ii) the payment of any dividend or (iii) any other increase or decrease in the number of shares of stock of any class. Any issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Option. The grant of an Option pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 9. SECURITIES LAW REQUIREMENTS.

Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded.

SECTION 10. NO RETENTION RIGHTS.

Nothing in the Plan or in any right or Option granted under the Plan shall confer upon the Purchaser or Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Purchaser or Optionee) or of the Purchaser or Optionee, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

SECTION 11. DURATION AND AMENDMENTS.

(a) TERM OF THE PLAN. The Plan, as set forth herein, shall become effective on the date of its adoption by the Board of Directors, subject to the approval of the Company's stockholders. In the event that the stockholders fail to approve the Plan within 12 months after its adoption by the Board of Directors, any grants of Options or sales or awards of Shares that have already occurred shall be rescinded, and no additional grants, sales or awards shall be made thereafter under the Plan. The Plan shall terminate automatically 10 years after its adoption by the Board of Directors and may be terminated on any earlier date pursuant to Subsection (b) below.

(b) RIGHT TO AMEND OR TERMINATE THE PLAN. The Board of Directors may amend, suspend or terminate the Plan at any time and for any reason; provided, however, that any amendment of the Plan which increases the number of Shares available for issuance under

the Plan (except as provided in Section 8), or which materially changes the class of persons who are eligible for the grant of ISOs, shall be subject to the approval of the Company's stockholders. Stockholder approval shall not be required for any other amendment of the Plan.

(c) EFFECT OF AMENDMENT OR TERMINATION. No Shares shall be issued or sold under the Plan after the termination thereof, except upon exercise of an Option granted prior to such termination. The termination of the Plan, or any amendment thereof, shall not affect any Share previously issued or any Option previously granted under the Plan.

SECTION 12. DEFINITIONS.

(a) "BOARD OF DIRECTORS" shall mean the Board of Directors of the Company, as constituted from time to time.

(b) "CAUSE" shall mean:

(i) the unauthorized use or disclosure of the confidential information or trade secrets of the Company;

(ii) conviction of, or a plea of "guilty" or "no contest" to, a felony under the laws of the United States of any state thereof;

(iii) gross negligence; or

(iv) continued failure to perform reasonably assigned duties after receiving written notification from the Board of Directors.

The foregoing, however, shall not be deemed an exclusive list of all acts or omissions that the Company (or a Parent or Subsidiary) may consider as grounds for the discharge of an Optionee or Purchaser.

(c) "CHANGE IN CONTROL" shall mean:

(i) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if persons

who were not stockholders of the Company immediately prior to such merger, consolidation or other reorganization own immediately after such merger, consolidation or other reorganization 50% or more of the voting power of the outstanding securities of each of (A) the continuing or surviving entity and (B) any direct or indirect parent corporation of such continuing or surviving entity; or

(ii) The sale, transfer or other disposition of all or substantially all of the Company's assets.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(d) "CODE" shall mean the Internal Revenue Code of 1986, as amended.

(e) "COMMITTEE" shall mean a committee of the Board of Directors, as described in Section 2(a).

(f) "COMPANY" shall mean SynchronOSS Technologies, Inc., a Delaware corporation.

(g) "CONSULTANT" shall mean a person who performs bona fide services for the Company, a Parent or a Subsidiary as a consultant or advisor, excluding Employees and Outside Directors.

(h) "EMPLOYEE" shall mean any individual who is a common-law employee of the Company, a Parent or a Subsidiary.

(i) "EXERCISE PRICE" shall mean the amount for which one Share may be purchased upon exercise of an Option, as specified by the Board of Directors in the applicable Stock Option Agreement.

(j) "FAIR MARKET VALUE" shall mean the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.

(k) "INVOLUNTARY TERMINATION" shall mean the termination of the Optionee's or Purchaser's Service by reason of:

(i) the involuntary discharge of the Optionee or Purchaser by the Company (or Parent or Subsidiary) for reasons other than Cause; or

(ii) the voluntary resignation of the Optionee or Purchaser following (A) any reduction in his or her annual base salary following a Change in Control or (B) a relocation following a Change in Control of the Optionee's or Purchaser's place of employment by more than 50 miles, provided and only if such change or relocation is effected by the Company without the Optionee's or Purchaser's consent.

(l) "ISO" shall mean an employee incentive stock option as described in Section 422(b) of the Code.

(m) "NONSTATUTORY OPTION" shall mean a stock option not described in Sections 422(b) or 423(b) of the Code.

(n) "OPTION" shall mean an ISO or Nonstatutory Option granted under the Plan and entitling the holder to purchase Shares.

(o) "OPTIONEE" shall mean a person who holds an Option.

(p) "OUTSIDE DIRECTOR" shall mean a member of the Board of Directors who is not an Employee.

(q) "PARENT" shall mean any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as

of such date.

(r) "PLAN" shall mean this SynchronOSS Technologies, Inc. 2000 Stock Plan.

(s) "PURCHASE PRICE" shall mean the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Board of Directors.

(t) "PURCHASER" shall mean a person to whom the Board of Directors has offered the right to acquire Shares under the Plan (other than upon exercise of an Option).

(u) "SERVICE" shall mean service as an Employee, Outside Director or Consultant of the Company.

(v) "SHARE" shall mean one share of Stock, as adjusted in accordance with Section 8 (if applicable).

(w) "STOCK" shall mean the Common Stock of the Company, with a par value of $0.0001 per Share.

(x) "STOCK OPTION AGREEMENT" shall mean the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to the Optionee's Option.

(y) "STOCK PURCHASE AGREEMENT" shall mean the agreement between the Company and a Purchaser who acquires Shares under the Plan that contains the terms, conditions and restrictions pertaining to the acquisition of such Shares.

(z) "SUBSIDIARY" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

SECTION 13. EXECUTION.

To record the adoption of the Plan by the Board of Directors, the Company has caused its authorized officer to execute the same.

SYNCHRONOSS TECHNOLOGIES, INC.

By: _____

Title: _____

SYNCHRONOSS TECHNOLOGIES, INC. 2000 STOCK PLAN

NOTICE OF STOCK OPTION GRANT

You have been granted the following option to purchase shares of the Common Stock of Synchronoss Technologies, Inc. (the "Company"):

Name of Optionee:	<<Name>>
Total Number of Shares:	<<TotalShares>>
Type of Option:	<<ISO>> Incentive Stock Option (ISO)
	<<NSO>> Nonstatutory Stock Option (NSO)
Exercise Price Per Share:	$<<PricePerShare>>
Date of Grant:	<<DateGrant>>

Date Exercisable: This option may be exercised with respect to the first 25% of the Shares subject to this option when the Optionee completes 12 months of continuous Service after the Vesting Commencement Date. This option may be exercised with respect to an additional 1/48 of the Shares subject to this option when the Optionee completes each month of continuous Service thereafter.

Vesting Commencement Date: <<VestComDate>>

Expiration Date: <<ExpDate>>. This option expires earlier if the Optionee's Service terminates earlier, as provided in Section 6 of the Stock Option Agreement.

By your signature and the signature of the Company's representative below, you and the Company agree that this option is granted under and governed by the terms and conditions of the 2000 Stock Plan and the Stock Option Agreement, both of which are attached to and made a part of this document.

OPTIONEE: SYNCHRONOSS TECHNOLOGIES, INC.

By: _____

_____ Title: _____

<<Name>>

THE OPTION GRANTED PURSUANT TO THIS AGREEMENT AND THE SHARES ISSUABLE UPON THE EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD,

PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

SYNCHRONOSS TECHNOLOGIES, INC. 2000 STOCK PLAN: STOCK OPTION AGREEMENT

SECTION 1. GRANT OF OPTION.

(a) OPTION. On the terms and conditions set forth in the Notice of Stock Option Grant and this Agreement, the Company grants to the Optionee on the Date of Grant the option to purchase at the Exercise Price the number of Shares set forth in the Notice of Stock Option Grant. The Exercise Price is agreed to be at least 100% of the Fair Market Value per Share on the Date of Grant (110% of Fair Market Value if Section 3(b) of the Plan applies). This option is intended to be an ISO or an NSO, as provided in the Notice of Stock Option Grant.

(b) $100,000 LIMITATION. Even if this option is designated as an ISO in the Notice of Stock Option Grant, it shall be deemed to be an NSO to the extent (and only to the extent) required by the $100,000 annual limitation under Section 422(d) of the Code.

(c) STOCK PLAN AND DEFINED TERMS. This option is granted pursuant to the Plan, a copy of which the Optionee acknowledges having received. The provisions of the Plan are incorporated into this Agreement by this reference. Capitalized terms are defined in Section 13 of this Agreement.

SECTION 2. RIGHT TO EXERCISE.

(a) EXERCISABILITY. Subject to Subsection (b) below and the other conditions set forth in this Agreement, all or part of this option may be exercised prior to its expiration at the time or times set forth in the Notice of Stock Option Grant. In addition, this option shall become exercisable in full if (i) the Company is subject to a Change in Control before the Optionee's Service terminates, (ii) this option does not remain outstanding following the Change in Control, (iii) this option is not assumed by the surviving corporation

or its parent and (iv) the surviving corporation or its parent does not substitute an option with substantially the same terms for this option.

(b) STOCKHOLDER APPROVAL. Any other provision of this Agreement notwithstanding, no portion of this option shall be exercisable at any time prior to the approval of the Plan by the Company's stockholders.

SECTION 3. NO TRANSFER OR ASSIGNMENT OF OPTION.

Except as otherwise provided in this Agreement, this option and the rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process.

SECTION 4. EXERCISE PROCEDURES.

(a) NOTICE OF EXERCISE. The Optionee or the Optionee's representative may exercise this option by giving written notice to the Company pursuant to Section 12(c). The notice shall specify the election to exercise this option, the number of Shares for which it is being exercised and the form of payment. The person exercising this option shall sign the notice. In the event that this option is being exercised by the representative of the Optionee, the notice shall be accompanied by proof (satisfactory to the Company) of the representative's right to exercise this option. The Optionee or the Optionee's representative shall deliver to the Company, at the time of giving the notice, payment in a form permissible under Section 5 for the full amount of the Purchase Price.

(b) ISSUANCE OF SHARES. After receiving a proper notice of exercise, the Company shall cause to be issued a certificate or certificates for the Shares as to which this option has been exercised, registered in the name of the person exercising this option (or in the names of such person and his or her spouse as community property or as joint tenants with right of survivorship). The Company shall cause such certificate(s) to be delivered to or upon the order of the person exercising this option.

(c) WITHHOLDING TAXES. In the event that the Company determines that it is required to withhold any tax as a result of the exercise of this option, the Optionee, as a condition to the exercise of this option, shall make arrangements satisfactory to the Company to enable it to satisfy all withholding requirements. The Optionee shall also make arrangements satisfactory to the Company to enable it to satisfy any withholding requirements that may arise in connection with the disposition of Shares purchased by exercising this option.

SECTION 5. PAYMENT FOR STOCK.

(a) CASH. All or part of the Purchase Price may be paid in cash or cash equivalents.

(b) SURRENDER OF STOCK. All or any part of the Purchase Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value on the date when this option is exercised. The Optionee shall not surrender, or attest to the ownership of, Shares in payment of the Purchase Price if such action would cause the Company to recognize compensation expense (or additional compensation expense) with respect to this option for financial reporting purposes.

(c) EXERCISE/SALE. If Stock is publicly traded, all or part of the Purchase Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company)

of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company.

(d) EXERCISE/PLEDGE. If Stock is publicly traded, all or part of the Purchase Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to pledge Shares to a securities broker or lender approved by the Company, as security for a loan, and to deliver all or part of the loan proceeds to the Company.

(e) PROMISSORY NOTE. All or part of the Purchase Price may be paid with a full-recourse promissory note. However, the par value of the Shares, if newly issued, shall be paid in cash or cash equivalents. The Shares shall be pledged as security for payment of the principal amount of the promissory note and interest thereon. The interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Subject to the foregoing, the Board of Directors (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any) and other provisions of such note.

SECTION 6. TERM AND EXPIRATION.

(a) BASIC TERM. This option shall in any event expire on the expiration date set forth in the Notice of Stock Option Grant, which date is 10 years after the Date of Grant (five years after the Date of Grant if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies).

(b) TERMINATION OF SERVICE (EXCEPT BY DEATH). If the Optionee's Service terminates for any reason other than death, then this option shall expire on the earliest of the following occasions:

(i) The expiration date determined pursuant to Subsection (a) above;

(ii) The date three months after the termination of the Optionee's Service for any reason other than Disability; or

(iii) The date six months after the termination of the Optionee's Service by reason of Disability.

The Optionee may exercise all or part of this option at any time before its expiration under the preceding sentence, but only to the extent that this option had become exercisable before the Optionee's Service terminated. When the Optionee's Service terminates, this option shall expire immediately with respect to the number of Shares for which this option is not yet exercisable. In the event that the Optionee dies after termination of Service but before the expiration of this option, all or part of this option may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become exercisable before the Optionee's Service terminated.

(c) DEATH OF THE OPTIONEE. If the Optionee dies while in Service, then this option shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (a) above; or

(ii) The date 12 months after the Optionee's death.

All or part of this option may be exercised at any time before its expiration under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become exercisable before the Optionee's death. When the Optionee dies, this option shall expire immediately with respect to the number of Shares for which this option is not yet exercisable.

(d) LEAVES OF ABSENCE. For any purpose under this Agreement, Service shall be deemed to continue while the Optionee is on a bona fide leave of absence, if such leave was approved by the Company in writing and if continued crediting of Service for such purpose is expressly required by the terms of such

leave or by applicable law (as determined by the Company).

(e) NOTICE CONCERNING ISO TREATMENT. Even if this option is designated as an ISO in the Notice of Stock Option Grant, it ceases to qualify for favorable tax treatment as an ISO to the extent that it is exercised:

(i) More than three months after the date when the Optionee ceases to be an Employee for any reason other than death or permanent and total disability (as defined in Section 22(e)(3) of the Code);

(ii) More than 12 months after the date when the Optionee ceases to be an Employee by reason of permanent and total disability (as defined in Section 22(e)(3) of the Code); or

(iii) After the Optionee has been on a leave of absence for more than 90 days, unless the Optionee's reemployment rights are guaranteed by statute or by contract.

SECTION 7. RIGHT OF FIRST REFUSAL.

(a) RIGHT OF FIRST REFUSAL. In the event that the Optionee proposes to sell, pledge or otherwise transfer to a third party any Shares acquired under this Agreement, or any interest in such Shares, the Company shall have the Right of First Refusal with respect to all (and not less than all) of such Shares. If the Optionee desires to transfer Shares acquired under this Agreement, the Optionee shall give a written Transfer Notice to the Company describing fully the proposed transfer, including the number of Shares proposed to be transferred, the proposed transfer price, the name and address of the proposed Transferee and proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable federal or state securities laws. The Transfer Notice shall be signed both by the Optionee and by the proposed

Transferee and must constitute a binding commitment of both parties to the transfer of the Shares. The Company shall have the right to purchase all, and not less than all, of the Shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted under Subsection (b) below) by delivery of a notice of exercise of the Right of First Refusal within 30 days after the date when the Transfer Notice was received by the Company. The Company's rights under this Subsection (a) shall be freely assignable, in whole or in part.

(b) TRANSFER OF SHARES. If the Company fails to exercise its Right of First Refusal within 30 days after the date when it received the Transfer Notice, the Optionee may, not later than 90 days following receipt of the Transfer Notice by the Company, conclude a transfer of the Shares subject to the Transfer Notice on the terms and conditions described in the Transfer Notice, provided that any such sale is made in compliance with applicable federal and state securities laws and not in violation of any other contractual restrictions to which the Optionee is bound. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Optionee, shall again be subject to the Right of First Refusal and shall require compliance with the procedure described in Subsection (a) above. If the Company exercises its Right of First Refusal, the parties shall consummate the sale of the Shares on the terms set forth in the Transfer Notice within 60 days after the date when the Company received the Transfer Notice (or within such longer period as may have been specified in the Transfer Notice); provided, however, that in the event the Transfer Notice provided that payment for the Shares was to be made in a form other than cash or cash equivalents paid at the time of transfer, the Company shall have the option of paying for the Shares with cash or cash equivalents equal to the present value of the consideration described in the Transfer Notice.

(c) ADDITIONAL OR EXCHANGED SECURITIES AND PROPERTY. In the event of a merger or consolidation of the Company with or into another entity, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Shares subject to

this Section 7 shall immediately be subject to the Right of First Refusal. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Shares subject to this Section 7.

(d) TERMINATION OF RIGHT OF FIRST REFUSAL. Any other provision of this Section 7 notwithstanding, in the event that the Stock is readily tradable on an established securities market when the Optionee desires to transfer Shares, the Company shall have no Right of First Refusal, and the Optionee shall have no obligation to comply with the procedures prescribed by Subsections (a) and (b) above.

(e) PERMITTED TRANSFERS. This Section 7 shall not apply to (i) a transfer by beneficiary designation, will or intestate succession or (ii) a transfer to one or more members of the Optionee's Immediate Family or to a trust established by the Optionee for the benefit of the Optionee and/or one or more members of the Optionee's Immediate Family, provided in either

case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Optionee transfers any Shares acquired under this Agreement, either under this Subsection (e) or after the Company has failed to exercise the Right of First Refusal, then this Agreement shall apply to the Transferee to the same extent as to the Optionee.

(f) TERMINATION OF RIGHTS AS STOCKHOLDER. If the Company makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased in accordance with this Section 7, then after such time the person from whom such Shares are to be purchased shall no longer have any rights as a holder of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares shall be deemed to have been purchased in accordance with the applicable provisions hereof, whether or not the certificate(s) therefor have been delivered as required by this Agreement.

SECTION 8. LEGALITY OF INITIAL ISSUANCE.

No Shares shall be issued upon the exercise of this option unless and until the Company has determined that:

(a) It and the Optionee have taken any actions required to register the Shares under the Securities Act or to perfect an exemption from the registration requirements thereof;

(b) Any applicable listing requirement of any stock exchange or other securities market on which Stock is listed has been satisfied; and

(c) Any other applicable provision of federal, state or foreign law has been satisfied.

SECTION 9. NO REGISTRATION RIGHTS.

The Company may, but shall not be obligated to, register or qualify the sale of Shares under the Securities Act or any other applicable law. The Company shall not be obligated to take any affirmative action in order to cause the sale of Shares under this Agreement to comply with any law.

SECTION 10. RESTRICTIONS ON TRANSFER.

(a) SECURITIES LAW RESTRICTIONS. Regardless of whether the offering and sale of Shares under the Plan have been registered under the Securities Act or have been registered or qualified under the securities laws of any state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with the Securities Act, the securities laws of any state or any other law.

(b) MARKET STAND-OFF. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, the Optionee or a Transferee shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Agreement without the prior written consent of the Company or its underwriters. Such restriction (the "Market Stand-Off") shall be in effect for such period of time following the date of the final prospectus for the offering as may be requested by the Company or such underwriters. In no event, however, shall such period exceed 180 days. The Market Stand-Off shall in any event terminate two years after the date of the Company's initial public offering. In the event of the declaration of a stock dividend, a spin-off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Subsection (b). This Subsection (b) shall not apply to Shares registered in the public offering under the Securities Act, and the Optionee or a Transferee shall be subject to this Subsection (b) only if the directors and officers of the Company are subject to similar arrangements.

(c) INVESTMENT INTENT AT GRANT. The Optionee represents and agrees that the Shares to be acquired upon exercising this option will be acquired for investment, and not with a view to the sale or distribution thereof.

(d) INVESTMENT INTENT AT EXERCISE. In the event that the sale of Shares under the Plan is not registered under the Securities Act but an exemption is available which requires an investment representation or other representation, the Optionee shall represent and agree at the time of exercise that the Shares being acquired upon exercising this option are being acquired for investment, and not with a view to the sale or distribution thereof, and shall make such other representations as are deemed necessary or appropriate by the Company and its counsel.

(e) LEGENDS. All certificates evidencing Shares purchased under this Agreement shall bear the following legend:

> "THE SHARES REPRESENTED HEREBY MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF A WRITTEN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER OF THE SHARES (OR THE PREDECESSOR IN INTEREST TO THE SHARES). SUCH AGREEMENT GRANTS TO THE COMPANY CERTAIN RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SHARES. THE SECRETARY OF THE COMPANY

> WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH AGREEMENT TO THE HOLDER HEREOF WITHOUT CHARGE."

All certificates evidencing Shares purchased under this Agreement in an unregistered transaction shall bear the following legend (and such other restrictive legends as are required or deemed advisable under the provisions of any applicable law):

> "THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED."

(f) REMOVAL OF LEGENDS. If, in the opinion of the Company and its

counsel, any legend placed on a stock certificate representing Shares sold under this Agreement is no longer required, the holder of such certificate shall be entitled to exchange such certificate for a certificate representing the same number of Shares but without such legend.

(g) ADMINISTRATION. Any determination by the Company and its counsel in connection with any of the matters set forth in this Section 10 shall be conclusive and binding on the Optionee and all other persons.

SECTION 11. ADJUSTMENT OF SHARES.

In the event of any transaction described in Section 8(a) of the Plan, the terms of this option (including, without limitation, the number and kind of Shares subject to this option and the Exercise Price) shall be adjusted as set forth in Section 8(a) of the Plan. In the event that the Company is a party to a merger or consolidation, this option shall be subject to the agreement of merger or consolidation, as provided in Section 8(b) of the Plan.

SECTION 12. MISCELLANEOUS PROVISIONS.

(a) RIGHTS AS A STOCKHOLDER. Neither the Optionee nor the Optionee's representative shall have any rights as a stockholder with respect to any Shares subject to this option until the Optionee or the Optionee's representative becomes entitled to receive such Shares by filing a notice of exercise and paying the Purchase Price pursuant to Sections 4 and 5.

(b) NO RETENTION RIGHTS. Nothing in this option or in the Plan shall confer upon the Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Optionee) or of the Optionee, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

(c) NOTICE. Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid or

(iii) deposit with Federal Express Corporation, with shipping charges prepaid. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that he or she most recently provided to the Company in accordance with this Subsection (c).

(d) ENTIRE AGREEMENT. The Notice of Stock Option Grant, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof.

(e) CHOICE OF LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

SECTION 13. DEFINITIONS.

(a) "AGREEMENT" shall mean this Stock Option Agreement.

(b) "BOARD OF DIRECTORS" shall mean the Board of Directors of the Company, as constituted from time to time or, if a Committee has been appointed, such Committee.

(c) "CHANGE IN CONTROL" shall mean:

(i) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if persons who were not stockholders of the Company immediately prior to such merger, consolidation or other reorganization own immediately after such merger, consolidation or other reorganization 50% or more of the voting power of the outstanding securities of each of (A) the continuing or

surviving entity and (B) any direct or indirect parent corporation of such continuing or surviving entity; or

(ii) The sale, transfer or other disposition of all or substantially all of the Company's assets.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(d) "CODE" shall mean the Internal Revenue Code of 1986, as amended.

(e) "COMMITTEE" shall mean a committee of the Board of Directors, as described in Section 2 of the Plan.

(f) "COMPANY" shall mean Synchronoss Technologies, Inc., a Delaware corporation.

(g) "CONSULTANT" shall mean a person who performs bona fide services for the Company, a Parent or a Subsidiary as a consultant or advisor, excluding Employees and Outside Directors.

(h) "DATE OF GRANT" shall mean the date specified in the Notice of Stock Option Grant, which date shall be the later of (i) the date on which the Board of Directors resolved to grant this option or (ii) the first day of the Optionee's Service.

(i) "DISABILITY" shall mean that the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment.

(j) "EMPLOYEE" shall mean any individual who is a common-law employee of the Company, a Parent or a Subsidiary.

(k) "EXERCISE PRICE" shall mean the amount for which one Share may be purchased upon exercise of this option, as specified in the Notice of Stock Option Grant.

(l) "FAIR MARKET VALUE" shall mean the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.

(m) "IMMEDIATE FAMILY" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law and shall include adoptive relationships.

(n) "ISO" shall mean an employee incentive stock option described in Section 422(b) of the Code.

(o) "NOTICE OF STOCK OPTION GRANT" shall mean the document so entitled to which this Agreement is attached.

(p) "NSO" shall mean a stock option not described in Sections 422(b) or 423(b) of the Code.

(q) "OPTIONEE" shall mean the person named in the Notice of Stock Option Grant.

(r) "OUTSIDE DIRECTOR" shall mean a member of the Board of Directors who is not an Employee.

(s) "PARENT" shall mean any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(t) "PLAN" shall mean the Synchronoss Technologies, Inc. 2000 Stock

Plan, as in effect on the Date of Grant.

(u) "PURCHASE PRICE" shall mean the Exercise Price multiplied by the number of Shares with respect to which this option is being exercised.

(v) "RIGHT OF FIRST REFUSAL" shall mean the Company's right of first refusal described in Section 7.

(w) "SECURITIES ACT" shall mean the Securities Act of 1933, as amended.

(x) "SERVICE" shall mean service as an Employee, Outside Director or Consultant.

(y) "SHARE" shall mean one share of Stock, as adjusted in accordance with Section 8 of the Plan (if applicable).

(z) "STOCK" shall mean the Common Stock of the Company, with a par value of $0.0001 per Share.

(aa) "SUBSIDIARY" shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(bb) "TRANSFEREE" shall mean any person to whom the Optionee has directly or indirectly transferred any Share acquired under this Agreement.

(cc) "TRANSFER NOTICE" shall mean the notice of a proposed transfer of Shares described in Section 7.

EXHIBIT 10.5

Lease Agreement for
750 Route 202 South, Bridgewater, New Jersey

FIRST AMENDMENT TO LEASE

This FIRST AMENDMENT TO LEASE AGREEMENT ("Agreement") made this 25th day of October, 2004 by and between BTCT ASSOCIATES, L.L.C., a New Jersey limited liability company, having an address c/o Steiner Equities Group, L.L.C., 75 Eisenhower Parkway, Roseland, New Jersey 07068-1696 ("Landlord"), and SYNCHRONOSS TECHNOLOGIES, INC., a Delaware corporation, having an address at 1525 Valley Center Parkway, Bethlehem, Pennsylvania 18017 ("Tenant").

WHEREAS, by lease agreement dated May 11,2004, (the "Lease"), Landlord leases to Tenant and Tenant leases from Landlord certain premises ("Premises") consisting of approximately 21,150 rentable square feet constituting the entire Sixth Floor in the building (the "Building'") known as 750 Route 202, Bridgewater, Somerset County, New Jersey; and

WHEREAS, Landlord and Tenant wish to modify and amend the Lease and extend the Term thereof, as hereinafter provided;

NOW, THEREFORE, for and in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. TERM. Landlord and Tenant acknowledge that the Commencement Date of the Lease is September 28, 2004. The Initial Term of the Lease is hereby extended from five (5) Lease Years to seven (7) Lease Years upon all of the same terms and conditions of the Lease as modified by this Agreement. Accordingly, the Expiration Date of the Lease shall be March 31, 2012. Tenant shall continue to have the option to extend the Term of the Lease as set forth in the Extension Options Rider attached to the Lease.

2. ANNUAL RENT; ADDITIONAL RENT. (a) The Annual Rent payable by Tenant to Landlord for the Initial Term shall, subject to Section 4(c) of the Lease and Section 3(b) herebelow, be at the annual amounts and for the periods and be payable in the monthly installments as follows:

Lease Years	Per Square Foot	Monthly Installment	Annual Amount
1-7	$23.50	$41,418.75	$497,025.00

(b) Notwithstanding anything to the contrary contained herein, commencing on November 1, 2004 and continuing for and during each of the next forty one (41) consecutive months, the monthly amount of Annual Rent payable by Tenant under the Lease shall be increased by Four Thousand One Hundred Seventy Seven and 50/100 ($4,177.50) Dollars per month. Said amount shall be subject to modification if the amount of the "Landlord's Additional Contribution" (as hereinafter defined in Section 5) shall be other than One Hundred Fifty Thousand and 00/100 ($150,000.00) Dollars. If Landlord's Additional Contribution is other than One Hundred Fifty Thousand and 00/100 ($150,000.00) Dollars, the aforesaid monthly amount of additional Annual Rent shall be adjusted so as to equal the amount determined by multiplying the amount of Landlord's Additional Contribution by 33.42% and dividing the product thereof by 12.

(c) If Tenant validly exercises its Option(s) to extend the Term for the Additional Extension Term, as provided in the extension Options Rider attached to the Lease, the Annual Rent payable by Tenant to Landlord for the Additional Extension Term shall be at the annual amounts and for the periods and be payable in monthly installments as follows:

Lease Years	Per Square Foot	Monthly Installment	Annual Amount

8-12	$26.32	$46,389.00	$556,658.00
13-17	$29.48	$51,958.50	$623,502.00

(d) All provisions for the payment of Additional Rent set forth in the Lease, including, without limitation, all provisions pertaining to the payment of Tenant's Share of real estate taxes and expenses (as said terms are defined in the Lease), shall continue to apply without modification except as specifically set forth herein.

3. SECURITY DEPOSIT. The last sentence of Section 32 of the Lease is hereby deleted and the following is substituted therefor:

"Provided that Tenant has not been in default at any time, on the last day of the third (3rd) Lease Year, Landlord shall return one-third (1/3) of the Security Deposit to Tenant and the amount of the Security Deposit for the remainder of the Term shall be Eighty Two Thousand Eight Hundred Thirty Seven and 50/1O0 ($82,837.50) Dollars."

4. BROKERAGE. Each party represents, to the other that it did not deal with any real estate broker in connection with this Agreement other than the Brokers named in the Lease ("Brokers"). The commission of the Brokers, if any, shall be paid by Landlord in accordance with a separate agreement. Each party indemnifies and holds the other harmless from any claim for a commission or other fee made by any broker with whom the indemnifying party has dealt, other than the Brokers.

5. LANDLORD'S WORK RIDER. Landlord agrees to pay ("Landlord's Additional Contribution") for Tenant Extras (as defined in the Landlord's Work Rider attached to the Lease), initially estimated to be One Hundred Fifty Thousand and 00/100 ($150,000.00) Dollars. Landlord's Additional Contribution shall be amortized over a forty two (42) month period with, an interest factor equal to nine (9%) percent per annum and, notwithstanding any obligation of Tenant to pay Landlord's Charges or any deadline for payment set forth in the Landlord's Work Rider, the amortized amount shall, as set forth in Section 2(b) hereinabove, be added to the Annual Rent payable by Tenant for the forty two (42) consecutive month period commencing on November 1, 2004.

6. NO DEFAULT. Tenant represents, warrants and covenants that Landlord is not currently in default under any of its obligations under the Lease and Tenant is not in default under any of its obligations under the Lease, and no event has occurred which, with the passage of time or the giving of notice, or both, would constitute a default by either Landlord or Tenant under the Lease.

7. AUTHORITY OF SIGNATURES. Each person signing this Agreement represents that he or she has full authority to do so.

8. DEFINED TERMS. The capitalized terms used in this Agreement and not defined herein shall have the respective meanings indicated in the Lease, unless the context clearly requires otherwise.

9. NO OTHER CHANGES. The intent of this Agreement is only to modify and amend those provisions of the Lease as herein specified. Except as herein specifically modified, changed and amended, all of the terms and conditions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the day and year first above written.

WITNESS: BTCT ASSOCIATES, L.L.C.

/s/ Caroline Bonestia By: /s/ Manager
---------- ----------
Its: Manager

ATTEST: SYNCHRONOSS TECHNOLOGIES INC.

By: /s/ KAREN L. ROSENBERGER
Its: KAREN L. ROSENBERGER

By: /s/ LAWRENCE R. IRVING
Its: LAWRENCE R. IRVING

AGREEMENT OF LEASE

FOR AND IN CONSIDERATION of the mutual covenants herein contained, as of this 11th day of May, 2004, the parties hereto do hereby agree as follows:

1. INCORPORATED TERMS. The following terms are incorporated by reference into this Agreement:

(a) NAME AND ADDRESS OF LANDLORD:

BTCT ASSOCIATES, L.L.C.
a New Jersey limited liability company
c/o Steiner Equities Group, L.L.C.
75 Eisenhower Parkway
Roseland, New Jersey 07068-1696

(b) NAME AND ADDRESS OF TENANT:

SYNCHRONOSS TECHNOLOGIES, INC.
a Delaware corporation
1525 Valley Center Parkway
Bethlehem, Pennsylvania 18017

(c) DESCRIPTION OF PREMISES:

The entire Sixth Floor such space shown shaded on the Sixth Floor Plan Rider attached hereto, in the building known as 750 Route 202, Bridgewater, Somerset County, New Jersey.

(d) AREA OF PREMISES AMD BUILDING:

Premises: 21,150 rentable square feet
Building: 104,425 rentable square feet

(e) TERM OF LEASE:

Commencing upon substantial completion of Landlord's Work and expiring five (5) Lease Years thereafter.

(f) PERMITTED USE:

General office use only.

(g) MAXIMUM VEHICLE PARKING:

82

(h) SECURITY DEPOSIT:

$124,256.25

(i) TENANT'S SHARE:

20.3%

(j) BASE TAX YEAR:

2005

(k) BASE EXPENSE YEAR:

2005

(l) BROKER:

Equis and Steiner Equities Group, L.L.C; commission to be paid by Landlord.

(m) RIDERS TO LEASE:

Annual Rent Rider
Extension Options Rider
Real Estate Tax Rider
Operating Expense Rider
Landlord's Services Rider
Energy Rider
Rules and Regulations Rider
Landlord's Work Rider
Sixth Floor Plan Rider

2. DESCRIPTION OF PREMISES. (a) The Landlord hereby leases to the Tenant, and the Tenant hereby hires from the Landlord, the premises described in Par. 1 (c) (the "Premises"). The Premises are located in the building identified in Par. 1(c) (the "Building")(the Building, the land upon which the Building is located and the other improvements located on the land are hereinafter collectively called the "Property").

(b) The parties acknowledge that there are multiple methods of computing rentable area and hereby agree for the purposes of this Lease that the rentable area of the Premises is the number of square feet set forth in Par. 1(d), and the rentable area of the Building is the number of square feet set forth in Par. 1(d). Notwithstanding the foregoing, the loss factor used to determine the rentable area of the Premises shall be deemed to equal 17.50%.

(c) Landlord shall improve the premises in conformity with, and to the extent of, Landlord's Work Rider attached hereto ("Landlord's Work"), and shall have no other obligation to do any work in and to the Premises or the Building to render them ready for Tenant's occupancy. Tenant has inspected the Premises and agrees to take the Premises in its present "as is" condition, except as otherwise expressly provided herein.

3. TERM. (a) The term of this Lease (the "Term") shall commence on the date ("Commencement Date") which shall be the earlier of the date on which Landlord's Work has been substantially completed (or would have been completed except by reason of Tenant's delay), or the date on which Tenant occupies any portion of the Premises. "Substantially completed" shall mean that time when the only items to be completed are those items of a "punch-list" nature which do not substantially interfere with Tenant's use and occupancy of the Premises. The Term of this Lease shall expire on the date (the "Expiration Date") which shall be five (5) Lease Years (as hereinafter defined in Par. 3(c)) after the Commencement Date. Subject to delays caused by Tenant and events of Force Majeure, in the event that Landlord has not substantially completed Landlord's Work by the date (the "DD Date") which is ninety (90) days following receipt by Landlord of all building permits required to perform Landlord's Work, Tenant shall be forgiven one (1) day of Annual Rent for each day after the DD Date until Landlord has substantially completed Landlord's Work and in such event, the Term hereof shall be extended by the number of days for which Tenant received such rent concession (the "Additional Days"). The Additional Days shall be deemed part of the last Lease Year of the Term.

(b) Should Landlord be delayed in completing Landlord's Work by reason of Tenant's delay (including any delay caused by Tenant's architect), default, lack of cooperation, request for changes in Landlord's Work or for Tenant Extras (as defined in Landlord's Work Rider), failure or delay in delivering the matter or details required to be supplied by Tenant in Landlord's

Work Rider, or the performance of work by anyone employed or engaged by Tenant, or should Tenant be otherwise responsible for Landlord's inability to deliver possession of the Premises to Tenant ("Tenant Delay"), the Commencement Date shall be accelerated by the number of days of delay occasioned by any such event.

(c) The first "Lease Year" shall be the period commencing on the

Commencement Date and ending eighteen (18) calendar months thereafter, provided, however, that if the Commencement Date is not the first day of a calendar month, the first lease year shall end eighteen (18) calendar months from the last day of the month in which the Commencement Date occurs. Each succeeding twelve (12) calendar month period thereafter shall be a Lease Year.

(d) Within ten (10) days after Landlord's written request, Tenant shall execute and deliver to Landlord a written confirmation of the Commencement Date and Expiration Date of this Lease.

(e) Landlord shall permit Tenant to enter the Premises at any time, or from time to time within fourteen (14) days prior to the Commencement Date for the sole purpose of installing computer and telephone lines and performing similar minor work in connection with Tenant's initial occupancy of the Premises. Tenant shall not be obligated to pay Annual Rent and Additional Rent (as both terms are hereinafter defined in Par. 4) while performing the foregoing work prior to the Commencement Date, but Tenant shall otherwise be obligated to comply with all of the other terms and provisions of this Lease. Tenant's right to enter the Premises prior to the Commencement Date as aforesaid shall be upon reasonable prior written notice to Landlord and any such entry shall be limited to normal business hours. Tenant shall procure and maintain an adequate worker's compensation insurance policy and such additional insurance policies as Landlord shall request to insure against losses, damages or claims arising out of or from the performance of the foregoing work by Tenant. The performance of the foregoing work by Tenant shall in no way interfere with the performance of any work being performed by Landlord at the Premises and Tenant shall perform such work in harmony with other labor on the Property. Tenant shall pay for any labor or security personnel required to be employed by Landlord for the performance of work by Tenant and any standby labor, if required, by any union labor and otherwise comply with union requirements, if any, applicable thereto. Landlord shall not be liable for loss or damage to any work or property of Tenant. Tenant shall comply with the requirements of Par. 12 of the Lease in the performance of any work to the Premises hereunder.

4. ANNUAL RENT; ADDITIONAL RENT. (a) As of the Commencement Date Tenant shall pay to Landlord at the address set forth in Par. l(a), or to such other person or at such other place as the Landlord may from time to time designate, without previous demand therefor and without counterclaim, deduction or set-off, the annual rent ("Annual Rent") set forth on the Annual Rent Rider attached hereto. Annual Rent shall be payable in monthly installments as set forth on the Annual Rent Rider in advance on the first day of each month during the Term of the Lease. If the Commencement Date shall be other than the first day of a calendar month, Tenant shall pay Landlord on the Commencement Date the proportionate amount of Annual Rent for the balance of such month. The first monthly installment of Annual Rent shall be paid by Tenant on the execution of this Lease.

(b) All other sums other than Annual Rent payable by Tenant under this Lease shall be deemed to be "Additional Rent" regardless of to whom such sums may be payable. Additional Rent shall be payable without counterclaim, deduction or set-off. In the event of Tenant's failure to make timely payment of any item of Additional Rent, Landlord shall have available to it all rights and remedies provided by this Lease and by law as for non-payment of Annual Rent. The term "rent" in the Lease means Annual Rent and Additional Rent.

(c) Notwithstanding anything to the contrary contained in this Lease, the Annual Rent payable by Tenant for the first six (6) consecutive months of the first Lease Year shall be payable in monthly installments of Twenty Thousand Seven Hundred Nine and 38/100 ($20,709.38) Dollars for such six (6) month period commencing on the Commencement Date. Thereafter, Tenant shall pay Annual Rent as set forth in the Annual Rent Rider annexed to the Lease. The foregoing shall in no way affect Tenant's obligation to pay additional rent under the Lease.

5. INSURANCE. (a) Tenant shall provide and maintain a comprehensive policy of liability insurance with respect to the Premises. Landlord, Steiner Building Company, L.L.C. ("SBC"), Landlord's Manager (presently Steiner Equities Group, L.L.C.) and Landlord's mortgagee(s) shall be named as additional insureds. The liability insurance policy shall protect Landlord, Tenant and Landlord's Manager and mortgagee(s) against any liability which arises from any occurrence on or about the Premises, or which arises from any liability, claims

or costs indicated in Par. 14 against which Tenant is required to indemnify Landlord.

(b) The policy is to be written by a good and solvent insurance company satisfactory to Landlord authorized to transact insurance business in the state in which the Property is located. The coverage limits of the policy shall be at least $3,000,000 in combined single limit with respect to personal injury, death or property damage arising out of any one occurrence. Such amount shall be subject to periodic increase as reasonably required by Landlord. The original insurance policy (or a certificate thereof satisfactory to Landlord) shall be deposited with Landlord at least ten (10) days prior to the Commencement Date. Renewals of such policy shall be deposited with Landlord not less than thirty (30) days prior to the end of the term of such policy. Original and renewal policies (or certificates thereof) shall be accompanied by proof of payment of the premiums therefor. Such insurance shall not be subject to cancellation except after at least thirty (30) days prior written notice to Landlord, and any loss shall be payable notwithstanding any act or negligence of Tenant or Landlord or any agent or employee thereof.

(c) Tenant shall obtain for each insurance policy procured by it regarding the Premises or Property or any property located thereon, an appropriate clause therein or endorsement thereto pursuant to which each such insurance company waives its subrogation rights against Landlord.

(d) Tenant shall comply with the requirements of any insurance policy carried by Landlord or Tenant covering the Property or the Premises, all requirements of the issuer of any such policy, and the applicable regulations and requirements of the National Board of Fire Underwriters, any applicable local board of fire underwriters, and any other body exercising a similar function. If the premiums for any insurance policy maintained by Landlord applicable to the Property exceed the rate that would have been applicable for the permitted use of Tenant as a result of the failure by Tenant to comply with such requirements, or as a result of or in connection with the use to which the Premises are put by Tenant, Tenant shall reimburse Landlord for such excess within ten (10) days after Landlord's request therefor.

6. SERVICES FURNISHED BY LANDLORD. (a) As long as Tenant is not in default under this Lease, Landlord shall furnish to the Premises only during Work Hours (hereinafter defined) the services set forth on the Services Rider attached hereto. Notwithstanding the foregoing, water service and snow removal service provided by Landlord shall not be limited to Work Hours.

(b) "Work Hours" shall mean the period from 8:00 A.M. to 6:00 P.M. Monday through Friday, excluding Building Holidays. Building Holidays are defined as New Year's Day, Martin Luther King Day, President's Day, Memorial Day, the Monday preceding or Friday following Independence Day if Independence Day falls on a Tuesday or Thursday respectively, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving and the day following, Christmas Eve day, Christmas, New Year's Eve day. Tenant may have access to and use the Premises other than during Work Hours, provided Tenant complies with Landlord's security procedures with respect to such access and use, and provided further that Landlord shall not be required to supply any services during such other times. If Tenant shall require any services other than during Work Hours, Tenant shall pay to Landlord as additional rent, within ten (10) days after demand therefor the sum of $85.00 per hour for each hour that HVAC and/or electric services shall be provided to Tenant other than during Work Hours. The said hourly charge shall be subject to an appropriate increase or decrease to the extent that the public utility supplying electricity to the Building increases or decreases its charge for electricity from time to time.

(c) Landlord reserves the right to suspend any of the services agreed to be supplied by Landlord hereunder when necessary by reason of accident or for repairs, alterations, replacements or improvements necessary or desirable in the judgment of Landlord for as long as

shall be required by reason thereof, and Landlord shall not be liable to Tenant and Tenant shall not be entitled to any abatement or reduction of rent by reason thereof.

7. PERMITTED USES. Tenant may use the Premises only for the uses set

forth in Par. l(f) above. Notwithstanding the foregoing, Tenant shall not use or permit the Premises to be used for any unlawful purpose or in violation of any certificate of occupancy covering the Property or which may constitute a public or private nuisance or make voidable any insurance in force relating to the Property or which may interfere with the use and occupancy of the Building by other tenants.

8. COMMON AREAS; PARKING. (a) Tenant shall have the non-exclusive right, in common with others, to use any common entrances, lobbies, drives, elevators, stairs, and similar access and serviceways in and adjacent to the Building (hereinafter sometimes referred to as Common Area), if any, subject to such reasonable rules and regulations as the Landlord may adopt.

(b) Tenant and its employees and invitees shall have the right, in common with Landlord and other tenants of the Property and their employees and invitees, to use the parking areas provided by Landlord on the Property for the parking of passenger automobiles. Other than eight (8) reserved parking spaces to be designated by Landlord and marked at Tenant's expense, Tenant's parking shall not be reserved. Tenant's parking shall be limited to vehicles no larger than standard sized automobiles or light pickup vehicles. Tenant and its employees and invitees shall not park in the parking areas more than the number of vehicles set forth in Par. l(g). Tenant shall not cause large trucks or other large vehicles to be parked within the parking areas, except that temporary parking of larger delivery vehicles may be permitted in the area designated therefor by Landlord. Vehicles shall be parked only in striped parking spaces and not in driveways, access roads, loading areas or other locations not specifically designated for parking. Landlord shall have the right to assign parking spaces for the exclusive use of other tenants of the Property and/or Landlord and their employees and invitees, and Tenant and its employees and invitees shall not park their vehicles in parking spaces allocated to others by Landlord. Landlord shall not be required to keep parking spaces clear of unauthorized vehicles or to otherwise supervise the use of the parking areas. Landlord shall not be responsible for any damage to or theft of any vehicles in the parking areas. Landlord may issue parking permits, install a gate system or impose any other system as Landlord deems necessary for the use of the parking areas. Landlord reserves the right from time to time (i) to change or reduce the parking areas, roads and driveways; and (ii) to make any alterations or repairs that it deems necessary to the parking areas, roads or driveways, and to temporarily revoke or modify the parking rights granted to Tenant without any abatement or reduction of rent by reason thereof. Landlord may require Tenant to furnish it with the automobile license numbers assigned to vehicles of Tenant and its employees and invitees and to notify Landlord of any changes thereof. Landlord may limit parking in the front yard of the Property to visitors.

9. NO REPRESENTATIONS. Tenant acknowledges that Landlord has not made any representation with respect to any matter or thing affecting or related to the Premises, other than expressly provided herein.

10. COMPLIANCE WITH LAW. (a) Tenant shall take all necessary action to conform to and comply with all laws, orders and regulations of any governmental authority or Landlord's or Tenant's insurers, or any Landlord's Mortgagee (hereinafter defined), now or hereafter applicable to the Premises or Tenant's use or occupancy, including the federal Occupational Safety and Health Act. Tenant shall obtain all permits and certificates of occupancy necessary for Tenant's occupancy or use of the Premises.

(b) Tenant shall not cause or permit the release, discharge, or disposal nor the presence, use, transportation, generation, or storage of any Hazardous Materials (as hereinafter defined) in, on, under, about, to, or from the Premises by either Tenant, Tenant's employees, agents, contractors, or invitees (for this Par. 10 only, all of the foregoing shall be collectively referred to as "Tenant") other than the use of such materials in de minimus quantities reasonably necessitated by the Tenant's regular business activities.

(c) Tenant further agrees and covenants to Landlord, its agents, employees, affiliates and shareholders (for this Par. 10 only, all of the foregoing shall be collectively referred to as "Landlord") the following:

1. To comply with all Environmental Laws in effect, or which may come into effect, applicable to the Tenant or Tenant's use and occupancy of the

Premises;

2. To immediately notify Landlord, in writing, of any existing, pending or threatened (a) investigation, inquiry, claim or action by any governmental authority in connection with any Environmental Laws; (b) third party claims; (c) regulatory actions; and/or (d) contamination of the Premises;

3. Tenant shall, at Tenant's expense, investigate, monitor, remediate, and/or clean up any Hazardous Materials or other environmental condition on, about, or under the Premises required as a result of Tenant's use or occupancy of the Premises;

4. To keep the Premises free of any lien imposed pursuant to any Environmental Laws; and

5. To indemnify, defend, and save Landlord harmless from and against any and all claims (including personal injury, real, or personal property damage), actions, judgments, damages, penalties, fines, costs, liabilities, interest, or attorney's fees that arise, directly or indirectly, from Tenant's violation of any Environmental Laws or the presence of any Hazardous Materials on, under or about the Premises.

(d) Tenant's obligations, responsibilities, and liabilities under this Par. 10 shall survive the expiration of this Lease.

(e) For purposes of this Par. 10 the following definitions apply:

"Hazardous Materials" shall mean (1) any "hazardous waste" and/or "hazardous substance" defined pursuant to any Environmental Laws; (2) asbestos or any substance containing asbestos; (3) polychlorinated biphenyls; (4) lead; (5) radon; (6) pesticides; (7) petroleum or any other substance containing hydrocarbons; (8) any substance which, when on the Premises, is prohibited by any Environmental Laws; and (9) any other substance, material, or waste which (i) by any Environmental Laws requires special handling or notification of any governmental authority in its collection, storage, treatment, or disposal or (ii) is defined or classified as hazardous, dangerous or toxic pursuant to any legal requirement.

"Environmental Laws" shall mean: any and all federal, state and local laws, statutes, codes, ordinances, regulations, rules or other requirements, relating to human health or safety or to the environment, including, but not limited to, those applicable to the storage, treatment, disposal, handling and release of any Hazardous Materials, all as amended or modified from time to time.

11. CARE AND REPAIR OF PREMISES; NO WASTE. (a) Tenant shall take good care of the Premises and make all repairs to the interior portions of the Premises which are necessary or desirable to keep the Premises in good order and repair. All repairs by Tenant shall be performed in a good and workmanlike manner, Fluorescent lamps, ballasts and incandescent bulbs shall be replaced by Landlord as required and the cost thereof shall be included as an operating expense of the Building as defined in the Operating Expense Rider attached hereto.

(b) Tenant shall not commit or suffer, and shall use all reasonable precaution to prevent waste, damage or injury to the Premises or Property and the equipment thereon.

12. ALTERATIONS, ADDITIONS AND IMPROVEMENTS. (a) Tenant shall not make any alterations, additions or improvements to the Premises {"Alterations") without Landlord's prior written consent Landlord shall not unreasonably withhold its consent to non-structural Alterations. Except as provided in Par. 12 (c), Landlord shall not be required to consent to and Tenant shall not make any Alterations to the electrical, plumbing, heating, ventilation or air-conditioning systems.

Prior to making any Alterations, Tenant shall submit to Landlord detailed plans and specifications for Alterations and reimburse Landlord for all expenses incurred by Landlord in connection with its review thereof, and Tenant shall also provide to Landlord for its approval the identity of the contractor Tenant

proposes to employ to construct the Alterations. All Alterations shall be accomplished in accordance with the following conditions:

(i) Tenant shall procure all governmental permits and authorizations for the Alterations, and obtain and provide to Landlord an official certificate of occupancy upon completion of the Alterations, if appropriate.

(ii) Tenant shall arrange for extension of the liability insurance provided for in Par. 5 to apply to the construction of the Alterations.

(iii) The employment of any employee, contractor or laborer in or about the Premises in connection with the Alterations, or Tenant's moving of furniture and equipment in or out of the Premises or otherwise, shall not interfere or cause any conflict with any employee, contractor or laborer of Landlord or union representing any of them engaged in the construction, operation, maintenance or repair of the Property. In the event of such interference, upon demand of Landlord, Tenant will cause such employee, contractor or laborer to leave the Property immediately.

(iv) The work with respect to the Alterations shall be done in neat, clean and quiet manner, and shall not interfere with the use and occupancy of the Building by other tenants.

(v) Tenant shall construct the Alterations in a good and workmanlike manner utilizing materials of first quality and in compliance with all laws and governmental regulations.

(vi) Within ten (10) days after completion of the Alterations, Tenant shall provide Landlord with "as built" plans of the Alterations and AutoCAD files thereof on disk.

(b) All Alterations shall be the property of Landlord and shall remain on and be surrendered with the Premises upon termination of the Lease, unless Landlord shall notify Tenant that it desires that such Alterations be removed at the expiration of the Lease, in which event Tenant agrees to remove such Alterations on or prior to the Expiration Date, restore the Premises to its existing condition prior to construction of the Alterations and repair any damage to the Premises or the Building caused by such removal. Notwithstanding the foregoing, Tenant shall not be required to remove the Landlord's Work (as defined in the Landlord's Work Rider) upon termination of the Lease.

(c) Subject to the terms and provisions of Par. 5 and this Par. 12, Tenant shall have the right, at its sole cost and expense, to install a generator ("Generator") outside the Building so as to provide an uninterrupted power source to the Premises. Prior to installing said Generator, Tenant shall provide Landlord with plans and specifications therefor, as well as structural calculations and such other information pertaining to the Generator as Landlord may reasonably require. Landlord's prior consent to such plans and specifications, as well as the location, design and manner of installation of the Generator shall be required, such consent not to be unreasonably withheld. Tenant shall obtain, at its sole cost and expense, all governmental permits and approvals required for the Generator. The Generator shall be deemed to be a part of the Premises and all references in this Lease to the Premises shall include the Generator. Tenant shall be solely responsible, at its sole cost and expense, for the maintenance and repair of the Generator and shall landscape the area surrounding the Generator to the reasonable satisfaction of Landlord. In addition to the foregoing, Tenant shall comply with such noise remediation procedures as may be reasonably required by Landlord with respect to the Generator, and shall indemnify and hold harmless Landlord, Landlord's managing agent, Landlord's general contractor affiliate, and Landlord's mortgagee, from and against all liability, claims or costs, including reasonable legal fees, arising from the installation and/or use of the Generator. Under no circumstances shall Landlord be liable for any damage to or vandalism of the Generator. Notwithstanding anything to the contrary contained herein, the Generator shall remain at the Property at the expiration or earlier termination of this Lease.

13. COVENANT AGAINST LIENS. Tenant shall not have any right to subject

the Landlord's interest in the Property to any construction lien or any other lien whatsoever. If any construction lien or other lien, charge or order for payment of money shall be filed as a result of the act or omission of Tenant, Tenant shall cause such lien, charge or order to be discharged or appropriately bonded within ten (10) days after notice from Landlord thereof, and Tenant shall indemnify and save Landlord harmless from all liabilities and costs resulting therefrom.

14. INDEMNIFICATION BY TENANT. Tenant shall indemnify and hold harmless Landlord and Landlord's managing agent from and against all liability, claims or costs, including reasonable legal fees, arising from (i) any breach of this Lease by Tenant; (ii) any injury to person or damage to property occurring on or about the Premises during the Term; (iii) any injury to person or damage to property occurring on the Property resulting from any negligence or misconduct of Tenant or any of its employees or agents. Tenant shall defend Landlord against any such liability, claim or cost with counsel reasonably acceptable to Landlord or, at Landlord's election, Tenant shall reimburse Landlord for legal fees and costs incurred by Landlord by employment of its own counsel. The obligation of Tenant under this subparagraph shall survive expiration or earlier termination of the Term.

15. LANDLORD NOT LIABLE. Landlord shall not be liable for any injury or damage to the person, business, equipment, merchandise or other property of Tenant or any of Tenant's employees, invitees or customers or any other person on or about the Property, resulting from any cause whatsoever, including, but not limited to; (i) fire, steam, electricity, water, gas or rain; (ii) leakage, obstruction or other defects of pipes, sprinklers, wires, plumbing, air conditioning, boilers or lighting fixtures; or (iii) any act or omission, negligent or otherwise, of any other tenant of the Property.

16. ASSIGNMENT AND SUBLETTING. (a) Except as otherwise provided in this paragraph, Tenant shall not assign or encumber Tenant's interest in this Lease, or sublet any portion of the Premises, or grant concessions or licenses with respect to the Premises, without Landlord's prior written consent. The cumulative change of more than 50% of the ownership interest of Tenant shall be deemed to be an assignment of this Lease requiring Landlord's consent. However, Tenant may assign this Lease or sublet the Premises, without Landlord's consent, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from the merger of or consolidation with Tenant, provided such assignee shall assume all of Tenant's obligations under this Lease, and such assignee or sublessee shall then have a net worth at least equal to that of Tenant on the date hereof.

(b) If Tenant desires to assign this Lease or sublet all or any portion of the Premises, Tenant shall submit to Landlord a written request for Landlord's approval thereof, setting forth the name, principal business address, and nature of business of the proposed assignee or sublessee; the financial, banking and other credit information relating to the proposed assignee or sublessee; and the details of the proposed assignment or subletting, including a copy of the proposed assignment or sublease instrument and plans for any Alterations required for the proposed assignee or sublessee. Tenant shall also furnish any other information reasonably requested by Landlord. Landlord shall have the option (i) to withhold its consent; (ii) to grant consent; or (iii) in the event of a proposed assignment of this Lease or sublease of a substantial portion of the Premises (i.e., more than fifty-one (51%) percent of the Premises), to terminate this Lease as of the effective date of such proposed assignment or sublease. In the event of a proposed sublease of less than a substantial portion of the Premises, Landlord shall have the right to terminate this Lease with respect to the portion of the Premises to be sublet, and this Lease shall continue with respect to the remaining portion of the Premises. Landlord may enter into a direct lease with the proposed assignee or sublessee, if Landlord so elects. Landlord's acceptance of rent from a proposed assignee or sublessee shall not be construed to constitute its consent to an attempted assignment or subletting.

(c) In the event of a permitted assignment or subletting, Tenant shall remit to Landlord as additional rent each month during the remainder of the Term any rent or other sums received by Tenant from its assignee or sublessee in excess of the Annual Rent and other charges paid by Tenant allocable to the Premises or portion thereof sublet, as the case may be.

(d) No assignment or subletting hereunder, whether or not with Landlord's consent, shall release Tenant from any obligations under this Lease, and Tenant shall continue to be primarily liable hereunder. If Tenant's assignee or sublessee defaults under this Lease, Landlord may proceed directly against Tenant without pursuing its remedies against the assignee or sublessee. Consent to one assignment or subletting shall not be deemed a consent to any subsequent assignment or subletting. Landlord may consent to subsequent assignments or modifications of this Lease or sublettings without notice to Tenant and Tenant shall not be relieved of liability under this Lease.

(e) Tenant shall pay to Landlord upon demand all costs, including reasonable legal fees, which Landlord shall incur in reviewing any proposed assignment or subletting.

17. LANDLORD'S ACCESS. Upon twenty four (24) hours advance notice, Landlord and its representatives may enter the Premises during Work Hours (or without notice at any time in the event of emergency) for the purpose of inspecting the Premises, or making any necessary repairs, or to show the Premises to prospective purchasers, investors, encumbrancers, tenants or other parties, or for any other purpose Landlord deems necessary.

18. SIGNS. Tenant shall not place any signs on the Property except that the name of the Tenant may appear in the area of the entrance door of the Premises. The design of such sign shall be subject to Landlord's reasonable approval. Tenant shall remove its signs upon expiration or earlier termination of the Term, and shall repair any damage caused by installation or removal of its signs. Landlord shall provide a tenant directory within the Building and Tenant shall be entitled to one listing in such tenant directory. The cost of such listing shall be paid by Tenant. Tenant shall be permitted to place an identification sign on the door to the Premises or adjacent to the door of the Premises, provided that the size, design, placement and color scheme of said identification sign shall be subject to Landlord's prior written approval. The cost of furnishing and installing such sign shall be paid by Tenant.

19. CASUALTY. If the Building is damaged by fire or other casualty, and if the proceeds received from the insurance policies maintained by Landlord therefor are sufficient to pay for the necessary repairs, and the Building can be fully repaired within six (6) months after such casualty occurred, this Lease shall remain in effect and Landlord shall repair the damage as soon as reasonably possible, subject to delays beyond Landlord's control. If the insurance proceeds received by Landlord are not sufficient to pay the entire cost of repair, or no proceeds are payable with respect to such casualty, or the Building cannot be fully repaired within six (6) months after the casualty occurred, Landlord may elect either to (i) terminate this Lease, provided Landlord shall so notify Tenant within thirty (30) days after occurrence of such casualty, or (ii) repair the damage as soon as reasonably possible, in which event this Lease shall remain in full force and effect; but if Landlord elects not to terminate this Lease, Tenant shall then have the right to terminate this Lease if the Premises cannot be fully repaired within six (6) months after such casualty occurred. Tenant's notification, if any, shall be required within thirty (30) days after Landlord's notice. In addition to the foregoing, if the damage to the Building occurs during the last two (2) years of the Lease Term, Landlord may elect to terminate this Lease as of the date the damage occurred in any event. If this Lease is not terminated following a casualty, rent shall abate from the date of the occurrence in the proportion that the area of the portion of the Premises tendered unusable by such casualty bears to the entire area of the Premises. The abatement shall continue until the portion of the Premises which shall have been damaged shall be rebuilt or repaired. Tenant waives the protection of any law which grants a tenant the right to terminate a lease in the event of the substantial destruction of a leased property, and agrees that the provisions of this paragraph shall govern in the event of any substantial destruction of the Premises.

20. CONDEMNATION. If all or any portion of the Premises shall be taken under the power of eminent domain or sold under the threat thereof (the "Condemnation"), this Lease shall terminate on the date on which title to the Premises or portion thereof shall vest in the condemning authority. If a portion of the Property shall be taken but the Premises shall not be affected, then Landlord may at its option terminate this Lease by written notice to Tenant and the Term shall expire on the date on which title is vested in the condemning authority. If this Lease shall remain in effect following a Condemnation, Tenant's obligation to pay rent hereunder shall not be affected and Tenant shall not be entitled to any abatement or reduction of rent. Landlord shall be entitled to

receive the entire award in any Condemnation proceeding relating to the Premises or Property, except that Tenant may assert a separate claim to an award for its moving expenses and for fixtures and personal property installed by Tenant at its expense. It is understood that Tenant shall have no claim against Landlord for the value of the unexpired Term of this Lease or any options granted under this Lease.

21. SURRENDER OF PREMISES. (a) Upon termination of the Lease, Tenant shall surrender the Premises to Landlord, broom clean, and in good order and condition, except for ordinary wear and tear and damage by casualty which Tenant was not obligated to remedy under any provision of this Lease. Tenant shall remove its machinery or equipment and repair any damage to the Premises caused by such removal. Tenant shall not remove any power wiring or power panels, lighting or lighting fixtures, wall coverings, blinds or other window coverings, carpets or other floor coverings, or heaters or air conditioners, unless Landlord, by notice to Tenant, elects to have any of the foregoing removed by Tenant, in which event the same shall be removed from the Premises by Tenant prior to the expiration of the Lease, and Tenant shall repair any damage to the Premises due to such removal. All property of Tenant remaining on the Premises after Tenant's surrender of the Premises shall be deemed abandoned and at Landlord's election may either be retained by Landlord or may be removed from the Premises at Tenant's expense. Tenant shall deliver to Landlord all keys to the Premises.

(b) If during the last sixty (60) days of the Term, Tenant shall have removed all or substantially all of Tenant's property and all of its personnel from the Premises, Landlord may at any time thereafter enter, alter, renovate and redecorate the Premises without any reduction or abatement of the Tenant's rent or incurring any liability for any compensation to Tenant or adverse effect on this Lease or Tenant's obligations hereunder. If Landlord commences alterations, renovations or redecorations to the Premises, Tenant shall not thereafter occupy the Premises.

22. HOLDOVER. In the event Tenant remains in possession of the Premises after the expiration of the Term of this Lease (the "Holdover Period"), in addition to any damages to which Landlord may be entitled or other remedies Landlord may have by law, Tenant shall pay to Landlord a rental for the Holdover Period as follows: (i) for the first two (2) months of the Holdover Period, at the rate of 150% of the sum of (x) the Annual Rent payable during the last Lease Year of the Term, plus (y) all items of Additional Rent and other charges with respect to the Premises payable during the last Lease Year of the Term, and (ii) for each month of the Holdover Period after the second month, at the rate of twice the sum of (x) the Annual Rent payable during the last Lease Year of the Term, plus (y) all items of Additional Rent and other charges with respect to the Premises payable by Tenant during the last lease year of the Term. Nothing herein contained shall be deemed to give Tenant any right to remain in possession of the Premises after the expiration of the Term of this Lease.

23. EVENTS OF DEFAULT; REMEDIES. (a) Tenant shall be in default upon the occurrence of one or more of the following events (an "Event of Default"):

(i) Tenant fails to pay rent or any other sum of money required to be paid by Tenant hereunder within ten (10) days of the date when due without the need for any notice thereof by Landlord (except Landlord agrees to give written notice of such failure to pay rent or other sum of money not more than once per Lease Year, and no Event of Default shall be deemed to have occurred if Tenant makes the required payment within ten (10) days after such notice;

(ii) Tenant fails to perform any of Tenant's non-monetary obligations under this Lease or violates any covenant required to be observed by Tenant hereunder for a period of thirty (30) days after written notice thereof from Landlord;

(iii) Tenant abandons the Premises for one hundred eighty (180) days or more; or

(iv) Tenant makes an assignment for the benefit of creditors, or a petition for adjudication of bakruptcy or for reorganization is filed by or against Tenant and is not dismissed

within thirty (30) days, or a receiver or trustee is appointed for a substantial part of Tenant's property and such appointment is not vacated within thirty (30) days.

(b) On the occurrence of an Event of Default, Landlord may, at any time thereafter, without notice or demand, and without limiting any other right at remedy Landlord may have:

(i) Terminate this Lease and Tenant's right to possession of the Premises by any lawful means, in which event Tenant shall immediately surrender possession of the Premises to Landlord. At its option, Landlord may occupy the Premises or cause the Premises to be redecorated, altered, divided, consolidated with other adjoining property, or otherwise prepared for reletting, and may relet the Premises or any part thereof for a term or terms to expire prior to, at the same time or subsequent to fee original Expiration Date, and receive the rent therefor, applying the sums received first to the payment of such expenses as Landlord may have incurred in connection with the recovery of possession, preparing for reletting and the reletting itself, including brokerage and attorneys' fees, and then to the payment of damages in amounts equal to the rent hereunder and to the cost and expense of performance of the other covenants of Tenant under this Lease. Tenant agrees to pay to Landlord damages equal to the rent and other sums payable by Tenant under this Lease, reduced by the net proceeds of the reletting, if any, as ascertained from time to time. In reletting the Premises, Landlord may grant rent concessions, and Tenant shall not be entitled to any credit therefor. Tenant shall not be entitled to any surplus resulting from any reletting. Tenant expressly agrees that Landlord shall not be obligated to re-rent the Premises or take any other action to mitigate its damages in the event Tenant is in default under this Lease.

(ii) Permit Tenant to remain in possession of the Premises, in which event this Lease shall continue in effect. Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to receive the rent as it becomes due under this Lease.

(iii) Pursue any other remedy now or hereafter available under the laws of the jurisdiction in Which the Premises is located.

(c) The remedies available to Landlord herein specified are not intended to be exclusive and prevent Landlord from exercising any other remedy or means of redress to which Landlord may be lawfully entitled. In addition to other remedies provided in this Lease, Landlord shall be entitled to restraint by injunction of any violation or threatened violation by Tenant of any of the provisions of this Lease. Landlord's exercise of any right or remedy shall not prevent Landlord from exercising any other right or remedy.

(d) To the extent permitted by law, Tenant, for itself and any person claiming through or under Tenant, waives any equity or right of redemption provided by any law.

(e) Tenant agrees to pay as Additional Rent all reasonable attorneys' fees and other expenses incurred by Landlord in the enforcement of any of the obligations or agreements of Tenant under this Lease.

(f) If this Lease shall terminate by reason of the occurrence of any default of Tenant or any contingency mentioned in this Par. 23, Landlord shall at its option and election be entitled, notwithstanding any other provision of this Lease, or any present or future law, to recover from Tenant or Tenant's estate (in lieu of all claims against Tenant relating to unpaid Annual Rent or additional rent), as damages for loss of the bargain and not as a penalty, a lump sum which at the time of such termination of this Lease equals the then present worth of the Annual Rent and all other charges payable by Tenant hereunder that were unpaid or would have accrued for the balance of the Term, less the fair and reasonable rental value of the Premises for the balance of such Term, such lump sum being discounted to the date of termination at the rate of six (6%) percent per annum, unless any statute or rule of law governing the proceeding in which such damages are to be proved shall limit the amount of such claim capable of being so proved, in which case Landlord stall be entitled to prove as and for liquidated damages by reason of such breach and termination of this Lease, the maximum amount which may be allowed by or under any such statute

or rule of law. If the Premises or any part thereof shall be re-let by the Landlord for a period including the unexpired

Term of this Lease or any part thereof, before the presentation of proof of such, liquidated damages to any court, commission, or tribunal, the amount of rent reserved on such re-letting shall be deemed to be the fair and reasonable rental value for the part or the whole of the Premises so re-let during the Term of the re-letting. Nothing herein contained shall limit or prejudice Landlord's right to prove and obtain as liquidated damages arising out of such breach or termination the maximum amount to be allowed by or under any such statute or rule of law which may govern the proceedings in which such damages are to be proved whether or not such amount be greater, equal to, or less than the amount of the excess of file Annual Rent over the rental value referred to above.

24. SERVICE FEE: INTEREST. (a) Tenant's failure to pay Annual Rent, Additional Rent or make other payments required under this Lease promptly may cause Landlord to incur unanticipated costs, which are impractical to ascertain. Therefore, if Landlord does not receive any payment of Anual Rent, Additional Rent or other sums due from Tenant to Landlord within five (5) days after it becomes due, Tenant shall pay Landlord a service fee equal to five (5%) percent of the overdue amount.

(b) Any amount owed by Tenant to Landlord which is not paid when due shall bear interest at the rate of fifteen (15%) percent per annum ("Default Interest") from the fifth (5th) day after the due date of such amount. The payment of Default Interest on such amounts shall not extend the due date of any amount owed. If the interest rate specified in this Lease shall exceed the rate permitted by law, the Default Interest shall be deemed to be the maximum legal interest rate permitted by law.

25. LANDLORD'S RIGHT TO CURE TENANT'S DEFAULT. If Tenant fails to make any payment or perform any act on its part to be made or performed, then Landlord, without waiving or releasing Tenant from such obligation, may make such payment or perform such act on Tenant's part, and the costs incurred by Landlord in connection with such payment or performance, together with any Service Fee and Default Interest thereon, shall be paid by Tenant to Landlord on demand as Additional Rent.

26. NOTICE OF LANDLORD'S DEFAULT. (a) Tenant shall give written notice of any failure by Landlord to perform any of its obligations under this Lease. Landlord shall not be in default under this Lease unless Landlord fails to cure such non-performance within thirty (30) days after receipt of Tenant's notice. If more than thirty (30) days are required to cure such non-performance, Landlord shall not be in default if such cure is commenced within such thirty (30) day period and thereafter diligently pursued to completion.

(b) In the event of any act or omission by the Landlord which would give the Tenant the right to terminate this Lease or to claim a partial or total eviction, Tenant will not exercise any such right until (i) it has given written notice of such act or omission to Landlord's Mortgagee whose name and address shall have previously been furnished to Tenant, by delivering such notice to the address so furnished, and (ii) Landlord's actor omission is not remedied within thirty (30) days after receipt by Landlord's Mortgagee of Tenant's notice, or if more than thirty (30) days are required to cure same, such cure is commenced within such thirty (30) day period and thereafter diligently pursued to completion.

27. LANDLORD'S LIABILITY LIMITED. There shall be no personal liability of the Landlord or any member, partner, stockholder, officer, director or other principal of Landlord in connection with this Lease. Tenant agrees to look solely to the interest of Landlord in the Property for the collection of any judgment or other judicial process requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to this Lease or in any way relating to the Property. No other assets of Landlord or any principal of Landlord shall be subject to levy, execution or other procedures for the satisfaction of Tenant's remedies.

28. WAIVER OF JURY TRIAL. Landlord and Tenant hereby waive trial by jury in any legal proceeding brought by either of them against the other with respect to any matters arising out of or in any way connected with this Lease or

the Property.

29. SUBORDINATION; ATTORNMENT. (a) This Lease is subject and subordinate to any ground lease or mortgage which may now or hereafter encumber the Property, and any renewals, modifications, consolidations, replacements or extensions thereof.

(b) If Landlord's interest in the Property is acquired by any ground lessor, mortgagee, or purchaser at a foreclosure sale, Tenant shall attorn to the transferee of or successor to Landlord's interest in the Property and recognize such transferee or successor as landlord under this Lease. Such transferee or successor shall not be liable for any act or omission of any prior landlord; or be subject to any offsets or defenses which Tenant might have against any prior landlord; or be bound by any rent which Tenant might have paid for more than the current month to any prior landlord; or be liable for any security deposit under this Lease unless actually transferred to such transferee or successor.

(c) Tenant agrees that this Lease shall be modified in accordance with the reasonable request of any mortgagee now or hereafter encumbering the Property ("Landlord's Mortgagee"), provided no such modification materially adversely affects the business terms of this Lease.

(d) The foregoing provisions shall be self-operative and no further instrument or act on the part of Tenant shall be necessary to effect the same. Tenant shall nevertheless sign and deliver any document necessary or appropriate to evidence the subordination, attornment or agreement above provided within ten (10) days after Landlord's request therefor. Tenant further agrees to execute and deliver within ten (10) days after Landlord's request therefor my other documents reasonably required by Landlord's Mortgagee in connection with the financing or refinancing of the Property.

30. TENANT'S ESTOPPEL; FINANCIAL STATEMENT. (a) Upon Landlord's request, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying: (i) the Commencement Date; (ii) the date the Term expires; (iii) that this Lease is in full force and effect (if such is the case) and unmodified (or if modified, stating the modifications); (iv) the last date of payment of the Annual Rent, Additional Rent and other charges and the time period covered by each payment; (v) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating the nature of the default); and (vi) such other matters as may be reasonably required by Landlord or any Landlord's Mortgagee. Tenant shall deliver such statement to Landlord within ten (10) days after Landlord's request. Any such statement may be given to and relied upon by any prospective purchaser or encumbrancer of the Property.

(b) Within ten (10) days after Landlord's request, Tenant shall deliver to Landlord such audited financial statements prepared by a certified public accountant as are reasonably required to verify the net worth of Tenant. Any such statement may be given by Landlord to any Landlord's Mortgagee or prospective encumbrancer of the Property, but otherwise shall be kept confidential by Landlord. Tenant represents to Landlord that each such financial statement is a true and accurate statement as of the date of such statement.

31. QUIET ENJOYMENT. (a) Landlord covenants that as long as Tenant pays the Annual Rent and Additional Rent and performs its other obligations under this Lease, Tenant shall peaceably and quietly have, hold and enjoy the Premises for the term provided by this Lease, subject to the provisions of this Lease, and to any mortgage or other agreement to which this Lease is subordinate.

(b) Landlord reserves to itself such access and utility easements over, under and across the Premises as may be required by Landlord from time to time in connection with the ownership, use or operation of the Property and/or any other property of Landlord or any affiliated party of Landlord. No such easement shall materially interfere with Tenant's use of the Premises.

32. SECURITY DEPOSIT. Upon execution of this Lease, Tenant shall deposit with Landlord the sum set forth in Par. 1(h) as security for the performance by Tenant of its obligations under this Lease (the "Security Deposit"). Landlord shall have the right to use the Security Deposit

to cure any default of Tenant hereunder, including, but not limited to, payment of Annual Rent, Additional Rent, Service Fees, Default interest or other debts of Tenant due Landlord, or repair or replacement of damage to the Premises. If Landlord uses any part of the Security Deposit, Tenant shall restore the Security Deposit to its full amount within ten (10) days after Landlord's demand therefor. Provided Tenant has fully complied with all of the terms of this Lease, Landlord shall return the Security Deposit to Tenant without interest within thirty (30) days after the surrender of the Premises by Tenant. Landlord may deliver the Security Deposit to the purchaser or other transferee of Landlord's interest in the Property in the event the Property is sold or otherwise transferred, and Landlord shall be discharged from any further liability with respect to the Security Deposit. Provided that Tenant has not been in default at any time, as of the start of the second Lease Year, Landlord shall return one (1/3) third of the Security Deposit to Tenant, and the amount of the Security Deposit for the remainder of the Term shall be $82,837.50.

33. NOTICES. All notices in connection with this Lease, the Premises or the Property shall be in writing and shall be personally delivered, or delivered by courier service (e.g., Federal Express, Airborne) or sent by certified mail, return receipt requested, postage prepaid. Notices to Landlord shall be delivered to the address specified in Par. 1(a). Notices to Tenant shall be delivered to the address specified in Par. l(b) until Tenant takes possession of the Premises; thereafter notices to Tenant shall be delivered to the Premises. All notices shall be effective upon delivery or attempted delivery in accordance with this provision. Either party may change its notice address upon written notice to the other party given in accordance with this provision.

34. FORCE MAJEURE. If Landlord is unable to perform any of its obligations or to supply or is delayed in supplying any service expressly or impliedly to be supplied or is unable to make or is delayed in making any repair, additions, alterations or decorations, or is unable to supply or is delayed in supplying any equipment or fixtures, due to events beyond Landlord's control, the time provided to Landlord for performing such obligations shall be extended by a period of time equal to the duration of such events, and Tenant shall not be entitled to any claim against Landlord by reason thereof, and the obligation of Tenant to pay rent and perform all its other obligations under this Lease shall not be affected, impaired or excused thereby. Events beyond Landlord's control include, but are not limited to, acts of God, war, civil commotion, labor disputes, strikes, casualty, labor or material shortages, government regulation or restriction and weather conditions. Landlord shall not be liable to Tenant nor shall Tenant be entitled to any abatement or reduction of rent, in the event of the suspension, interruption, failure or inadequacy of any of the services to be provided by Landlord pursuant to this Lease.

35. WAIVERS; MODIFICATIONS. The failure of either party to insist on strict performance of any provision of this Lease shall not be construed as a waiver of such provision in any other instance. All amendments to this Lease shall be in writing and signed by both parties.

36. INTERPRETATION. The captions in this Lease are intended to assist the parties in reading this Lease and are not a part of the provisions of this Lease. Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the others.

37. APPLICABLE LAW. The laws of the state in which the Property is located shall govern this Lease.

38. AUTHORITY OF LEASE SIGNATORIES. If Tenant is a corporation, partnership or other entity, each person signing this Lease on behalf of Tenant represents feat he has full authority to do so and that this Lease binds the corporation, partnership or other entity, as the case may be.

39. BROKERAGE. Each party represents to the other that it did not deal with any real estate broker in connection with this Lease, other than the brokers named in Par. 1(1). The commission of such brokers shall be paid by Landlord. Each party indemnifies and holds the other harmless from any claim for a commission or other fee made by any broker with whom the indemnifying party has dealt, other than the foregoing named brokers.

40. BINDING EFFECT. This Lease is binding upon any party who legally acquires any rights or interest in this Lease from Landlord or Tenant; provided, however, Landlord shall have no obligation to Tenant's successor unless the interest of Tenant's successor in this Lease is acquired in accordance with the provisions of this Lease. The term "Landlord" as used in this Lease means only the owner, or the mortgagee in possession, for the time being of the Property, so that in the event of any sale of the Property, the said Landlord shall be and hereby is entirely freed and relieved of any liability for performance of all covenants and obligations of Landlord set forth to this Lease.

41. MISCELLANEOUS. (a) Landlord reserves the right to decrease or increase the size of the Building, and to build additional buildings or improvements on the land, in which event Tenant's Share referred to in Par. 1(i) shall be appropriately adjusted.

(b) Landlord shall have the right, without incurring any liability to Tenant or affecting this Lease, to change the arrangement and location of public entrances, passageways, doors, corridors, elevators, stairs, toilets and other pubic parts of the Property.

(c) The submission of this Lease to Tenant shall not be deemed to be an offer and shall not bind either party until duly executed by Landlord and Tenant.

(d) Landlord shall not be liable for consequential damages arising from any negligence, tortious act, breach of any term, covenant or obligation under this Lease, or any other act or omission affecting this Lease.

(e) This Lease may be executed in counterparts, and when all counterpart documents are executed, the counterparts shall constitute a single binding instrument.

(f) A determination by a court of competent jurisdiction that any provision of this Lease or part thereof is illegal or unenforceable shall not invalidate the remainder of this Lease or such provision, which shall continue to be in effect.

(g) Tenant shall not record this Lease or a memorandum hereof.

(h) Tenant shall observe the rules and regulations set forth in the Rules and Regulations Rider attached hereto, and such other reasonable rules and regulations as Landlord may from time to time adopt, on written notice to Tenant. Landlord shall not be obligated to enforce the rules and regulations against any tenant, and Landlord shall not be liable for violation of same by any tenant, or any of its employees or invitees.

(i) In the event that at any time during the Term of this Lease, Landlord shall have received an expression of interest from a bona fide third party to lease space on the fifth floor of the Building (such space is hereinafter referred to as the "Available Space"), provided that Tenant is in possession of the Premises and not in default under the Lease and provided further that Tenant's financial condition and credit-worthiness is not less than on the date hereof, Landlord agrees that it shall notify Tenant in writing of the availability of the Available Space and the term upon which Landlord proposes the same to be leased. Tenant shall have a period of seven (7) business days from the date of delivery of such notice within which to notify Landlord of its election to lease the Available Space on the same terms and conditions contained in Landlord's notice to Tenant. If Tenant elects to so lease such Available Space, the Term of the Lease shall be extended for a period to expire the later of five (5) Lease Years following the rent start date for the Available Space, or the expiration date with respect to the Available Space. The Annual Rent for the Sixth Floor Premises for such additional terra shall be at the rates and on such schedule as is set forth on the Annual Rent Rider and Extension Options Rider. If the additional term runs past the last Extension Term, the Annual Rent for such post Extension Term period shall be at the same rate as is then applicable to the Available Space. In the event Tenant does not so notify Landlord of its election to lease the Available Space, Landlord shall be free to lease the Available Space to such party as Landlord may elect upon such terms as Landlord and any proposed tenant of the Available Space may agree

upon. Notwithstanding the foregoing, in the event Tenant elects to lease the Available Space during the first twelve (12) calendar months of the Term, Tenant shall do so in accordance with the same terms and conditions as are then in effect under this Lease including the amount of Annual Rent payable

hereunder, and in such event, (i) Landlord shall improve the Available Space in accordance with Landlord's Work Rider (the "Available Space Work") and Tenant Improvement Allowance as set forth in said Landlord's Work Rider, and (ii) the Terms of the Lease shall be extended for a period to expire five (5) Lease Years after the date which shall be the date on which Tenant's Available Space Work is substantially completed, at the rates and on such schedule as is set forth on the Annual Rent Rider and Extension Options Rider.

In the event Tenant elects to exercise the right to lease the Available Space hereunder, a lease amendment shall be prepared to incorporate the business terms in Landlord's notice to Tenant and such lease amendment shall be executed by Tenant within five (5) business days of its receipt of the lease amendment or Tenant's right to lease the Available Space shall, at Landlord's option, be immediately rendered null and void without any requirement for notice thereof.

If Tenant shall not exercise its right to lease the Available Space in accordance with this provision, Landlord shall not be required to offer the Available Space to Tenant again. This option shall not be applicable during the last Lease Year of the Initial Term, nor the last Lease Year of the first Extension Term, unless Tenant has previously and properly exercised its option to extend the Term as set forth in the Extension Options Rider. This option shall not be applicable during the last two (2) Lease Years of the second Extension Term in any event.

THE RIDERS ENUMERATED IN PAR. 1(m) ABOVE ARE ATTACHED HERETO AND MADE A PART OF THIS LEASE AS FULLY AS IF SET FORTH HEREIN AT LENGTH. The terms used in the Riders have the same meanings set forth in this Lease. The provisions of a Rider shall prevail over any provisions of this lease which are inconsistent or conflict with the provisions of such Rider.

IN WITNESS WHEREOF, the parties hereby have duly executed this Lease as of the date first above set forth.

LANDLORD:

WITNESS: BTCT ASSOCIATES, L.L.C.

/s/ Caroline Bonestia By: /s/ Manager
---------- ----------
Its: Manager

TENANT:

ATTEST: SYNCHRONOSS TECHNOLOGIES, INC.

---------- By: /s/ LAWRENCE R. IRVING
Its: ----------
---------- Its: LAWRENCE R. IRVING
C.F.O.

ANNUAL RENT RIDER

Date of Lease: May 11th, 2004

Landlord: BTCT Associates, L.L.C.

Tenant: Synchronoss Technologies, Inc.

Premises: Sixth Floor
750 Route 202
Bridgewater, New Jersey

The Annual Rent payable by Tenant to Landlord during the Term shall be in the amounts and for the Lease Years and payable in the monthly installments as follows:

Lease Years	PSF	Monthly Installment	Annual Amount
1-5	$23.50	$41,418.75	$497,025.00

Initials:

/s/ Landlord

Landlord

/s/ Tenant

Tenant

EXTENSION OPTIONS RIDER

Date of Lease: May 11th, 2004

Landlord: BTCT Associates, L.L.C.

Tenant: Synchronoss Technologies, Inc.

Premises: Sixth Floor
750 Route 202
Bridgewater, New Jersey

1. GRANT OF OPTIONS. Subject to the provisions of Section 3 of this Rider, Landlord hereby grants to Tenant two (2) options (the "Options") to extend the Term following the expiration of the original term hereof (the "Initial Term") for one (1) additional term of five (5) years each (the "Extension Terms").

2. EXERCISE OF OPTIONS. The Options shall be exercised only by written notice (the "Extension Notice") delivered to Landlord in accordance with Par. 33 of the Lease not more than twelve (12) nor less than nine (9) months before the expiration of the Initial Term, or preceding Option Term, as the case may be. Time shall be of the essence with respect to delivery of the Extension Notice and if Tenant fails to deliver the Extension Notice within the specified time period, the Option shall lapse, and Tenant shall have no right to extend the Term.

3. CONDITIONS PRECEDENT TO OPTIONS. The Options shall be exercisable by Tenant and the Lease shall continue for the Extension Term provided both of the following conditions are satisfied:

(a) At the time Landlord receives the Extension Notice and at the commencement of the Extension Term, Tenant shall not be in default under any of the provisions of the Lease.

(b) At the time Landlord receives the Extension Notice and at the commencement of the Extension Term, the Tenant named in Par. 1(b) of the Lease shall not have assigned the Lease or sublet any portion of the Premises, except as permitted in Par. 16(a) of the Lease.

4. EXTENSION TERM PROVISIONS. The Extension Term(s) shall be on all of the same terms and conditions set forth in the Lease and applicable to the Initial Team, except Tenant shall have no further option to extend the Term following the second Extension Term, and the Annual Rent payable by Tenant for the Extension Terms shall be as follows:

Lease Years	PSF	Monthly Installment	Annual Amount
6-10	$26.32	$46,389.00	$556.668.00
11-15	$29.48	$51,958.50	$623,502.00

Initials:

/s/ Landlord

Landlord

/s/ Tenant

Tenant

REAL ESTATE TAX RIDER

Date of Lease: May 11th, 2004

Landlord: BTCT Associates, L.L.C.

Tenant: Synchronoss Technologies, Inc.

Premises: Sixth Floor
750 Route 202
Bridgewater, New Jersey

Tenant shall pay as Additional Rent the Tenant's Share referred to in Par, l(i) of the Lease of all real estate taxes assessed against the Property for any tax fiscal year which occurs wholly or partially during the Term of this Lease in excess of the real estate taxes assessed against the Property for the tax fiscal year referred to in Par. l(j) (the "Base Tax Year") (such Additional Rent is hereinafter called the "Tax Rent"). The term "real estate taxes" shall mean (i) any tax or assessment levied, assessed or imposed at any time by any governmental authority on or against the Property or any part thereof; (ii) any assessment for public betterments or improvements levied, assessed or imposed upon or against the Property; (iii) any legal fees and other costs incurred by Landlord in connection with evaluating and/or contesting the assessed valuation of the Property for real estate tax purposes; and (iv) any tax levied, assessed or imposed at any time upon or against the receipt of income or rents or any other tax upon Landlord as a substitute or supplement in whole or in part for a real estate tax or assessment. Real estate taxes for any tax fiscal year beginning before the Commencement Date or terminating after the Expiration Date shall be apportioned so that Tenant shall pay only such portion of the increase in real estate taxes as shall be attributable to the portion of such tax fiscal year occurring during the Term of this Lease. The term "real estate taxes" shall not include income taxes, estate taxes, or inheritance taxes.

Tenant shall pay its Tax Rent in monthly installments on the first day of each month on an estimated basis as determined by Landlord. Landlord may adjust such estimate at any time and from time to time based upon Landlord's anticipation of the real estate taxes which may be assessed against the Property. At any time after the real estate taxes for any tax fiscal year shall be fixed by the appropriate governmental authorities, Landlord shall deliver to Tenant a statement setting forth the actual real estate taxes assessed against the Property for such tax fiscal year, the amount paid by Tenant as Tax Rent on account thereof, Tenant's Share of such real estate taxes, and the amount due to or from Tenant. If Tenant has paid less than the actual amount due, Tenant shall

pay the difference to Landlord within ten (10) days after Landlord's request therefor. Any amount paid by Tenant which exceeds the actual amount due shall be credited to the next succeeding payments due as Tax Rent hereunder, unless the Term has then expired in which event such excess amount shall be refunded to Tenant within thirty (30) days after delivery of such statement.

Initials:

/s/ Landlord

Landlord

/s/ Tenant

Tenant

OPERATING EXPENSE RIDER

Date of Lease: May 11th, 2004

Landlord: BTCT Associates, L.L.C.

Tenant: Synchronoss Technologies, Inc.

Premises: Sixth Floor
750 Route 202
Bridgewater, New Jersey

Tenant shall pay as Additional Rent Tenant's Share referred to in Par. l(i) of the Lease of the expenses of the Property for any calendar year, beginning January 1, 2006, which occurs wholly or partially during the Term of this Lease in excess of the expenses of the Property for the calendar year referred to in Par. 1(k) of the Lease (the "Base Expense Year") (such Additional Rent is hereinafter called the "Expense Rent"). The term "expenses" shall mean all costs incurred by Landlord in connection with the operation, maintenance, care and repair of the Property, including, but not limited to, gardening and landscaping; snow removal; repairing, resurfacing or repaving the parking areas, roads or driveways on the Property, premiums for fire and other casualty insurance, rent insurance, liability insurance, workers compensation insurance and other insurance with respect to the Property; wages, medical insurance, pension payments and other fringe benefits of all employees servicing the Property; payroll taxes; labor and materials for repairs and replacements for the Building and other improvements on the Property; trash removal; cleaning; service contracts; electricity, gas, water, sewer and other utility charges and rents; fuel oil; painting; security; professional fees; administrative expenses; management fees; and alterations and improvements made by reason of governmental or insurance company requirements. The term "expenses" shall include capital improvements provided, however, that the cost for any capital improvement to the Premises or the Property shall be included as an expense and amortized over a useful life period, as determined by generally accepted accounting principles, with an interest factor equal to ten (10%) percent per annum, and Tenant shall only be obligated to pay Tenant's Share of the amortized portion of such cost applicable to the Term or any renewal thereof. If the Commencement Date is other than the first day of a calender year, or the Expiration Date is prior to the last day of a calendar year, the Expense Rent shall be apportioned so that Tenant shall pay only such portion of the expenses of the Property attributable to such calendar year occurring during the Term of this Lease.

In the event the Building is less than ninety (90%) percent occupied during the Base Expense Year, the expenses of the Property for the Base Expense Year shall be appropriately adjusted so that the operating expenses of the Property shall reflect such expenses as would have been incurred if the Building was ninety (90%) percent occupied.

Notwithstanding anything herein to the contrary, if snow plowing expenses for the Base Expense Year shall exceed the cost of plowing two (2) snowfalls of not more than two (2) inches each, said snow plowing expenses for

the Base Expense Year shall be appropriately adjusted so that the amount thereof shall reflect such expenses as would have been incurred if there had been two (2) snowfalls of not more than two (2) inches each (the "Base Snowplowing Expense"). In addition to Tenant's obligation to pay Tenant's Share of snowplowing costs in excess of the snowplowing costs for the Base Expense Year, Tenant shall also pay Tenant's Share of all snowplowing costs for the Base Expense Year which exceed the Base Snowplowing Expense.

Notwithstanding anything herein to the contrary, the term "expenses" shall not include the following items: (i) leasing commissions; (ii) salaries for executives above the grade of Building manager, (iii) advertising, marketing, and promotional expenditures; (iv) legal fees for lease negotiations and disputes with tenants; and (v) auditing fees, other than auditing fees reasonably incurred in connection with (x) the maintenance and operation of the Building, or (y) the preparation of statements required pursuant to additional rent or lease escalation provisions.

Tenant shall pay its Expense Rent in monthly installments on the first day of each month on an estimated basis as determined by Landlord. Landlord may adjust such estimate at any time and from time to time based upon Landlord's experience and anticipation of costs. After the end of each calendar year during the Term, Landlord shall deliver to Tenant a statement setting forth, the actual expenses of the Property for such calendar year, the amount paid by Tenant as Expense Rent on account thereof, Tenant's Share of such expenses, and the amount due to or from Tenant. If Tenant has paid less than the actual amount due, Tenant shall pay the difference to Landlord within ten (10) days after Landlord's request therefor. Any amount paid by Tenant which exceeds the amount due shall be credited to the next succeeding payments due as Expense Rent hereunder, unless the Term has then expired to which event such excess amount shall be refunded to Tenant within thirty (30) days after delivery of such statement.

Initials:

/s/ Landlord

Landlord

/s/ Tenant

Tenant

LANDLORD'S SERVICES RIDER

Date of Lease: May 11th, 2004

Landlord: BTCT Associates, L.L.C.

Tenant: Synchronoss Technologies, Inc.

Premises: Sixth Floor
750 Route 202
Bridgewater, New Jersey

1. MAINTENANCE AND REPAIRS BY LANDLORD. Landlord shall make necessary repairs to the roof, foundation and exterior walls of the Building and any load-bearing interior walls of the Premises, the parking areas, access roads and driveways, and all components of the electrical, mechanical, plumbing, heating and air-conditioning systems and facilities located on Property which are used in common by tenants of tie Building, provided, however, if any such repair is necessitated by the act or omission of Tenant or any of its employees or invitees, such repair shall be at the expense of Tenant.

2. SNOW REMOVAL. Landlord shall arrange for removal of accumulations of snow and ice from the drives, parking areas and walkways of the Property. If requested by Landlord, to facilitate snow removal work, Tenant and its employees and invitees shall park vehicles only in areas designated by Landlord.

3. LANDSCAPE MAINTENANCE. Landlord shall maintain landscaping in the Common Area of the Building and Property.

4. WATER SERVICE. Landlord shall cause the applicable public utility company to provide to the Building water in quantities sufficient for lavatory facilities, drinking fountains and incidental kitchen uses. If Tenant uses water for any purposes other than those for which Landlord is required to provide water in unusual quantities, Tenant shall pay to Landlord as Additional Rent the cost of such usage as determined by Landlord within ten (10) days after Landlord's request therefor. At Landlord's option, and at Tenant's expense, a separate water meter or check meter may be installed or survey made to determine Tenant's water usage. If there shall be such water usage without Landlord's consent, Landlord may require Tenant to cease such water usage, and Landlord may suspend the supply of water to the Premises until Tenant so ceases its water usage.

5. CLEANING. Landlord shall clean the Premises substantially in accordance with the following:

All carpeting shall be vacuumed nightly. Carpet shampooing is excluded.

Dust furniture nightly.

Empty and dust all waste receptacles nightly and remove from the Premises waste paper and waste materials incidental to normal office usage.

Empty wastepaper baskets and clean ashtrays and sand urns rightly.

Dust telephones as required.

6. HEATING, VENTILATING AND AIR CONDITIONING.

(a) Landlord shall provide in the Building a heating, ventilation and air conditioning system to furnish heating, ventilation and air conditioning to the Premises.

(b) Tenant shall at all times cooperate fully with Landlord and abide by all the regulations and requirements which Landlord may prescribe for the proper functioning and protection of its ventilating, heating and air conditioning system and shall keep operable peripheral windows (if any) closed and use white Venetian blinds to keep direct sunlight from entering the Premises,

Initials:

/s/ Landlord

Landlord

/s/ Tenant

Tenant

ENERGY RIDER

Date of Lease: May 11th, 2004

Landlord: BTCT Associates, L.L.C.

Tenant: Synchronoss Technologies, Inc.

Premises: Sixth Floor
750 Route 202
Bridgewater, New Jersey

1. TENANT ELECTRIC. "Tenant Electric" is all electric consumed by Tenant in connection with Tenant's occupancy of the Premises including but not limited to electric for lighting, office machinery, equipment, and all other appliances, machinery, equipment and systems Tenant uses in connection with the occupancy of the Promises. Tenant Electric does not include electric for the building heating, ventilating and air-conditioning system.

2. TENANT ELECTRIC USAGE. Tenant shall pay Landlord as Additional Rent the cost of Tenant Electric ("Energy Rent") based upon, a separate submeter or check meter installed by Landlord as part of the Allowance (as defined in the Landlord's Work Rider) to determine Tenant's electrical consumption.

(i) For the purpose of this Lease, the average kilowatt hour cost of electric during the first Lease Year and each Lease Year thereafter shall be determined by dividing Landlord's total cost of electricity charged by the utility company (including rate, fuel adjustments, demand charges, applicable taxes and any other charges the utility company may impose) by the total kilowatt hours of electric consumed, the result of which shall be the average kilowatt hour cost for such Lease Year. Since the current kilowatt-hour cost of electric will not be available for any Lease Year until after such Lease Year, Landlord may estimate such kilowatt-hour cost for the year and estimate the charges subject to adjustment as provided in Paragraph 2(ii) of this Rider; and

(ii) Tenant shall pay its Energy Rent in monthly installments on the first day of each month on an estimated basis as determined by Landlord. Landlord may adjust such estimate at any time and from time to time based upon Landlord's experience and anticipation of the costs of electricity used in connection with the Property. After the end of such calendar year during the Term, Landlord shall deliver to Tenant a statement setting forth the amount of Energy Rent payable by Tenant for such calendar year, the amount paid by Tenant as Energy Rent on account thereof, and the amount due to or from Tenant. If Tenant has paid less than the actual amount due, Tenant shall pay the difference to Landlord within ten (10) days after Landlord's request therefor. Any amount paid by Tenant which exceeds the amount due shall be credited to the next succeeding payments due as Energy Rent hereunder, unless the Term has then expired in which event such excess amount shall be refunded to Tenant.

3. GENERAL CONDITIONS. Tenant shall not maintain or install in the Premises any fixture or equipment requiring electric power in excess of 1800 volt-amperes without Landlord's prior written consent. Tenant's total connected load, exclusive of HVAC service, shall not exceed three (3) volt-amperes per square feet. Tenant shall not maintain or install in the Premises any fixture, equipment or systems which, will overload the feeders, risers or require additional wiring without Landlord's consent. The Landlord shall have no responsibility for failure to supply the electricity when prevented from doing so by strikes, repairs, necessary alterations or necessary improvements or by reason of the failure of the public utility to furnish electric current, or for any cause beyond the Landlord's reasonable control, or by order or regulation of any federal, state, county or municipal authority. The Landlord's

obligation to furnish electricity shall not be deemed breached nor shall thereby any abatement in rent or any liability on the part of the Landlord to the Tenant for failure to furnish electricity. In no event shall landlord be obligated to increase the existing electrical capacity of any portion of the building's system, nor to provide any additional wiring or capacity to meet the Tenants additional requirements.

Initials:

/s/ Landlord

Landlord

/s/ Tenant

Tenant

RULES AND REGULATIONS RIDER

Date of Lease: May 11th, 2004

Landlord: BTCT Associates, L.L.C.

Tenant: Synchronoss Technologies, Inc.

Premises: Sixth Floor
750 Route 202
Bridgewater, New Jersey

Landlord hereby promulgates the following Rules and Regulations with respect to the Property;

1. The roads, driveways, parking areas, sidewalks, entrances, elevators, stairways and halls shall not be obstructed by any tenant or used for any purpose other than for ingress to and egress from such tenant's leased premises. No tenant shall store on a temporary or permanent basis any of its property (including waste receptacles) outside of its leased premises.

2. No tenant shall use or keep any foul or noxious gas or substance in its leased premises, or permit its leased premises to be used in a manner offensive or objectionable to Landlord or other tenants of the Building by reason of noise, odors or vibrations. No animals or birds shall be kept on the Property.

3. No sign, advertisement, notice or other lettering (however worthy the cause might be) shall be exhibited, inscribed, painted or affixed by any tenant on any part of the outside of its leased premises or the Building, or anywhere on the exterior of the Property, or on the inside of its leased premises which is visible from the outside of the premises, without the consent of the Landlord, except as provided in the Lease.

4. No smoking is permitted in any part of the Building. Smoking is also prohibited in the front of the Building and at the rear entrance to the Building. Smoking is only permitted outside at the loading dock area. Any violation of this smoking policy may result in a $50.00 charge per occurrence to the Tenant employing an individual violating this smoking policy.

5. If a tenant installs any additional looks or changes the locks on any of the entrance doors or interior doors of its leased premises, Tenant shall provide to Landlord duplicate keys to such locks. (All lock cylinders in doors into the Premises shall work with Landlord's master keying system.)

6. Tenant shall not install any window coverings other than Venetian blinds as specified by Landlord.

7. No tenant shall place a load upon any floor of its leased premises exceeding the floor load per square foot area which it was designed to carry and which is allowed by law. Landlord reserves the right to prescribe the weight and position of all safes, office machines, other machines and mechanical equipment. Such installations shall be placed in locations is the leased premises and in such manner sufficient to absorb and prevent vibration, noise and annoyance.

8. Freight, furniture, equipment, supplies, merchandise and bulky matter shall be delivered to and removed from the leased premises only on the elevator designated therefor by Landlord, only through the entrances and corridors designated by Landlord, and only during the hours and in the manner prescribed by Landlord. The persons engaged by any tenant for such work shall be reasonably acceptable to Landlord.

9. No tenant shall bring or keep in its leased premises any inflammable, combustible or explosive fluid, material, chemical or substance, or cause any odors of cooking or other processes, or any objectionable odors to permeate in or emanate from its leased premises.

10. There is a $25.00 charge for the reprogramming of any access card, a $50.00 charge for a new access card, and a $25.00 charge for any lost or damaged access card. There is a $25.00 charge for each individual reprogramming of the Sentex access system and a $50.00 charge, per pair of doors, for each change in door locking schedule not set forth in an annual schedule. If alarmed doors are opened for a non-emergency, Tenant shall be assessed a $150.00 charge per occurrence.

11. Employees (whether full time or part time) of Tenant, and independent contractors regularly employed by Tenant and based at the Premises, parking in spaces designated for visitors will result in a $50.00 charge to Tenant per car per day.

12. No doors opening onto common areas of the Building shall be permitted to be propped-open except on a temporary, as-needed basis for the moving of furniture, supplies or equipment only.

13. No pallets shall be left in the common areas. No pallets shall be disposed of in the common dumpsters. The storage and proper disposal of such pallets shall be the sole responsibility of the tenant receiving goods on such pallets. All cardboard waste shall be segregated by Tenant and broken down as directed by Landlord.

14. Each of the above charges are subject to increase from time to time.

Initials:

/s/ Landlord

Landlord

/s/ Tenant

Tenant

LANDLORD'S WORK RIDER

Date of Lease: MAY 11th, 2004

Landlord: BTCT Associates, L.L.C.

Tenant: Synchronoss Technologies, Inc.

Premises: Sixth Floor
750 Routs 202
Bridgewater, New Jersey

1. LANDLORD'S WORK. Tenant shall, at its cost and expense, provide Landlord with a full set of construction documents, including specifications and signed and scaled plans (the "Plans and Specifications"), for work to be performed in order to render the Premises ready for Tenant's occupancy thereof. The Plans and Specifications shall be subject to Landlord's approval, such approval not to be unreasonably withheld. Landlord shall approve or disapprove of the Plans and Specifications within ten (10) business days of receipt. If Landlord disapproves of the Plans and Specifications, Tenant shall address Landlord's objections and resubmit the Plans and Specifications to Landlord within five (5) business days of Landlord's disapproval of same. The foregoing procedure shall be followed until such time as Landlord approves the Plans and

Specifications. In the event that a complete set of Plans and Specifications have not been submitted in good faith by Tenant to Landlord within thirty (30) days from the date hereof, the Commencement Date shall advance one day for each day thereafter until such Plans and Specifications are submitted. Landlord shall, subject to the Tenant Improvement Allowance (as hereinafter defined), perform the work shown the Plans and Specifications prepared by Tenant and approved by Landlord (the "Landlord's Work").

2. TENANT IMPROVEMENT ALLOWANCE. (a) Notwithstanding anything to the contrary herein, Landlord shall make a cash contribution (the "Allowance") in the amount of up to $32.50 per rentable square foot of the Premises, for use by Landlord for all costs related to Landlord's Work, including, but not limited to, all costs for architectural, engineering and design services, furnishing and installing a sub or check meter to measure Tenant's electrical consumption, field supervision, general conditions, and all costs for obtaining the necessary governmental permits and approvals to perform Landlord's Work. Tenant shall be permitted to apply any unused portion of the Allowance towards moving expenses, provided such amount shall not exceed $20,000. Landlord shall retain ten (10%) percent of the total Allowance for its overhead and ten (10%) percent of the total Allowance for its profit. Landlord shall obtain bids from two (2) subcontractors for the work to be performed by each major trade. Landlord shall award the work to the lowest responsible bidder.

(b) If and to the extent that the total aggregate costs of Landlord's Work exceeds the amount of the Allowance, such excess amount shall be paid by Tenant to Landlord prior to Tenant's occupancy for the Additional Space. Landlord shall not be obligated to deliver possession of the Premises to Tenant until such time as said payment is made; however, in no event will the Commencement Date be delayed as a result thereof.

3. LANDLORD'S BASE BUILDING WORK. Landlord shall, at it's sole cost and expense, furnish and install the following based on an open plan and ordinary hazard occupancy:

1) HVAC with main trunk and associated branch ductwork.

2) Fire sprinkler mains, branches, drops and heads on a standard grid at 9' finished ceiling height.

4. TENANT'S CONSTRUCTION REPRESENTATIVE. Upon execution of the Lease, Tenant shall designate an individual to serve as Tenant's Construction Representative. Such designation may be changed at any time in accordance with the notice provision of the Lease, but only one (1) individual may be so designated at any one time. Tenant's Construction Representative

shall be the only individual authorized to communicate with Landlord regarding Tenant's Work and to make decisions regarding the Plans and Specifications and Tenant Extras.

5. TENANT EXTRAS. Tenant may request any change, addition or alteration In Landlord's Work set Forth in the Plans and Specifications, subject to the reasonable approval of Landlord ("Tenant Extras"). Substitutions of materials in place of materials set forth in the Plans and Specifications and additions of quantities of materials in excess of quantities of materials set forth on the Plans and Specifications shall be deemed Tenant Extras. Tenant agrees to pay for Tenant Extras based on Landlord's cost therefore, including field supervision, together with ten (10%) percent of such cost for Landlord's overhead plus ten (10%) percent of such sum for Landlord's profit ("Landlord's Charges"). Tenant shall pay to Landlord Landlord's Charges for Tenant Extras as Additional Rent within thirty (30) days after Landlord's request therefor.

6. TENANT DELAY. Landlord shall not be required to proceed with the Landlord's Work or Tenant Extras unless and until Landlord receives payment of Landlord's Charges requested by Landlord. Tenant shall be responsible for, and pay any and all expenses incurred by Landlord in connection with any delay in the commencement or completion of the Landlord's Work or Tenant Extras, and any increase in the cost of the Landlord's Work or Tenant Extras, caused by (i) Tenant's requirement of Tenant Extras; (ii) the postponement of any of the Landlord's Work required to perform Tenant Extras; (iii) any other delay requested or caused by Tenant; (iv) Tenant's failure to promptly pay Landlord's

Charges; (v) Tenant's failure to promptly pay Landlord's charges; (vi) Tenant's selection of materials not available for immediate delivery; and (vii) the request of Tenant to hold any portion of the Landlord's Work in abeyance.

7. MISCELLANEOUS. (a) The Landlord's Work shall be performed by Landlord in a good and workmanlike manner.

(b) Upon substantial completion of the Premises, Landlord shall notify Tenant and Landlord's and Tenant's Contraction Representative shall together inspect the Premises and prepare a so-called punchlist of items to be completed and Landlord shall diligently proceed to complete such items. Landlord shall not be responsible for any damage or destruction caused by Tenant or Tenant's contractor. The existence of punchlist items shall not delay the Commencement Date of the Term of this Lease.

(c) In the event that Landlord's cost to perform Landlord's Work (the "Construction Costs") shall exceed the Allowance, Tenant shall have the right, at its sole cost and expense, to audit the Construction Costs to verify the accuracy thereof provided that: (i) Tenant is not in default in its obligations under the Lease and Tenant has paid all amounts which Landlord claims are due for Construction Costs in excess of the Allowance (the "Excess Construction Costs"); (ii) Tenant shall conduct such audit within thirty (30) days following Tenant's receipt of Landlord's invoice for the Excess Construction Costs; (iii) such audit shall be conducted at the office where Landlord maintains its records and only after Tenant gives Landlord at least ten (10) days prior written notice; (iv) such audit shall be conducted by a certified public accountant on a non-contingent fee basis only; and (v) such audit shall be conducted only during the hours of 10:00 a.m. and 4:00 p.m., Monday through Friday on the lOth through 25th day of the month. Tenant shall deliver to Landlord a copy of the results of such audit within twenty (20) days following Tenant's receipt of Landlord's invoice for the Excess Construction Costs. No audit shall be conducted at any time that Tenant is not current with any payments required under the Lease (even as to any disputed amount) or is in default under the Lease. No subtenant or assignee shall have the right to conduct such an audit. Tenant shall keep the results of such audit strictly confidential and shall not disclose same to any other person. In the event that Tenant's audit alleges that an error was made by Landlord, Landlord shall have thirty (30) days following receipt of the results of such audit to obtain an audit from an accountant of Landlord's choice, at Landlord's cost and expense, or Landlord shall be deemed to have accepted the results of Tenant's audit. In the event that Landlord's accountant and Tenant shall be unable to reconcile the results, Landlord and Tenant shall mutually select another accountant whose determination shall be conclusive. The cost of any such accountant shall be shared equally between Landlord and Tenant. If it is determined that Tenant has paid any amount of Excess Construction Costs in excess of the amount due, such excess amount shall, at Landlord's option, be credited to the next succeeding payments due as rent under the Lease, or be refunded to Tenant within thirty (30) days after the date of such determination.

8. DEFAULT. A default under the Rider shall be a default under the Lease and shall entitle the Landlord to any remedies under the Lease (notwithstanding that the Term has not commenced).

Initials:

/s/ Landlord

Landlord

/s/ Tenant

Tenant

SIXTH FLOOR PLAN RIDER

Date of Lease: May 11th, 2004

Landlord: BTCT Associates, L.L.C.

Tenant: Synchronoss Technologies, Inc.

Premises: Sixth Floor
750 Route 202
Bridgewater, New Jersey

(FLOOR PLAN)

Initials:

/s/ Landlord

Landlord

/s/ Tenant

Tenant

EXHIBIT 10.6

Lease Agreement for
1525 Valley Center Parkway, Bethlehem, Pennsylvania

FIRST AMENDMENT TO LEASE AGREEMENT

This First Amendment is made this 23rd day of December, 2003, by and between LIBERTY PROPERTY LIMITED PARTNERSHIP, a Pennsylvania limited partnership (hereinafter "Landlord"), and SYNCHRONOSS TECHNOLOGIES, INC., a Delaware corporation (hereinafter "Tenant").

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated January 31, 2002 (the "Lease"), relating to premises containing approximately 22,000 rentable square feet (the "Premises") located in the building known and identified as 1525 Valley Center Parkway, Bethlehem, Pennsylvania (the "Building"); and

WHEREAS, Tenant desires to lease additional space in the Building for a term of one (1) year and Landlord has agreed thereto.

NOW, THEREFORE, the parties hereto agree as follows;

1. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Lease.

2. For the period January 1, 2004 through December 31, 2004 (the "Additional Premises Term"), the "Premises" under the Lease shall consist of both the approximately 22,000 rentable square feet currently leased by Tenant and an additional approximately 2,605 rentable square feet which is illustrated on Exhibit "A" attached hereto (the "Additional Premises"). The Additional Premises shall be delivered to Tenant on January 1, 2004 and accepted by Tenant in its "as is" "where is" condition and Landlord shall have no obligations whatsoever to improve same for Tenant's use and occupancy.

3. Commencing on January 1, 2004 (the "Effective Date") and continuing during the Additional Premises Term, Tenant shall pay Minimum Annual Rent for the Additional Premises, at the times and in the manner provided in the Lease, in the amount of $39,075.00 in monthly installments of $3,256.25.

4. Commencing on the Effective Date and continuing during the Additional Premises Term, Tenant shall pay Estimated Annual Operating Expenses for the Additional Premises, at the times and in the manner provided in the Lease, in the amount of $21,256.80 in monthly installments of $1,771.40, subject to adjustment and reconciliation as set forth in the Lease.

5. Tenant's Proportionate Share with respect to the Additional Premises shall be 3.47%.

6. The Expiration Date for the leasing of the Additional Premises shall be December 31, 2004. Failure of Tenant to vacate the Additional Premises on or before December 31, 2004, without Landlord's prior written approval, shall be subject to the holdover provisions of the Lease.

7. Except as expressly modified hereby, the Lease shall remain in full force and effect in accordance with its terms. Specifically, without limitation, in the event of any default by Tenant of any of its obligations under the Lease, as hereby amended, Landlord may pursue all remedies available under the Lease or otherwise at law or in equity. Accordingly, Tenant agrees to the following:

(a) When the Lease, as hereby amended, and the Term or any extension thereof shall have been terminated on account of any default by Tenant, or when the

Term or any extension thereof shall have expired, Tenant hereby authorizes any attorney of any court of record of the Commonwealth of Pennsylvania to appear

for Tenant and for anyone claiming by, through or under Tenant and to confess judgment against all such parties, and in favor of Landlord, in ejectment and for the recovery of possession of the Premises, for which the Lease, as hereby amended, or true and correct copies thereof shall be good and sufficient warrant. AFTER THE ENTRY OF ANY SUCH JUDGMENT, A WRIT OF POSSESSION MAY BE ISSUED THEREON WITHOUT FURTHER NOTICE TO TENANT AND WITHOUT A HEARING. If for any reason after such action shall have been commenced it shall be determined and possession of the Premises remain in or be restored to Tenant, Landlord shall have the right for the same default and upon any subsequent default(s) or upon the termination of the Lease or Tenant's right of possession as herein set forth, to again confess judgment as herein provided, for which the Lease, as hereby amended, or true and correct copies thereof shall be good and sufficient warrant.

(b) If Tenant shall default in the payment of the Rent due under the Lease, as hereby amended, Tenant hereby authorizes any attorney of any court of record of the Commonwealth of Pennsylvania to appear for Tenant and to confess judgment against Tenant, and in favor of Landlord, for all sums due hereunder plus interest, costs and an attorney's collection commission equal to the greater of 10% of all such sums or $1,000, for which the Lease, as hereby amended, or a true and correct copy thereof shall be good and sufficient warrant. TENANT UNDERSTANDS THAT THE FOREGOING PERMITS LANDLORD TO ENTER A JUDGMENT AGAINST TENANT WITHOUT PRIOR NOTICE OR HEARING. ONCE SUCH A JUDGMENT HAS BEEN ENTERED AGAINST TENANT, ONE OR MORE WRITS OF EXECUTION OR WRITS OF GARNISHMENT MAY BE

ISSUED THEREON WITHOUT FURTHER NOTICE TO TENANT AND WITHOUT A HEARING, AND, PURSUANT TO SUCH WRITS, LANDLORD MAY CAUSE THE SHERIFF OF THE COUNTY IN WHICH ANY PROPERTY OF TENANT IS LOCATED TO SEIZE TENANT'S PROPERTY BY LEVY OR ATTACHMENT. IF THE JUDGMENT AGAINST TENANT REMAINS UNPAID AFTER SUCH LEVY OR ATTACHMENT, LANDLORD CAN CAUSE SUCH PROPERTY TO BE SOLD BY THE SHERIFF EXECUTING THE WRITS, OR, IF SUCH PROPERTY CONSISTS OF A DEBT OWED TO TENANT BY ANOTHER ENTITY, LANDLORD CAN CAUSE SUCH DEBT TO BE PAID DIRECTLY TO LANDLORD IN AN AMOUNT UP TO BUT NOT TO EXCEED THE AMOUNT OF THE JUDGMENT OBTAINED BY LANDLORD AGAINST TENANT, PLUS THE COSTS OF THE EXECUTION. Such authority shall not be exhausted by one exercise thereof, but judgment may be confessed as aforesaid from time to time as often as any of said rental and other sums shall fall due or be in arrears, and such powers may be exercised as well after the expiration of the initial Term of the Lease, as hereby amended, and during any extended or renewal Term of the Lease, as hereby amended, and after the expiration of any extended or renewal Term of the Lease as hereby amended.

(c) The warrants of attorney to confess judgment set forth above shall continue in full force and effect and be unaffected by amendments of the Lease or other agreements between Landlord and Tenant even if any such amendments or other agreements increase Tenant's obligations or expand the size of the Premises. Tenant waives any procedural errors in connection with the entry of any such judgment or in the issuance of any one or more writs of possession or execution or garnishment thereon.

(d) TENANT KNOWINGLY AND EXPRESSLY WAIVES (I) ANY RIGHT, INCLUDING, WITHOUT LIMITATION, UNDER ANY APPLICABLE STATUTE, WHICH TENANT MAY HAVE TO RECEIVE A NOTICE TO QUIT PRIOR TO LANDLORD COMMENCING AN ACTION FOR REPOSSESSION OF THE PREMISES AND (II) ANY RIGHT WHICH TENANT MAY HAVE TO NOTICE AND TO HEARING PRIOR TO A LEVY UPON OR ATTACHMENT OF TENANT'S PROPERTY OR THEREAFTER.

8. Tenant acknowledges and agrees that the Lease is in full force and effect and Tenant has no claims against Rent due or to become due thereunder.

9. This First Amendment shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this First Amendment to Lease Agreement to be duly signed

the day and year first above written.

LIBERTY PROPERTY LIMITED PARTNERSHIP,
BY ITS SOLE GENERAL PARTNER, LIBERTY
PROPERTY TRUST

By: /s/ Robert L. Kiel

Robert L. Kiel
Senior Vice President, Regional
Director

SYNCHRONOSS TECHNOLOGIES, INC.

By: /s/ LAWRENCE R. IRVING

Name: LAWRENCE R. IRVING
Title: CFO

1525 VALLEY CENTER PARKWAY - 2,605 SF
Bethlehem, PA 18017

(FLOOR PLAN)

1510 VALLEY CENTER PARKWAY SUITE 240 BETHLEHEM PA 610-867-9100 FAX 610-867-7556

EXHIBIT "A"

LEASE AGREEMENT

(Multi-Tenant Office)

INDEX

RIDER

THIS LEASE AGREEMENT is made by LIBERTY PROPERTY LIMITED PARTNERSHIP, a Pennsylvania Limited Partnership ("LANDLORD") with its address at 1510 Valley Center Parkway, Suite 240, Bethlehem, PA, 18017 and SYNCHRONOSS TECHNOLOGIES, INC., a corporation organized under the laws of Delaware ("TENANT") with its address at 1525 Valley Center Parkway, Bethlehem, PA 18017 and is dated as of the date on which this lease has been fully executed by Landlord and Tenant.

1. SUMMARY AND CERTAIN DEFINITIONS.

(A) "PREMISES": Approximate rentable square feet: 22,000
(Section 2)

(B) "BUILDING": Approximate rentable square feet: 75,000
(Section 2) Address: 1525 Valley Center Parkway
Bethlehem, PA 18017
(HANOVER TOWNSHIP, NORTHAMPTON COUNTY)

(C) "TERM": Ninety-one(91) months (Section 5).

(i) "COMMENCEMENT DATE": February 1, 2002.

(ii) "EXPIRATION DATE": See Section 5.

(D) MINIMUM RENT (Section 6) & OPERATING EXPENSES (Section 7).

(i) "MINIMUM ANNUAL RENT": See Section 31.

(ii) ESTIMATED "ANNUAL OPERATING EXPENSES": $153,120.00 (One Hundred Fifty-Three Thousand One Hundred Twenty and 00/100 Dollars), payable in monthly installments of $12,760.00 (Twelve Thousand Seven Hundred Sixty and 00/100 Dollars), subject to adjustment [Section 7(a)].

(E) "PROPORTIONATE SHARE" [Section 7(a)]: 29.33% (ratio of approximate rentable square feet in the Premises to approximate rentable square feet in the Building).

(F) "USE" (Section 4): General business office use.

(G) "SECURITY DEPOSIT" (Section 28): $96,249.99 (Ninety-Six Thousand Two Hundred Forty-Nine and 99/100 Dollars). See Section 41.

(H) CONTENTS: This lease consists of the Index, pages 1 through 11 containing Sections 1 through 28 and the following, all of which are attached hereto and made a part of this lease:
Rider with Sections 29 through 44.
Exhibits: "A" - Plan showing Premises
"B" - Commencement Certificate Form
"C" - Building Rules
"D" - Cleaning Schedule
"E" - Tenant Estoppel Certificate

2. PREMISES. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises as shown on attached Exhibit "A" within the Building (the Building and the lot on which it is located, the "PROPERTY"), together with the non-exclusive right with Landlord and other occupants of the Building to use all areas and facilities provided by Landlord for the use of all tenants in the Property including any lobbies, hallways, driveways, sidewalks and parking, loading and landscaped areas (the "COMMON AREAS").

3. ACCEPTANCE OF PREMISES. Tenant has examined and knows the condition of the Property, the zoning, streets, sidewalks, parking areas, curbs and access ways adjoining it, visible easements, any surface conditions and the present uses, and Tenant accepts them in the condition in which they now are, without relying on any representation, covenant or warranty by Landlord. Tenant and its agents shall have she right, at Tenant's own risk, expense and responsibility, at all reasonable times prior to the Commencement Date, to enter the Premises for the purpose of taking measurements and installing its furnishings and equipment; provided that the Premises are vacant and Tenant obtains Landlord's prior written consent.

4. USE; COMPLIANCE.

(A) PERMITTED USE. Tenant shall occupy and use the Premises for and only for the Use specified in Section 1(f) above and in such a manner as is lawful, reputable and will not create any nuisance or otherwise interfere with any other tenant's normal operations or the management of the Building. Without limiting the foregoing, such Use shall exclude any use that would cause the Premises or the Property to be deemed a "place of public accommodation" under the Americans with Disabilities Art (the "ADA") as further described in the Building Rules (defined below). All Common Areas shall be subject to Landlord's exclusive control and management at all times. Tenant shall not use or permit the use of any portion of the Common Areas for other than their intended use.

(B) COMPLIANCE. From and after the Commencement Date, Tenant shall comply promptly, at its sole expense, (including making any alterations or improvements) with all laws (including the ADA), ordinances, notices, orders, rules, regulations and requirements regulating the Property during the Term which impose any duty upon Landlord or Tenant with respect to Tenant's use, occupancy or alteration of, or Tenant's installations in or upon, the Property including the Premises, (as the same may be amended, the "LAWS AND REQUIREMENTS") and the building rules attached as Exhibit "C", as amended by Landlord from time to time, (the "BUILDING RULES"). Provided, however, that Tenant shall not be required to comply with the Laws and Requirements with respect to the footings, foundations, structural steel columns and girders forming a part of the Property unless the need for such compliance arises out of Tenant's use, occupancy or alteration of the Property, or by any act or omission of Tenant or any employees, agents, contractors, licensees or invitees ("AGENTS") of Tenant. With respect to Tenant's obligations as to the Property, other than the Premises, at Landlord's option and at Tenants expense, Landlord may comply with any repair, replacement or other construction requirements of the Laws and Requirements and Tenant shall pay to Landlord all costs thereof as additional rent.

(C) ENVIRONMENTAL. Tenant shall comply, at its sole expense, with all Laws and Requirements as set forth above, all manufacturers' instructions and all requirements of insurers relating to the treatment production, storage, handling, transfer, processing, transporting, use, disposal and release of hazardous substances, hazardous mixtures, chemicals, pollutants, petroleum products, toxic or radioactive matter (the "RESTRICTED ACTIVITIES"). Tenant

shall deliver to Landlord copies of all Material Safety Data Sheets or other written information prepared by manufacturers, importers or suppliers of any chemical and all notices, filings, permits and any other written communications from or to Tenant and any entity regulating any Restricted Activities.

(D) NOTICE. If at any time during or after the Term, Tenant becomes aware of any inquiry, investigation or proceeding regarding the Restricted Activities or becomes aware of any claims, actions or investigations regarding the ADA, Tenant shall give Landlord written notice, within 5 days after first learning thereof, providing all available information and copies of any notices.

5. TERM. The Term of this lease shall commence on the Commencement Data and shall end at 11:59 p.m. on the last day of the Term (the "EXPIRATION DATE"), without the necessity for notice from either party, unless sooner terminated in accordance with the terms hereof. At Landlord's request, Tenant shall confirm the Commencement Date and Expiration Date by executing a lease commencement certificate in the form attached as Exhibit "B".

6. MINIMUM ANNUAL RENT. Tenant agrees to pay to Landlord the Minimum Annual Rent in equal monthly installments is the amount set forth in Section 1(d) (as increased at the beginning of each lease year as set forth in Section 1(d)), in advance, on the first day of each calendar month during the Term, without notice, demand or setoff, at Landlord's address designated at the beginning of this lease unless Landlord designates otherwise; provided that rent for the first full month shall be paid at the signing of this lease. If the Commencement Date falls on a day other than the first day of a calendar month, the rent shall be apportioned pro rata on a per diem basis for the period from the Commencement Date until the first day of the following calendar month and shall be paid on or before the Commencement Date. As used in this lease, the term "LEASE YEAR" means the period from the Commencement Date

through the succeeding 12 full calendar months (including for the first lease year any partial month from the Commencement Date until the first day of the first full calendar month) and each successive 12 month period thereafter during the Term.

7. OPERATION OF PROPERTY; PAYMENT OF EXPENSES.

(A) PAYMENT OF OPERATING EXPENSES. Tenant shall pay to Landlord the Annual Operating Expenses in equal monthly installments in the amount set forth in Section 1(d) (prorated for any partial month), from the Commencement Date and continuing throughout the Term on the first day of each calendar month during the Term, as additional rent, without notice, demand or setoff; provided that the monthly installment for the first full month shall be paid at the signing of this lease. Landlord shall apply such payments to the annual operating costs to Landlord of operating and maintaining the Property during each calendar year of the Term, which costs may include by way of example rather than limitation: insurance premiums, fees, impositions, costs for repairs, maintenance, service contracts, management and administrative fees, governmental permits, overhead expenses, costs of furnishing water, sewer, gas, fuel, electricity, other utility services, janitorial service, trash removal, security services, landscaping and grounds maintenance, and the costs of any other items attributable to operating or maintaining any or all of the Property excluding any costs which under generally accepted accounting principles are capital expenditures; provided, however, that annual operating costs also shall include the annual amortization (over an assumed useful life of ten years) of the costs (including financing charges) of building improvements made by Landlord to the Property that are required by any governmental authority or for the purpose of reducing operating expenses or directly enhancing the safety of tenants in the Building generally. The amount of the Annual Operating Expenses set forth in Section 1(d) represents Landlord's estimate of Tenant's share of the estimated operating costs during the first calendar year of the Term on an annualized basis; from time to time Landlord may adjust such estimated amount if the estimated operating costs increase. Tenant's obligation to pay the Annual Operating Expenses pursuant to this Section 7 shall survive the expiration or termination of this lease.

(i) COMPUTATION OF TENANT'S SHARE OF ANNUAL OPERATING COSTS. After the end of each calendar year of the Term. Landlord shall compute Tenant's share of the annual operating costs described above incurred during such calendar year by

(A) calculating an appropriate adjustment, using generally accepted accounting principles, to avoid allocating to Tenant or to any other tenant (as the case may be) those specific costs which Tenant or any other tenant has agreed to pay (B) calculating an appropriate adjustment, using generally accepted accounting principles, to avoid allocating to any vacant space those specific costs which were not incurred for such space; and (C) multiplying the adjusted annual operating costs by Tenant's Proportionate Share.

(ii) RECONCILIATION. By April 30th of each year (and as soon as practical after the expiration or termination of this lease or at any time in the event of a sale of the Property) Landlord shall provide Tenant with a statement of the actual amount of such annual operating costs for the preceding calendar year or part thereof. Landlord or Tenant shall pay to the other the amount of any deficiency or overpayment then due from one to the other or, at Landlord's option, Landlord may credit Tenant's account for any overpayment. Tenant shall have the right to inspect the books and records used by Landlord in calculating the annual operating costs within 60 days of receipt of the statement during regular business hours after having given Landlord at least 48 hours prior written notice; provided, however, that Tenant shall make all payments of additional rent without delay, and that Tenant's obligation to pay such additional rent shall not be contingent on any such right.

(B) IMPOSITIONS. As used in this lease the term "impositions" refers to all levies, taxes (including sales taxes and gross receipt taxes) and assessments, which are applicable to the Term, and which are imposed by any authority or under any law, ordinance or regulation thereof, or pursuant to any recorded covenants or agreements, and the reasonable cost of contesting any of the foregoing, upon or with respect to the Property or any part thereof, or any improvement thereto. Tenant shall pay to Landlord with the monthly payment of Minimum Annual Rent any imposition imposed directly upon this lease or the Rent (defined in Section 7(g)) or amounts payable by any subtenants or other occupants of the Premises, or against Landlord because of Landlord's estate or interest herein.

(i) Nothing herein contained shall be interpreted as requiring Tenant to pay any income, excess profits or corporate capital stock tax imposed or assessed upon Landlord, unless such tax or any similar tax is levied or assessed in lieu of all or any part of any imposition or an increase in any imposition.

(ii) If it shall not be lawful for Tenant to reimburse Landlord for any of the impositions, the Minimum Annual Rent shall be increased by the amount of the portion of such imposition allocable to Tenant, unless prohibited by law.

(C) INSURANCE.

(i) PROPERTY. Landlord shall keep in effect insurance against loss or damage to the Building or the Property by fire and such other casualties as may be included within fire, extended coverage and special form insurance covering the full replacement

cost of the Building (but excluding coverage of Tenant's personal property in, and any alterations by Tenant to, the Premises), and such other insurance as Landlord may reasonably deem appropriate or as may be required from time-to-time by any mortgagee.

(ii) LIABILITY. Tenant, at its own expense, shall keep in effect comprehensive general public liability insurance with respect to the Premises and the Property, including contractual liability insurance, with such limits of liability for bodily injury (including death) and property damage as reasonably may be required by Landlord from time-to-time, but not less than a combined single limit of $1,000,000 per occurrence and a general aggregate limit of not less than $2,000,000 (which aggregate limit shall apply separately to each of Tenant's locations if more than the Premises); however, such limits shall not limit the liability of Tenant hereunder. The policy of comprehensive general public liability insurance also shall name Landlord and Landlord's agent as insured parties with respect to the Premises, shall be written on an "occurrence" basis and not on a "claims made" basis, shall provide that it is primary with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance, shall provide that it shall not be cancelable or reduced without at least 30 days prior written notice to

Landlord and shall be issued in form satisfactory to Landlord. The insurer shall be a responsible insurance carrier which is authorized to issue such insurance and licensed to do business in the state in which the Property is located and which has at all times during the Term a rating of no less than A VII in the most current edition of Best's Insurance Reports. Tenant shall deliver to Landlord on or before the Commencement Date, and subsequently renewals of, a certificate of insurance evidencing such coverage and the waiver of subrogation described below.

(iii) WAIVER OF SUBROGATION. Landlord and Tenant shall have included in their respective property insurance policies waivers of their respective insurers' right of subrogation against the other party. If such a waiver should be unobtainable or unenforceable, then such policies of insurance shall state expressly that such policies shall not be invalidated if, before a casualty, the insured waives the right of recovery against any party responsible for a casualty covered by the policy.

(iv) INCREASE OF PREMIUMS. Tenant agrees not to do anything or fail to do anything which will increase the cost of Landlord's insurance or which will prevent Landlord from procuring policies (including public liability) from companies and in a form satisfactory to Landlord. If any breach of the preceding sentence by Tenant causes the rate of fire or other insurance to be increased, Tenant shall pay the amount of such increase as additional rent promptly upon being billed.

(D) REPAIRS AND MAINTENANCE; COMMON AREAS; BUILDING MANAGEMENT.

(i) Tenant at its sole expense shall maintain the Premises in a neat and orderly condition.

(ii) Landlord, shall make all necessary repairs to the Premises, the Common Areas and any other improvements located on the Property, provided that Landlord shall have no responsibility to make any repair until Landlord receives written notice of the need for such repair. Landlord shall operate and manage the Property and shall maintain all Common Areas and any paved areas appurtenant to the Property in a clean and orderly condition. Landlord reserves the right to make alterations to the Common Areas from time to time.

(iii) Notwithstanding, anything herein to the contrary, repairs and replacements to the Property including the Premises made necessary by Tenant's use, occupancy or alteration of, or Tenant's installation in or upon the Property or by any act or omission of Tenant or its Agents shall be made at the sole expense of Tenant to the extent not covered by any applicable insurance proceeds paid to Landlord. Tenant shall not bear the expense of any repairs or replacements to the Property arising out of or caused by any other tenant's use, occupancy or alteration of, or any other tenant's installation in or upon, the Property or by any act or omission of any other tenant or any other tenant's Agents.

(E) UTILITIES.

(i) Landlord will furnish the Premises with electricity, heating and air conditioning for the normal use and occupancy of the Premises as general offices between 8:00 am. and 6;00 p.m., Monday through Friday (legal holidays excepted). If Tenant shall require electricity or install electrical equipment including but not limited to electrical heating, refrigeration equipment, electronic data processing machines, or machines or equipment using current in excess of 110 volts, which will in any way increase the amount of electricity usually furnished for use as general office space, or if Tenant shall attempt to use the Premises in such a manner that the services to be furnished by Landlord would be required during periods other than or in addition to business hours referred to above, Tenant will obtain Landlord's prior written approval and will pay for the resulting additional direct expense, including the expense resulting from the installation of such equipment and meters, as additional rent promptly upon being billed. Landlord shall not be responsible or liable for any interruption in utility service, nor shall such interruption affect the continuation or validity of this lease.

(ii) If at any time utility services supplied to the Premises are separately metered, the cost of installing Tenant's meter and the cost of such

separately metered utility service shall be paid by Tenant promptly upon being billed.

(F) JANITORIAL SERVICES. Landlord will provide Tenant with trash removal and janitorial services pursuant to a cleaning schedule attached as Exhibit "D".

(G) "RENT." The term "RENT" as used in this lease means the Minimum Annual Rent, Annual Operating Expenses and any other additional rent or sums payable by Tenant to Landlord pursuant to this lease, all of which shall be deemed rent for purposes of Landlord's rights and remedies with respect thereto. Tenant shall pay all Rent to Landlord within 30 days after Tenant is billed, unless otherwise provided in this lease, and interest shall accrue on all sums due but unpaid.

8. SIGNS. Landlord, at Landlord's expense, will place Tenant's name and suite number on the Building standard sign and on or beside the entrance door to the Premises. Except for signs which are located wholly within the interior of the Premises and not visible from the exterior of the Premises, no signs shall be placed on the Property without the prior written consent of Landlord. All signs installed by Tenant shall be maintained by Tenant in good condition and Tenant shall remove ail such signs at the termination of this lease and shall repair any damage caused by such installation, existence or removal.

9. ALTERATIONS AND FIXTURES.

(A) Subject to Section 10, Tenant shall have the right to install its trade fixtures in the Premises, provided that no such installation or removal thereof shall affect any structural portion of the Property nor any utility lines, communications lines, equipment or facilities in the Building serving any tenant other than Tenant. At the expiration or termination of this lease and at the option of Landlord or Tenant, Tenant shall remove such installations and, in the event of such removal, Tenant shall repair any damage caused by such installation or removal; if Tenant, with Landlord's written consent, elects not to remove such installation(s) at the expiration or termination of this lease, all such installations shall remain on the Property and become the property of Landlord without payment by Landlord.

(B) Except for non-structural changes which do not exceed $5000 in the aggregate, Tenant shall not make or permit to be made any alterations to the Premises without Landlord's prior written consent. Tenant shall pay the costs of any required architectural/engineering reviews. In making any alterations, (i) Tenant shall deliver to Landlord the plans, specifications and necessary permits, together with certificates evidencing that Tenant's contractors and subcontractors have adequate insurance coverage naming Landlord and Landlord's agent as additional insureds, at least 10 days prior to commencement thereof, (ii) such alterations shall not impair the structural strength of the Building or any other improvements or reduce the value of the Property or affect any utility lines, communications lines, equipment or facilities in the Building serving any tenant other than Tenant, (iii) Tenant shall comply with Section 10 and (iv) the occupants of the Building and of any adjoining property shall not be disturbed thereby. All alterations to the Premises by Tenant shall be the property of Tenant until the expiration or termination of this, lease; at that time all such alterations shall remain on the Property and become the property of Landlord without payment by Landlord unless Landlord gives written notice to Tenant to remove the same, in which event Tenant will remove such alterations and repair any resulting damage. At Tenant's request prior to Tenant making any alterations, Landlord shall notify Tenant in writing, whether Tenant is required to remove such alterations at the expiration or termination of this lease.

10. MECHANICS' LIENS. Tenant shall pay promptly any contractors and materialmen who supply labor, work or materials to Tenant at the Property and shall take all steps permitted by law in order to avoid the imposition of any mechanic's lien upon all or any portion of the Property. Should any such lien or notice of lien be filed for work performed for Tenant other than by Landlord, Tenant shall bond against or discharge the same within 5 days after Tenant has notice that the lien or claim is filed regardless of the validity of such lien or claim. Nothing in this lease is intended to authorize Tenant to do or cause any work to be done or materials to be supplied for the account of Landlord, all of the same to be solely for Tenant's account and at Tenant's risk and expense. Throughout this lease the term "MECHANIC'S LIEN" is used to include any lien, encumbrance or charge levied or imposed upon all or any portion of, interest in or income from the Property on account of any mechanic's, laborer's, materialman's or construction lien or arising out of any debt or liability to or any claim of any contractor, mechanic, supplier, materialman or laborer and shall include any mechanic's notice of intention to file a lien given to Landlord or Tenant, any stop order given to Landlord or Tenant, any notice of refusal to pay naming

Landlord or Tenant and any injunctive or equitable action brought by any person claiming to be entitled to any mechanic's lien,

11. LANDLORD'S RIGHT TO RELOCATE TENANT; RIGHT OF ENTRY.

(A) Landlord may cause Tenant to relocate from the Premises to a comparable space ("RELOCATION SPACE") within the Building by giving written notice to Tenant at least 60 days in advance, provided that Landlord shall pay for all reasonable costs of

such relocation. Such a relocation shall not terminate, modify or otherwise affect this lease except that "Premises" shall refer to the Relocation Space rather than the old location identified in Section I(a).

(B) Tenant shall permit Landlord and its Agents to enter the Premises at all reasonable times following reasonable notice (except in the event of an emergency), for the purpose of inspection, maintenance or making repairs, alterations or additions as well as to exhibit the Premises for the purpose of sale or mortgage and, during the last 12 months of the Term, to exhibit the Premises to any prospective tenant. Landlord will make reasonable efforts not to inconvenience Tenant in exercising the foregoing rights, but shall not be liable for any loss of occupation or quiet enjoyment thereby occasioned.

12. DAMAGE BY FIRE OR OTHER CASUALTY.

(A) If the Premises or Building shall be damaged or destroyed by fire or other casualty, Tenant promptly shall notify Landlord and Landlord, subject to the conditions set forth in this Section 12, shall repair such damage and restore the Premises to substantially the same condition in which they were immediately prior to such damage or destruction, but not including the repair, restoration or replacement of the fixtures or alterations installed by Tenant Landlord shall notify Tenant in writing, within 30 days after the date of the casualty, if Landlord anticipates that the restoration will take more than 180 days from the data of the casualty to complete; in such event, either Landlord or Tenant may terminate this lease effective as of the date of casualty by giving written notice to the other within 10 days after Landlord's notice. Further, if a casualty occurs during the last 12 months of the Term or any extension thereof Landlord may cancel this lease unless Tenant has the right to extend the Term for at least 3 more years and does so within 30 days after the date of the casualty.

(B) Landlord shall maintain a 12 month rental coverage endorsement or other comparable form of coverage as part of its fire, extended coverage and special form insurance. Tenant will receive an abatement of its Minimum Annual Rent and Annual Operating Expenses So the extent the Premises are rendered untenantable as determined by the carrier providing the rental coverage endorsement.

13. CONDEMNATION.

(A) TERMINATION. If (i) all of the Premises are taken by a condemnation or otherwise for any public or quasi-public use, (ii) any part of the Premises is so taken and the remainder thereof is insufficient for the reasonable operation of Tenant's business or (iii) any of the Property is so taken, and, in Landlord's opinion, it would be impractical or the condemnation proceeds are insufficient to restore the remainder of the Property, then this lease shall terminate and all unaccrued obligations hereunder shall cease as of the day before possession is taken by the condemnor.

(B) PARTIAL TAKING. If there is a condemnation and this lease has not been terminated pursuant to this Section, (i) Landlord shall restore the Building and the improvements which are a part of the Premises to a condition and size as nearly comparable as reasonably possible to the condition and size thereof immediately prior to the date upon which, the condemnor took possession and (ii) the obligations of Landlord and Tenant shall be unaffected by such condemnation except that there shall be an equitable abatement of the Minimum Annual Rent according to the rental value of the Premises before and after the date upon which the condemnor took possession and/or the date Landlord completes such restoration.

(C) AWARD. In the event of a condemnation affecting Tenant, Tenant shall

have the right to make a claim against the condemnor for moving expenses and business dislocation damages to the extent that such claim does not reduce the sums otherwise, payable by the condemnor to Landlord. Except as aforesaid and except as set forth in (d) below, Tenant hereby assigns all claims against the condemnor to Landlord.

(D) TEMPORARY TAKING. No temporary taking of the Premises shall terminate this lease or give Tenant any right to any rental abatement. Such a temporary taking will be treated as if Tenant had sublet the Premises to the condemnor and had assigned the proceeds of the subletting to Landlord to be applied on account of Tenant's obligations hereunder. Any award for such a temporary taking during the Term shall be applied first, to Landlord's costs of collection and, second, on account of sums owing by Tenant hereunder, and if such amounts applied on account of sums owing by Tenant hereunder should exceed the entire amount owing by Tenant for the remainder of the Term, the excess will be paid to Tenant

14. NON-ABATEMENT OF RENT. Except as otherwise expressly provided as to damage by fire or other casualty in Section 12(b) and is to condemnation in Section 13(b), there shall be no abatement or reduction of the Rent for any cause whatsoever, and this lease shall not terminate, and Tenant shall not be entitled to surrender the Premises.

15. INDEMNIFICATION OF LANDLORD. Subject to Sections 7(c)(iii) and 16, Tenant will protect, indemnify and hold harmless Landlord and its Agents from and against any and all claims, actions, damages, liability and expense (including fees of attorneys, investigators

and experts) in connection with loss of life, personal injury or damage to property in or about the Premises or arising out of the occupancy or use of the Premises by Tenant or its Agents or occasioned wholly or in part by any act or omission of Tenant or its Agents, whether prior to, during or after the Term, except to the extent such loss, injury or damage was caused by the negligence of Landlord or its Agents. In case any action or proceeding is brought against Landlord and/or its Agents by reason of the foregoing. Tenant, at its expense, shall resist and defend such action or proceeding, or cause the same to be resisted and defended by counsel (reasonably acceptable to Landlord and its Agents) designated by the insurer whose policy covers such occurrence or by counsel designated by Tenant and approved by Landlord and its Agents. Tenant's obligations pursuant to this Section 15 shall survive the expiration or termination of this lease.

16. WAIVER OF CLAIMS. Landlord and Tenant each hereby waives all claims for recovery against the other for any loss or damage which may be inflicted upon the property of such party even if such loss or damage shall be brought about by the fault or negligence of the other party or its Agents; provided, however, that such waiver by Landlord shall not be effective with respect to any liability of Tenant described in Sections 4(c) and 7(d)(iii).

17. QUIET ENJOYMENT. Landlord covenants that Tenant, upon performing all of its covenants, agreements and conditions of this lease, shall have quiet and peaceful possession of the Premises as against anyone claiming by or through Landlord, subject, however, to the exceptions, reservations and conditions of this lease.

18. ASSIGNMENT AND SUBLETTING.

(A) LIMITATION. Tenant shall not transfer this lease, voluntarily or by operation of law, without the prior written consent of Landlord which shall not be withheld unreasonably. However, Landlord's consent shall not be required in the event of any transfer by Tenant to an affiliate of Tenant which is at least as creditworthy as Tenant as of the date of this lease and provided. Tenant delivers to Landlord the instrument described in Section (c)(iii) below, together with a certification of such creditworthiness by Tenant and such affiliate. Any transfer not in conformity with this Section 18 shall be void at the option of Landlord, and Landlord may exercise any or all of its rights under Section 23. A consent to one transfer shall not be deemed to be a consent to any subsequent transfer. "Transfer" shall include any sublease, assignment, license or concession agreement, change in ownership or control of Tenant, mortgage or hypothecation of this lease or Tenant's interest therein or in all or a portion of the Premises.

(B) OFFER TO LANDLORD. Tenant acknowledges that the terms of this lease, including the Minimum Annual Rent, have been based on the understanding that Tenant physically shall occupy the Premises for the entire Term. Therefore, upon Tenant's request to transfer all or a portion of the Premises, at the option of Landlord, Tenant and Landlord shall execute an amendment to this lease removing such space from the Premises, Tenant shall be relieved of any liability with respect to such space and Landlord shall have the right to lease such space to any party, including Tenant's proposed transferee.

(C) CONDITIONS. Notwithstanding the above, the following shall apply to any transfer, with or without Landlord's consent:

(i) As of the date of any transfer, Tenant shall not be in default under this lease nor shall any act or omission have occurred which would constitute a default with the giving of notice and/or the passage of time.

(ii) No transfer shall relieve Tenant of its obligation to pay the Rent and to perform all its other obligations hereunder. The acceptance of Rent by Landlord from any person shall not be deemed to be a waiver by Landlord of any provision of this lease or to be a consent to any transfer.

(iii) Each transfer shall be by a written instrument in form and substance satisfactory to Landlord which shall (A) include an assumption of liability by any transferee of all Tenant's obligations and the transferee's ratification of and agreement to be bound by all the provisions of this lease, (B) afford Landlord the right of direct action against the transferee pursuant to the same remedies as are available to Landlord against Tenant and (C) be executed by Tenant and the transferee.

(iv) Tenant shall pay, within 10 days of receipt of as invoice which shall be no less than $250, Landlord's reasonable attorneys' fees and costs in connection with the review, processing and documentation of any transfer for which Landlord's consent is requested.

19. SUBORDINATION; MORTGAGEE'S RIGHTS.

(A) This lease shall be subordinate to any first mortgage or other primary encumbrance now or hereafter affecting the Premises. Although the subordination is self-operative, within 10 days after written request, Tenant shall execute and deliver any further instruments confirming such subordination of this lease and any further instruments of attornment that may be desired by any such mortgagee or Landlord. However, any mortgagee may at any time subordinate its mortgage to this lease, without Tenant's consent,

by giving written notice to Tenant, and thereupon this lease shall be deemed prior to such mortgage without regard to their respective dates of execution and delivery; provided, however, that such subordination shall not affect any mortgagee's right to condemnation awards, casualty issuance proceeds, intervening liens or any right which shall arise between the recording of such mortgage and the execution of this lease.

(B) It is understood and agreed that any mortgagee shall not be liable to Tenant for any funds paid by Tenant to Landlord unless such funds actually have been transferred to such mortgagee by Landlord.

(C) Notwithstanding the provisions of Sections 12 and 13 above, Landlord's obligation to restore the Premises after a casualty or condemnation shall be subject to the consent and prior rights of Landlord's first mortgagee.

20. RECORDING; TENANT'S CERTIFICATE. Tenant shall not record this lease or a memorandum thereof without Landlord's prior written consent. Within 10 days after Landlord's written request from time to time:

(A) Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying the Commencement Date and Expiration Date of this lease, that this lease is in full force and effect and has not been modified and otherwise as set forth in the form of estoppel certificate attached as Exhibit "E" or with such modifications as may be necessary to reflect accurately the stated facts and/or such other certifications as may be requested by a mortgagee

or purchaser. Tenant understands that its failure to execute such documents may cause Landlord serious financial damage by causing the failure of a financing or sale transaction.

(B) Tenant shall furnish to Landlord, Landlord's mortgagee, prospective mortgagee or purchaser reasonably requested financial information.

21. SURRENDER; ABANDONED PROPERTY.

(A) Subject to the terms of Sections 9(b), 12(a) and 13(b), at the expiration or termination of this lease, Tenant promptly shall yield up in the same condition, order and repair in which they are required to be kept throughout the Term, the Premises and all improvements thereto, and all fixtures and equipment servicing the Building, ordinary wear and tear excepted.

(B) Upon or prior to the expiration or termination of this lease, Tenant shall remove any personal property from the Property. Any personal property remaining thereafter shall be deemed conclusively to have been abandoned, and Landlord, at Tenant's expense, may remove, store, sell or otherwise dispose of such property in such manner as Landlord may see fit and/or Landlord may retain such property as its property. If any part thereof shall be sold, then Landlord may receive and retain the proceeds of such sale and apply the same, at its option, against the expenses of the sale, the cost of moving and storage and any Rent due under this lease.

(C) If Tenant, or any person claiming through Tenant, shall continue to occupy the Premises after the expiration or termination of this lease or any renewal thereof, such occupancy shall be deemed to be under a month-to-month tenancy under the same terms and conditions set forth in this lease, except that the monthly installment of the Minimum Annual Rent during such continued occupancy shall be double the amount applicable to the last month of the Term. Anything to the contrary notwithstanding, any holding over by Tenant without Landlord's prior written consent shall constitute a default hereunder and shall be subject to all the remedies available to Landlord.

22. CURING TENANT'S DEFAULTS. If Tenant shall be in default in the performance of any of its obligations hereunder, Landlord, without any obligation to do so, in addition to any other rights it may have in law or equity may elect to cure such default on behalf of Tenant after written notice (except in the case of emergency) to Tenant. Tenant shall reimburse Landlord upon demand for any sums paid or costs incurred by Landlord in curing such default, including interest thereon from the respective dates of Landlord's incurring such costs, which sums and costs together with interest shall be deemed additional rent.

23. DEFAULTS - REMEDIES.

(A) DEFAULTS. It shall be an event of default.

(i) If Tenant does not pay in full when due any and all Rent;

(ii) If Tenant fails to observe and perform or otherwise breaches any other provision of this lease;

(iii) If Tenant abandons the Premises, which shall be conclusively presumed if the Premises remain unoccupied for more than 10 consecutive days, or removes or attempts to remove Tenant's goods or property other than in the ordinary course of business; or

(iv) If Tenant becomes insolvent or bankrupt in any sense or makes a general assignment for the benefit of creditors or offers a settlement to creditors, or if a petition in bankruptcy or for reorganization or for an arrangement with creditors under any federal or state law is filed by or against Tenant, or a bill in equity or other proceeding for the appointment of a receiver for any of Tenant's assets is commenced, or if any of the real or personal property of Tenant shall be levied upon; provided, however, that any proceeding brought by anyone other than Landlord or Tenant under any bankruptcy, insolvency, receivership or similar law shall not constitute a default until such proceeding has continued unstayed for more than 60 consecutive days.

(B) REMEDIES. Then, and in any such event. Landlord shall have the

following rights:

(i) To charge a late payment fee equal to the greater of $100 or 5% of any amount owed to Landlord pursuant to this lease which is not paid within 5 days after the due date.

(ii) To enter and repossess the Premises, by breaking open locked doors if necessary, and remove all persons and all or any property therefrom, by action at law or otherwise, without being liable for prosecution or damages therefor, and Landlord may, at Landlord's option, make alterations and repairs in order to relet the Premises and relet all or any part(s) of the Premises for Tenant's account. Tenant agrees to pay to Landlord on demand any deficiency that may arise by reason of such reletting. In the event of reletting without termination of this lease, Landlord may at any time thereafter elect to terminate this lease for such previous breach.

(iii) To accelerate the whole or any part of the Rent for the balance of the Term, and declare the same to be immediately due and payable.

(iv) To terminate this lease and the Term without any right on the part of Tenant to save the forfeiture by payment of any sum due or by other performance of any condition, term or covenant broken.

(C) GRACE PERIOD. Notwithstanding anything hereinabove stated, neither party will exercise any available right because of any default of the other, except those remedies contained in subsection (b)(i) of this Section, unless such party shall have first given 10 days written notice thereof to the defaulting party, and the defaulting party shall have failed to cure the default within such period; provided, however, that:

(i) No such notice shall be required if Tenant fails to comply with the provisions of Sections 10 or 20(a), in the case of emergency as set forth, in Section 22 or in the event of any default enumerated in subsections (a)(iii) and (iv) of this Section.

(ii) Landlord shall not be required to give such 10 days notice more than 2 times during any 12 month period.

(iii) If the default consists of something other than the failure to pay money which cannot reasonably be cured within 10 days, neither party will exercise any right if the defaulting party begins to cure the default within the 10 days and continues actively and diligently in good faith to completely cure said default.

(iv) Tenant agrees that any notice given by Landlord pursuant to this Section which is served in compliance with Section 27 shall be adequate notice for the purpose of Landlord's exercise of any available remedies.

(D) NON-WAIVER; NON-EXCLUSIVE. No waiver by Landlord of any breach by Tenant shall be a waiver of any subsequent breach, nor shall any forbearance by Landlord to seek a remedy for any breach by Tenant be a waiver by Landlord of any rights and remedies with respect to such or any subsequent breach. Efforts by Landlord to mitigate the damages caused by Tenant's default shall not constitute a waiver of Landlord's right to recover damages hereunder. No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy provided herein or by law, but each shall be cumulative and in addition to every other right or remedy given herein or now or hereafter existing at law or in equity. No payment by Tenant or receipt or acceptance by Landlord of a lesser amount than the total amount due Landlord under this lease shall be deemed to be other than on account, nor shall any endorsement or statement on any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of Rent due, or Landlord's right to pursue any other available remedy.

(E) COSTS AND ATTORNEYS' FEES. If either party commences an action against the other party arising out of or in connection with this lease, the prevailing party shall be entitled to have and recover from the losing party attorneys' fees, costs of suit, investigation expenses and discovery costs, including costs of appeal.

24. REPRESENTATIONS OF TENANT. Tenant represents to Landlord and agrees that:

(A) The word "TENANT" as used herein includes the Tenant named above as well as its successors and assigns, each of which shall be under the same obligations and liabilities and each of which shall have the same rights, privileges and powers as it would have possessed had it originally signed this lease as Tenant. Each and every of the persons named above as Tenant shall be bound jointly and severally by the terms, covenants and agreements contained herein. However, no such rights, privileges or powers shall inure to the benefit of any assignee of Tenant immediate or remote, unless Tenant has complied with the terms of Section 18 and the assignment to such assignee is permitted or has been approved in writing by Landlord. Any notice required or permitted by the terms of this lease may be given by or to any one of the persons named above as Tenant, and shall have the same force and affect as if given by or to all thereof.

(B) If Tenant is a corporation, partnership or any other form of business association or entity, Tenant is duly formed and in good standing, and has full corporate or partnership power and authority, as the case may be, to enter into this lease and has taken all corporate or partnership action, as the case may be, necessary to carry out the transaction contemplated herein, so that when executed, this lease constitutes a valid and binding obligation enforceable in accordance with its terms. Tenant shall provide Landlord with corporate resolutions or other proof in a form acceptable to Landlord, authorizing the execution of this lease at the time of such execution.

25. LIABILITY OF LANDLORD. The word "LANDLORD" as used herein includes the Landlord named above as well as its successors and assigns, each of which shall have the same rights, remedies, powers, authorities and privileges as it would have had it originally signed this lease as Landlord. Any such person or entity, whether or not named herein, shall have no liability hereunder after it ceases to hold title to the Premises except for obligations already accrued (and, as to any unapplied portion of Tenant's Security Deposit, Landlord shall be relieved of all liability therefor upon transfer of such portion to its successor in interest) and Tenant shall look solely to Landlord's successor in interest for the performance of the covenants and obligations of the Landlord hereunder which thereafter shall accrue. Neither Landlord nor any principal of Landlord nor any owner of the Property, whether disclosed or undisclosed, shall have any personal liability with respect to any of the provisions of this lease or the Premises, and if Landlord is in breach or default with respect to Landlord's obligations under this lease or otherwise, Tenant shall look solely to the equity of Landlord in the Property for the satisfaction of Tenant's claims. Notwithstanding the foregoing, no mortgagee or ground lessor succeeding to the interest of Landlord hereunder (either in terms of ownership or possessory rights) shall be (a) liable for any previous act or omission of a prior landlord, (b) subject to any rental offsets or defenses against a prior landlord or (c) bound by any amendment of this lease made without its written consent, or by payment by Tenant of Minimum Annual Rent in advance in excess of one monthly installment.

26. INTERPRETATION; DEFINITIONS.

(A) CAPTIONS. The captions in this lease are for convenience only and are not a part of this lease and do not in any way define, limit, describe or amplify the terms and provisions of this lease or the scope or intent thereof.

(B) ENTIRE AGREEMENT. This lease represents the entire agreement between the parties hereto and there are no collateral or oral agreements or understandings between Landlord and Tenant with respect to the Premises or the Property. No rights, easements or licenses are acquired in the Property or any land adjacent to the Property by Tenant by implication or otherwise except as expressly set forth in the provisions of this lease. This lease shall not be modified in any manner except by an instrument in writing executed by the parties. The masculine (or neuter) pronoun and the singular number shall include the masculine, feminine and neuter genders and the singular and plural number. The word "INCLUDING" followed by any specific item(s) is deemed to refer to examples rather than to be words of limitation. Both parties having participated fully and equally in the negotiation and preparation of this lease, this lease shall not be more strictly construed, nor any ambiguities in this lease resolved, against either Landlord or Tenant.

(C) COVENANTS. Each covenant, agreement, obligation, term, condition or other provision herein contained shall be deemed and construed as a separate and independent covenant of the party bound by, undertaking or making the same, not

dependent on any other provision of this lease unless otherwise expressly provided. All of the terms and conditions set forth in this lease shall apply throughout the Term unless otherwise expressly set forth herein.

(D) INTEREST. Wherever interest is required to be paid hereunder, such interest shall be at the highest rate permitted under law but not in excess of 15% per annum.

(E) SEVERABIIITY; GOVERNING LAW. If any provisions of this lease shall be declared unenforceable in any respect, such unenforceability shall not affect any other provision of this lease, and each such provision shall be deemed to be modified, if possible, in such a manner as to render it enforceable and to preserve to the extent possible the intent of the parties as set forth herein. This lease shall be construed and enforced in accordance with the laws of the state in which the Property is located.

(F) "MORTGAGE" AND "MORTGAGEE." The word "MORTGAGE" as used herein includes any lien or encumbrance on the Premises or the Property or on any part of or interest in or appurtenance to any of the foregoing, including without limitation any ground rent or ground lease if Landlord's interest is or becomes a leasehold estate. The word "MORTGAGEE" as used herein includes the holder of any mortgage, including any ground lessor if Landlord's interest is or becomes a leasehold estate. Wherever any right is given to a mortgagee, that right may be exercised on behalf of such mortgagee by any representative or servicing agent of such mortgagee.

(G) "PERSON." The word "person" is used herein to include a natural person, a partnership, a corporation, an association and any other form of business association or entity.

27. NOTICES. Any notice or other communication under this lease shall be in writing and addressed to Landlord or Tenant at their respective addresses specified at the beginning of this lease, except that after the Commencement Date Tenant's address shall be at the Premises, (or to such other address as either may designate by notice to the other) with a copy to any mortgagee or other party designated by Landlord. Each notice or other communication shall be deemed given if sent by prepaid overnight delivery service or by certified mail, return receipt requested, postage prepaid or in any other manner, with delivery in any case evidenced by a receipt, and shall be deemed received on the day of actual receipt by the intended recipient or on the business day delivery is refused. The giving of notice by Landlords attorneys, representatives and agents under this Section shall be deemed to be the acts of Landlord; however, the foregoing provisions governing the date on which a notice is deemed to have been received shall mean and refer to the date on which a party to this lease, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

28. SECURITY DEPOSIT: At the time of signing this lease, Tenant shall deposit with Landlord the Security Deposit to be retained by Landlord as cash security for the faithful performance and observance by Tenant of the provisions of this lease. Tenant shall not be entitled to any interest whatever on the Security Deposit. Landlord shall have the right to commingle the Security Deposit with its other funds. Landlord may use the whole or any part of the Security Deposit for the payment of any amount as to which Tenant is in default hereunder or to compensate Landlord for any loss or damage it may suffer by reason of Tenant's default under this lease. If Landlord uses all or any portion of the Security Deposit as herein provided, within 10 days after written demand therefor, Tenant shall pay Landlord cash in amount equal to that portion of the Security Deposit used by Landlord. If Tenant shall comply fully and faithfully with all of the provisions of this lease, the Security Deposit shall be returned to Tenant after the Expiration Date and surrender of the Premises to Landlord.

IN WITNESS WHEREOF, and in consideration of the mutual entry into this lease and for other good and valuable consideration, and intending to be legally bound, Landlord and Tenant have executed this lease.

Date signed:
2/14/02

LANDLORD:

LIBERTY PROPERTY LIMITED PARTNERSHIP

By: Liberty Property Trust Sole General Partner

By: /s/ Robert L. Kiel

Name: Robert L. Kiel
Title: Senior Vice President, Regional Director

Date signed:
January 31, 2002

TENANT:

SYNCHRONOSS TECHNOLOGIES, INC.

Attest: /s/ Holly S. Marston

Name: Holly S. Marston
Title: Executive Assistant

By: /s/ Lawrence R. Irving

Name: Lawrence R. Irving
Title: CFO

29. PENNSYLVANIA ADDITIONAL REMEDIES

a. When this Lease and the Term or any extension thereof shall have been terminated on account of any default by Tenant, or when the Term or any extension thereof shall have expired, Tenant hereby authorizes any attorney of any court of record of the Commonwealth of Pennsylvania to appear for Tenant and for anyone claiming by, through, or under Tenant and to confess judgment against all such parties, and in favor of Landlord, in ejectment and for the recovery of possession of the Premises, for which this Lease or a true and correct copy hereof shall be good and sufficient warrant. AFTER THE ENTRY OF ANY SUCH JUDGMENT, A WRIT OF POSSESSION MAY BE ISSUED THEREON WITHOUT FURTHER NOTICE TO TENANT AND WITHOUT A HEARING. If for any reason after such action shall have been commenced, it shall be determined and possession of the Premises remain in or be restored to Tenant, Landlord shall have the right for the same default and upon any subsequent defaults) or upon the termination of this Lease or Tenant's right of possession as herein set forth, to again confess judgment as herein provided, for which this Lease or a true and correct copy hereof shall be good and sufficient warrant.

b. If Tenant shall default in the payment of the Rent due hereunder, Tenant hereby authorizes any attorney of any court of record of the Commonwealth of Pennsylvania to appear for Tenant and to confess judgment against Tenant, and in favor of Landlord, for all sums due hereunder plus interest, costs, and an attorney's collection commission equal to the greater of ten percent (10%) of all such sums or $1,000.00, for which this Lease or a true and correct copy hereof shall be good and sufficient warrant. TENANT UNDERSTANDS THAT THE FOREGOING PERMITS LANDLORD TO ENTER A JUDGMENT AGAINST TENANT WITHOUT PRIOR NOTICE OR HEARING. ONCE SUCH A JUDGMENT HAS BEEN ENTERED AGAINST TENANT, ONE OR MORE WRITS OF EXECUTION OR WRITS OF GARNISHMENT MAY BE ISSUED THEREON WITHOUT FURTHER NOTICE TO TENANT AND WITHOUT A HEARING, AND, PURSUANT TO SUCH WRITS, LANDLORD MAY CAUSE THE SHERIFF OF THE COUNTY IN WHICH ANY PROPERTY OF TENANT IS LOCATED TO SEIZE TENANT'S PROPERTY BY LEVY OR ATTACHMENT. IF THE JUDGMENT AGAINST TENANT REMAINS UNPAID AFTER SUCH LEVY OR ATTACHMENT, LANDLORD CAN CAUSE SUCH PROPERTY TO BE SOLD BY THE SHERIFF EXECUTING THE WRITS, OR, IF SUCH PROPERTY CONSISTS OF A DEBT OWED TO TENANT BY ANOTHER ENTITY, LANDLORD CAN CAUSE SUCH DEBT TO BE PAID DIRECTLY TO LANDLORD IN AN AMOUNT UP TO BUT NOT TO EXCEED THE AMOUNT OF THE JUDGMENT OBTAINED BY LANDLORD AGAINST TENANT, PLUS THE COSTS OF THE EXECUTION. Such authority shall not be exhausted by one exercise thereof, but judgment may be confessed as aforesaid from time-to-time as often as any of said rental and other sums shall fall due or be in arrears, and such powers may be exercised as well after the expiration of the initial Term of this Lease and during any extended or renewal Term of this Lease and after the expiration of any extended or renewal Term of this Lease.

c. The warrants of attorney to confess judgment set forth above shall continue in full force and effect and be unaffected by amendments of this Lease or other agreements between Landlord and Tenant even if any such amendments or other agreements increase Tenant's obligations or expand the size of the

Premises. Tenant waives any procedural errors in connection with the entry of any such judgment or in the issuance of any one or more writs of possession or execution or garnishment thereon.

d. TENANT KNOWINGLY AND EXPRESSLY WAIVES (I) ANY RIGHT, INCLUDING, WITHOUT LIMITATION, UNDER ANY APPLICABLE STATUTE, WHICH TENANT MAY HAVE TO RECEIVE A NOTICE TO QUIT PRIOR TO LANDLORD COMMENCING AN ACTION FOR REPOSSESSION OF THE PREMISES AND (II) ANY RIGHT WHICH TENANT MAY HAVE TO NOTICE AND TO HEARING PRIOR TO A LEVY UPON OR ATTACHMENT OF TENANT'S PROPERTY OR THEREAFTER.

SYNCHRONOSS TECHNOLOGIES, INC.

By: /s/ Lawrence R. Irving

Name: Lawrence R. Irving
Title: CFO

30. CONDITION OF PREMISES

Tenant understands and agrees that it is leasing the Premises from Landlord in its "AS-IS" condition, and that Landlord is required to perform no work with regard to the Premises. Tenant acknowledges that it is well aware of the condition of the Premises, in that is has occupied portions of the Premises for many months pursuant to an arrangement between Tenant and the prior tenant of the Premises.

31. ADDITIONAL PROVISIONS RELATING TO MINIMUM ANNUAL RENT AND DEFINITION OF "LEASE YEAR"

a. Notwithstanding any provision of this Lease to the contrary, the time period commencing on February 1, 2002, and ending on August 31, 2002, shall be deemed the first lease year. Each subsequent period of twelve (12) full calendar months, thereafter, shall constitute each subsequent lease year.

b. Tenant's Minimum Annual Rent obligation during the Term shall be as set forth in the following schedule:

TIME PERIOD	MINIMUM ANNUAL RENT PER RENTABLE SQUARE FOOT PER YEAR	MINIMUM ANNUAL RENT	MONTHLY INSTALLMENT OF MINIMUM ANNUAL RENT
First Lease Year	$13.80	$303,600.00	$25,300.00
Second Lease Year	$14.20	$312,400.00	$26,033.33
Third Lease Year	$14.60	$321,200.00	$26,766.67
Fourth Lease Year	$15.50	$341,000.00	$28,416.67
Fifth Lease Year	$16.00	$352,000.00	$29,333.33
Sixth Lease Year	$16.50	$363,000.00	$30,250.00
Seventh Lease Year	$17.00	$374,000.00	$31,166.67
Eighth Lease Year	$17.50	$385,000.00	$32,083.33

32. OPTION TO EXTEND TERM

Provided that Landlord has not given tenant notice of default more than two (2) times preceding the Expiration Date, that there then exists no event of default by tenant under this lease or any event that with the giving of notice and/or the passage of time would constitute a default, and that Tenant is the sole occupant of the Premises, Tenant shall have the right and option to extend the Term for one (1) additional period of sixty (60) months, exercisable by giving Landlord prior written notice, at least nine (9) months in advance of the

Expiration Date, of Tenant's election to extend the Term; it being agreed that time is of the essence and that this option is personal to Tenant and is non-transferable to any assignee or sublessee (regardless of whether any such assignment or sublease was made with or without Landlord's consent) or other party. Such extension shall be under the same terms and conditions as provided in this Lease except as follows:

a. The additional period shall begin on the Expiration Date and thereafter the Expiration Date shall be deemed to be the fifth anniversary of the previous Expiration Date;

b. There shall be no further options to extend; and

c. Tenant's Minimum Annual rent obligation on account of the first twelve (12) months of the additional period (the "First Extension Year") shall be the greater of Tenant's Minimum Annual Rent obligation on account of the last twelve (12) months of the initial Term (the "Previous Rent") or the fair market rent as determined in accordance with the provisions of this subsection. Within thirty (30) days after Landlord receives notice of Tenant's exercise of its option to extend the Term, but in no event prior to nine (9) months prior to the Expiration Date, Landlord will give notice to Tenant stating either that the Minimum Annual Rent for the First Extension Year shall be the Previous Rent or stating Landlord's good faith determination of the fair market rent then applicable to the Premises (the "Rent Notice"). If the Rent Notice states that the Previous Rent shall apply, the Previous Rent shall be the Minimum Annual Rent for the First Extension year. If the Rent Notice states a fair market rent and, if, within twenty (20) days after receiving the Rent Notice, Tenant gives notice to landlord that Tenant accepts the rent as set forth in the Rent Notice or Tenant fails to notify Landlord of an objection to such rent, the Minimum Annual Rent as stated in the Rent Notice shall be Tenant's Minimum Annual rent obligation applicable to the First Extension year. If, within the aforesaid twenty (20) day period Tenant gives notice to Landlord ("Tenant's Reply") of Tenant's objection to the rent as stated in the Rent Notice, stating in such notice of objection Tenant's opinion of the fair market rent applicable to the Premises, Landlord and Tenant will both act reasonably and in good faith to arrive at a mutually acceptable fair market rent. If, on or before thirty (30) days after Landlord's receipt of Tenant's reply, Landlord and Tenant have not come to an agreement as to fair market rent, Tenant's exercise of this option to extend the Term shall be deemed null and void, and Tenant shall have no further options to extend the Term. If Landlord and tenant, within such thirty (30) day period, agree to a fair market rent, such agreement shall be confirmed in a letter agreement which shall constitute an amendment to this Lease. For the second and each subsequent twelve (12) month period of the additional period, tenant's Minimum Annual rent obligation shall increase by three percent (3%) of Tenant's Minimum Annual Rent obligation applicable to the immediately preceding twelve (12) month period - i.e., Tenant's Minimum Annual Rent obligation for the second year of the additional period shall be one hundred three percent (103%) of Tenant's Minimum, Annual Rent obligation for the First Extension Year;

Tenant's Minimum Annual Rent obligation for the third year of the additional period shall be one hundred three percent (103%) of Tenant's Minimum Annual rent obligation for the second year of the additional period; and so on throughout the additional period.

33. ADDITIONAL PROVISIONS RELATING TO PREMISES

a. Landlord agrees that one hundred fifty (150) paved parking spaces will be available for the use of Tenant's employees and guests on the Property. Landlord shall have no obligation to designate specific parking spaces, to mark specific parking spaces, or to police the use of parking spaces.

b. Tenant shall be permitted to install a fuel operated back-up generator on the Property outside of the Premises, in accordance with the following terms, conditions, and limitations:

i. The generator shall be installed on a concrete pad to be constructed by Tenant in the vicinity of the trash dumpster enclosure, with the precise location to be approved by Landlord.

ii. The generator and the appurtenant equipment shall be enclosed

and screened from view in accordance with the standards of Lehigh Valley Corporation Center.

iii. All conduits and cables connecting the generator with the Building shall be run in areas that are planted, shall not cross areas of paving or curbs, and shall be subject to Landlord's approval.

iv. All work shall be performed at Tenant's sole expense utilizing contractors approved by Landlord, in compliance with all applicable Laws and Requirements. All planted areas disturbed by the installation or removal of the generator and appurtenant facilities shall be restored to the condition existing prior to disturbance by Landlord's landscaping contractor, at Tenant's expense.

v. Tenant shall be obligated to comply with the Pennsylvania One Call System before digging any holes or trenches on the Property.

vi. All penetrations of the Building made in connection with conduits or cables connecting the generator to the Premises shall be made in locations and utilizing methods approved by Landlord, and shall be properly sealed.

vii. At the expiration or sooner termination of the Term, Tenant shall have the right to remove the generator. If Tenant exercises such right, Tenant shall also remove the equipment associated with the generator, but shall leave in place the concrete pad, the conduits and cables, and the screening and enclosure.

34. ADDITIONAL PROVISIONS RELATING TO OPERATION OF PROPERTY; PAYMENT OF EXPENSES

a. Notwithstanding the provisions of subsection 7(a) to the contrary, it is agreed that Annual Operating Expenses will not include costs incurred in Landlord performing construction for a specific tenant, marketing costs, or leasing commissions.

b. The first sentence of subsection 7(e)(i) is hereby modified to read in its entirety as follows:

> Landlord will furnish the Premises with electricity, heating, and air conditioning for the normal use and occupancy of the Premises as general offices between 8:00 A.M. and 6:00 P.M., Monday through Friday (legal holidays excepted) and between 8:00 A.M. and 1:00 P.M. Saturday (legal holidays excepted) ("Normal Hours").

c. Landlord agrees to provide Tenant with heating and air conditioning to the Premises outside of Normal Hours, provided that Tenant requests such additional hours of operation at least one (1) business day in advance. During the first five (5) lease years of the Term, Landlord agrees that the charges for additional hours of HVAC operation will be as follows:

i. $35.00 per hour if the additional HVAC requirement is scheduled to be supplied for an uninterrupted period of one (1) week or longer; and

ii. $45.00 per hour if the additional HVAC requirement is scheduled for a time period of less than one (1) full uninterrupted week.

d. Notwithstanding the provisions of subsection 7(e)(ii) to the contrary, Landlord has installed an electric submeter for the Premises at Landlord's sole expense prior to the Commencement Date. Tenant shall be obligated to pay to Landlord the cost of all electricity supplied to the Premises as measured by such meter, as well as Tenant's Proportionate Share of all utilities supplied to the Common Areas.

35. ADDITIONAL PROVISIONS RELATING TO SIGNS

There is an existing monument sign located on the Property. Tenant, at Tenant's expense may install its name and logo on such sign, provided that

Tenant restricts the uses of such sign to one (1) line thereof, and further provided that anything placed on such sign by Tenant must comply with the standards of Lehigh Valley Corporation Center.

36. ADDITIONAL PROVISIONS RELATING TO LANDLORD'S RIGHT TO RELOCATE TENANT; RIGHT OF ENTRY

a. Subsection 11(a) is hereby deleted in its entirety.

b. In subsection 1l(b) in the third line thereof, the time period of "12 months" is hereby changed to "9 months."

37. ADDITIONAL PROVISIONS RELATING TO ASSIGNMENT AND SUBLETTING

In the event that Tenant submits to Landlord for its consent a proposed assignment or subletting transaction, together with all information reasonably necessary for Landlord to grant or withhold its consent, but Landlord does not respond to Tenant within thirty (30) days of such completed submission, the proposed assignment or subletting transaction shall be deemed approved by Landlord as required by subsection 18(a). Notwithstanding such approval, subsections 18(b) and 18(c) shall apply to any such assignment or subletting transaction, as applicable.

38. ADDITIONAL PROVISIONS RELATING TO SUBORDINATION

Landlord represents to Tenant that the Property is not presently covered by the lien of a mortgage. In the event that Landlord encumbers the Property with the lien of a mortgage, Landlord will request and will use reasonable efforts to obtain form the mortgagee an agreement that such mortgagee will not disturb Tenant's possession under this Lease as long as Tenant is not in default of any of its obligations hereunder. Such agreement may be in the form of such mortgagee's standard Subordination, Nondisturbance and Attornment Agreement.

39. ADDITIONAL PROVISIONS RELATING TO SURRENDER

In subsection 21(c), in the fourth line thereof, the word "double" is hereby replaced with the phrase "one and one-half (l 1/2) times."

40. ADDITIONAL PROVISIONS RELATING TO DEFAULTS - REMEDIES

a. The following phrase is hereby inserted at the beginning of subsection 23(b)(ii): "Utilizing lawful process,..."

b. If Landlord accelerates Tenant's obligations under this Lease pursuant to the provisions of subsection 23(b)(iii), payment from Tenant to Landlord of the accelerated obligations which would not have been due at the time of payment, but for Tenant's default and the resulting acceleration, shall be discounted to present value as of the date of such payment using the prime rate of interest as published in The Wall Street Journal (or any successor publication thereto) on the day before the date that payment is made, or, if The Wall Street

Journal (or any successor publication thereto) continues to be regularly published but is not published on the last mentioned date, using the prime rate of interest as published in the immediately preceding edition of The Wall Street Journal (or any successor publication thereto). If, at the relevant time, neither The Wall Street Journal nor any successor publication thereto continues to be regularly published, Landlord may substitute the prime rate of interest as published in a similar nationally recognized financial publication. Payments by Tenant shall first be applied to Landlord's costs; next to late charges; next to interest accrued; next to Tenant's obligations that would have been due from Tenant as of the date of payment had acceleration not occurred; and last to Tenant's obligations which would not have been due at the date of payment, but for the acceleration.

41. ADDITIONAL PROVISIONS RELATING TO SECURITY DEPOSIT

Provided that Landlord has not given Tenant notice of default more than two (2) times preceding such date, and that there then exists no event of default by Tenant under this Lease nor any event that with the giving of notice and/or the passage of time would constitute a default, on or before thirty (30) days after Tenant gives notice to Landlord that Tenant has realized positive net income for the three (3) immediately preceding consecutive fiscal quarters, Landlord will reduce the amount of the required security deposit to $32,083.33, and will return to Tenant all portions of the security deposit then held by Landlord in excess of such amount. In order to be effective, such notice form Tenant to Landlord must include the following:

a. A statement by Tenant's chief financial officer certifying that Tenant has realized positive net income for the most recent three (3) consecutive fiscal quarters of Tenant.

b. Financial reports which provide reasonable backup for and explanation of such statement.

c. A request for the reduction of the security deposit and for the refund of the excess security deposit being held by Landlord.

42. ADDITIONAL PROVISIONS RELATING TO BUILDING RULES

Notwithstanding the provisions of Building Rule No. 7 to the contrary, it is agreed that Tenant may change locks or place additional locks on doors, provided Tenant complies with the following terms and conditions:

a. At all times, Landlord must have the ability to access all portions of the Premises. Therefore, Tenant shall immediately furnish to Landlord such keys, combinations, codes, or other means of access that may be necessary for Landlord to have access to all portions of the Premises.

b. In installing or changing any locks or similar security devices, Tenant shall not make any alterations to any doors, door jambs, door frames, or other components of the Premises without Landlord's prior written approval.

43. TENANT'S SPECIAL RIGHT OF EARLY TERMINATION

Provided that there then exists no event of default by Tenant under this Lease nor any event that with the giving of notice and/or the passage of time would constitute a default, if Tenant gives a notice to Landlord (a "Termination Notice") on or before August 31, 2006, the Term of this Lease shall end effective at 11:59 P.M., local time, on August 31, 2007; and, in such event, the last mentioned date shall become the "Expiration Date" of the Term. In order for the Termination Notice to be effective, it must comply with the following conditions and requirements:

a. It must be given by the required date, time being of the essence; and

b. It must be accompanied by the payment of a lease termination fee to Landlord in the amount of $62,333.34, which is intended by the parties to be a liquidated sum which is fair and reasonable as partial compensation to Landlord for the loss of rental income for the balance of the Term as a result of such permissible early termination.

44. ADDITIONAL SPACE

If and when any of the spaces located in the Building which are not part of the Premises (each of which shall be an "Additional Space") first becomes available for rental during the term of this lease and provided that Landlord has not given Tenant notice of default more than two (2) times during the immediately preceding twelve (12) months, that there then exists no event of default by Tenant under this lease nor any event that with the giving of notice and/or the passage of time would constitute a default, and that Tenant is the sole occupant of the Premises, Tenant shall have the right of first offer to lease all of the Additional Space, subject to the following:

a. Landlord shall notify Tenant when the Additional Space first becomes available for rental by any party other than the tenant then in occupancy of the Additional Space and Tenant shall have seven (7) days following receipt of such notice within which to notify Landlord in writing that Tenant is interested in negotiating terms for leasing such Additional Space and to have its offer considered by Landlord prior to the leasing by Landlord of the Additional Space to a third party. If Tenant notifies Landlord within such time period that Tenant is so interested, then Landlord and Tenant shall have 30 days following Landlord's receipt of such notice from Tenant within which to negotiate mutually satisfactory terms for the leasing of the Additional Space by Tenant and to execute an amendment to this lease incorporating such terms.

b. If Tenant does not notify Landlord within such seven (7) days of its interest in leasing the Additional Space or if Tenant does not execute such amendment or lease within such 30 days, if applicable, then this right of first offer to lease the Additional Space will lapse and be of no further force or effect, and Landlord shall have the right to lease all or part of the Additional Space to any other party at any time on any terms and conditions acceptable to Landlord.

c. This right of first offer to lease the Additional Space is a one-time right if and when each Additional Space first becomes available, is personal to Tenant and is non-transferable to any assignee or sublessee (regardless of whether any such assignment or sublease was made with or without Landlord's consent) or other party.

d. This right of first offer on behalf of Tenant shall be not be exercisable by Tenant if Tenant has exercised its special right of early termination pursuant to Section 43 above. Furthermore, unless Tenant has first waived its right of early termination pursuant to Section 43 above, in a written notice to Landlord, Tenant shall have no right to receive notice that an Additional Space will be coming available or to lease such Additional Space after August 31, 2004.

e. Tenant's rights under this Section shall be subject subordinate to any rights previously given to another tenant of the Building with regard to the leasing of additional areas of the Building. Furthermore, Landlord shall have the right to enter into an agreement with any tenant of space in the Building to extend such tenant's term of occupancy, whether or not such tenant has the right and option to extend the term of its lease, and, any such agreement between Landlord and a tenant of the Building shall not be considered a violation of Tenant's rights under this Section.

LANDLORD'S APPROVAL: /s/ Robert L. Kiel

SENIOR VICE PRESIDENT, REGIONAL DIRECTOR

EXHIBIT "B"
LEASE COMMENCEMENT CERTIFICATE

The undersigned, as duly authorized officers and/or representatives of LIBERTY PROPERTY LIMITED PARTNERSHIP ("Landlord") and _____ ("Tenant"), hereby agree as follows with respect to the Lease Agreement (the "Lease") between them for premises located at _____ _____ (the "Premises"):

1. DATE OF LEASE: _____, 20___

2. COMMENCEMENT DATE: _____, 20___

3. EXPIRATION DATE: _____, 20___

4. Rent and operating expanses due on or before the Commencement Date for the period from the Commencement Date until the first day of the next

calendar month (Not applicable if the Commencement Date is the first day of the calendar month):

APPORTIONED MINIMUM RENT: $_____
APPORTIONED OPERATING EXPENSES: $_____
TOTAL: $_____

Thereafter regular monthly payments due in the following amounts until adjusted in accordance with the Lease:

MONTHLY RENT INSTALLMENT: $_____
MONTHLY OPERATING PAYMENT: $_____
TOTAL MONTHLY PAYMENT: $_____

5. Tenant certifies that, as of the date hereof, (a) the Lease is in full force and effect and has not been amended, (b) Tenant has no offsets or defenses against any provision of the Lease and (c) Landlord has substantially completed any improvements to be performed by Landlord in accordance with the Lease, excepting the Punch List items set forth on the Schedule attached hereto and initialed by Landlord and Tenant, if any.

IN WITNESS WHEREOF, Landlord and Tenant, intending to be legally bound, have executed this Certificate as of _____, 20___

LANDLORD:

LIBERTY PROPERTY LIMITED PARTNERSHIP

By: Liberty Property Trust,
Sole General Partner

By: _____
Name: Robert L. Kiel
Title: Senior Vice President,
Regional Director

TENANT:

_____

Witness/Attest:

_____

By: _____
Name: _____
Title: _____

EXHIBIT "C"

BUILDING RULES

1. As stated in the lease, Tenant shall not use the Premises as a "place of public accommodation" as defined in the Americans with Disabilities Act of 1990, which identifies the following categories into one or more of which a business must fail to be a "place of public accommodation":

a. Places of lodging (examples: hotel, motel)

b. Establishments serving food or drink (examples: bar, restaurant)

c. Places of exhibition or entertainment (examples: motion picture house, theater, stadium, concert hall)

d. Places of public gathering (examples: auditorium, convention center, lecture hall)

e. Sales or rental establishments (examples: bakery, grocery store, hardware store, shopping center)

f. Service establishments (examples: bank, laundromat, barber shop, funeral parlor, hospital, gas station, business offices such as lawyer, accountant, healthcare provider or insurance office)

g. Stations used for specified public transportation (examples: bus terminal, depot)

h. Places of public display or collection (examples: museum, library, gallery)

i. Places of recreation (examples: park, zoo, amusement park)

j. Places of education (examples: nursery, elementary, secondary, private or other undergraduate or postgraduate school)

k. Social service center establishments (examples: day-care center, senior citizen center, homeless shelter, food bank, adoption agency)

l. Places of exercise or recreation (examples: gym, health spa, bowling alley, golf course)

2. Any sidewalks, lobbies, passages, elevators and stairways shall not be obstructed or used by Tenant for any purpose other than ingress and egress from and to the Premises. Landlord shall in all cases retain the right to control or prevent access by all persons whose presence, in the judgment of Landlord, shall be prejudicial to the safety, peace or character of the Property.

3. The toilet rooms, toilets, urinals, sinks, faucets, plumbing or other service apparatus of any kind shall not be used for any purposes other than those for which they were installed, and no sweepings, rubbish, rags, ashes, chemicals or other refuse or injurious substances shall be placed therein or used in connection therewith or left in any lobbies, passages, elevators or stairways.

4. Tenant shall comply with all safely, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency. No person shall go on the roof without Landlord's permission.

5. Skylights, windows, doors and transoms shall not be covered or obstructed by Tenant, and Tenant shall not install any window covering which would affect the exterior appearance of the Building, except as approved in writing by Landlord. Tenant shall not remove, without Landlord's prior written consent, any shades, blinds or curtains in the Premises.

6. Without Landlord's prior written consent, Tenant shall not hang, install, mount, suspend or attach anything from or to any sprinkler, plumbing, utility or other lines. If Tenant hangs, installs, mounts, suspends or attaches anything from or to any doors, windows, walls, floors or ceilings, Tenant shall sand and spackle all holes and repair any damage caused thereby or by the removal thereof at or prior to the expiration or termination of the lease. Without Landlord's prior written consent, no walls or partitions shall be painted, papered or otherwise covered or moved in any way or marked or broken; nor shall any connection be made to electric wires for running fans or motors or other apparatus, devices or equipment; nor shall machinery of any kind other than customary small business machines be allowed in the Premises; nor shall Tenant use any other method of heating, air conditioning or air cooling than that provided by Landlord; nor shall any mechanics be allowed to work in or about the Building other than those employed by Landlord.

7. Tenant shall not change any locks nor place additional locks upon any doors and shall surrender all keys and passes at the end of the Term.

8. Tenant shall not use nor keep in the Building any matter having an offensive odor, nor explosive or highly flammable material, nor shall any

animals other than seeing eye dogs in the company of their masters be brought into or kept in or about the Premises.

9. If Tenant desires to introduce electrical, signaling, telegraphic, telephonic, protective alarm or other wires, apparatus or devices, Landlord shall direct where and how the same are to be placed, and except as so directed, no installation boring or cutting shall be permitted. Landlord shall have the right to prevent and to cut off the transmission of excessive or dangerous current of electricity or annoyances into or through the Building or the Premises and to require the changing of wiring connections or layout at Tenant's expense, to the extent that Landlord may deem necessary, and further to require compliance with such reasonable rules as Landlord may establish relating thereto, and in the event of non-compliance with the requirements or rules. Landlord shall have the right immediately to cut wiring or to do what it considers necessary to remove the danger, annoyance or electrical interference with apparatus in any part of the Building. All wires installed by Tenant must be clearly tagged at the distributing boards and junction boxes and elsewhere where required by Landlord, with the number of the office to which said wires lead, and the purpose for which the wires respectively are used, together with the name of the concern, if any, operating same.

10. Tenant shall not place weights anywhere beyond the safe carrying capacity of the Building which is designed to normal office building standards for floor loading capacity. Landlord shall have the right to exclude from the Building heavy furniture, safes and other articles which may be hazardous or to require them to be located at designated places in the Premises. Tenant shall obtain Landlord's written consent prior to the installation of any vending machines in the Premises.

11. The use of rooms as sleeping quarters is strictly prohibited at all times.

12. Tenant shall have the right, at Tenant's sole risk and responsibility, to use its proportional share of the parking spaces at the Property as reasonably determined by Landlord. Tenant shall comply with all parking regulations promulgated by Landlord from time to time for the orderly use of the vehicle parking areas, including without limitation the following: Parking shall be limited to automobiles, passenger or equivalent vans, motorcycles, light four wheel pickup trucks and (in designated areas) bicycles. No vehicles shall be left in the parking lot overnight. Parked vehicles shall not be used for vending or any other business or other activity while parked in the parking areas. Vehicles shall be parked only in striped parking spaces, except for loading and unloading, which shall occur solely in zones marked for such purpose, and be so conducted as to not unreasonably interfere with traffic flow within the Property or with loading and unloading areas of other tenants. Employee and tenant vehicles shall not be parked in spaces marked for visitor parking or other specific use. All vehicles entering or parking in the parking areas shall do so at owner's sole risk, and Landlord assumes no responsibility for any damage, destruction, vandalism or theft. Tenant shall cooperate with Landlord in any measures implemented by Landlord to control abuse of the parking areas, including without limitation access control programs, tenant and guest vehicle identification programs, and validated parking programs, provided that no such validated parking program shall result in Tenant being charged for spaces to which it has a right to free use under its lease. Each vehicle owner shall promptly respond to any sounding vehicle alarm or horn, and failure to do so may result in temporary or permanent exclusion of such vehicle from the parking areas. Any vehicle which violates the parking regulations may be cited, towed at the expense of the owner, temporarily or permanently excluded from the parking areas, or subject to other lawful consequence.

13. Tenant shall not smoke in the Building which Landlord has designated as a non-smoking building.

14. Canvassing, soliciting and distribution of handbills or any other written material, and peddling in the Building are prohibited, and Tenant shall cooperate to prevent same.

15. Tenant shall provide Landlord with a written identification of any vendors engaged by Tenant to perform services for Tenant at the Premises (examples: security guards/monitors, telecommunications installers/maintenance).

Tenant shall permit Landlord's employees and contractors and no one else to clean the Premises unless Landlord consents in writing. Tenant assumes all responsibility for protecting its Premises from theft and vandalism and Tenant shall see each day before leaving the Premises that all lights are turned out and that the windows and the doors are closed and securely locked.

16. Landlord shall provide Tenant with the move-in and move-out policies for the Building with which Tenant shall comply. Throughout the Term, no furniture, packages, equipment, supplies or merchandise of Tenant will be received in the Building, or carried up or down in the elevators or stairways, except during such hours as shall be designated by Landlord, and Landlord in all cases shall also have the exclusive right to prescribe the method and manner in which the same shall be brought in or taken out of the Building. At the end of the Term, Tenant's obligations regarding surrender of the Premises shall include Tenant's obligation to shampoo all carpet, strip and re-wax all vinyl composite tile and replace any damaged ceiling tiles, the cost of which obligations shall be deducted from the Security Deposit if not completed by Tenant prior to the Expiration Date.

17. Tenant shall not place oversized cartons, crates or boxes in any area for trash pickup without Landlord's prior approval. Landlord shall be responsible for trash pickup of normal office refuse placed in ordinary office trash receptacles only. Excessive amounts of trash or other out-of-the-ordinary refuse loads will be removed by Landlord upon request at Tenant's expense.

18. Tenant shall cause all of Tenant's Agents to comply with these Building Rules.

19. Landlord reserves the right to rescind, suspend or modify any rules or regulations and to make such other rules and regulations as, in Landlord's reasonable judgment, may from time to time be needed for the safety, care, maintenance, operation and cleanliness of the Property. Notice of any action by Landlord referred to in this paragraph, given to Tenant, shall have the same force and effect as if originally made a part of the foregoing lease. New rules or regulations will not, however, be unreasonably inconsistent with the proper and rightful enjoyment of the Premises by Tenant under the lease.

20. These Building Rules are not intended to give Tenant any rights or claims in the event that Landlord does not enforce any of them against any other tenants or if Landlord does not have the right to enforce them against any other tenants and such non-enforcement will not constitute a waiver as to Tenant.

21. Tenant shall be deemed to have read these Building Rules and to have agreed to abide by them as a condition to Tenant's occupancy of the Premises.

EXHIBIT "D"

CLEANING SERVICES

Prepared For: LIBERTY PROPERTY TRUST

Areas to be serviced: 1525 Valley Center Parkway
Bethlehem, PA 18017

COMMON AREAS, VESTIBULE, LOBBY, STAIRWELLS & CORRIDOR, RESTROOMS, ELEVATORS

	DAILY	WEEKLY
GENERAL HOUSEKEEPING		
Empty waste receptacles	X	
Sanitize and replace liners in waste receptacles as needed	X	
Wipe down wall near waste receptacles	X	

Wipe down trash containers as needed		X
Empty paper recycle receptacles	X	
Remove boxes marked "trash"	X	
Remove all trash to designated area	X	
Clean and sanitize drinking fountains	X	
Dust horizontal surfaces to hand height	X	
Dust horizontal surfaces above hand height with proper tools		AS NEEDED
Remove dust and cobwebs from ceiling areas with proper tools		AS NEEDED
Spot clean reception lobby door glass entrances	X	
Clean entire lobby glass doors		X
Clean exterior ash urns	X	
Clean and sanitize drinking fountains	X	
TILE FLOORS		
Dry mop	X	
Damp mop (general purpose cleaner)	X	
CARPET		
Vacuum traffic lanes	X	
Wall to wall detailed vacuum		X
RESTROOMS		
Clean and sanitize all fixtures	X	
Clean glass and mirrors	X	

Spot clean wall, dispensers and partitions	X	
Empty waste receptacles	X	
Sanitize and replace liners in waste receptacles as needed	X	
Wipe down trash containers as needed	X	
Refill all dispensers (hand soap, paper products and sanitary napkins)	X	
Dust horizontal surfaces to hand height	X	
Dust horizontal surfaces above hand height		X
Dry mop	X	
Damp mop (with an approved disinfectant)	X	
LOUNGE AREAS		
STAIRWELLS (Dust, high and low. Dry and wet mop)		X
MISCELLANEOUS SERVICES		

CLEANING SERVICES

Areas to be serviced:
OFFICES

	DAILY	WEEKLY
GENERAL HOUSEKEEPING		
Empty waste receptacles	X	
Replace liners in waste receptacles as needed	X	
Wipe down wall near waste receptacles		X
Empty paper recycle receptacles		X
Remove any boxes marked "trash"	X	
Remove all trash to designated area (protect floors from leakage)	X	
Clean and sanitize telephone handsets		X
Clean and sanitize drinking fountains	X	
Dust areas of furniture, desks, chairs, and tables	X	
Dust areas of filing cabinets, bookcases and shelves	X	
Dust horizontal surfaces to hand height	X	
Dust horizontal surfaces above hand height		X

Remove dust and cobwebs from ceiling areas		X
Spot clean visible areas of desk tops (do not disturb any paper, etc.)	X	
Spot clean reception lobby glass including front door	X	
Spot clean glass in partitions and doors through office space		AS NEEDED
TILE		
Dry mop	X	
Spot (damp) mop	X	
Damp mop		X
CARPET		
Vacuum traffic lanes	X	
Wall to wall detailed vacuum		X
RESTROOMS		

DATE LAST REVISED: 11/20/00

FILE NAME: CLEANING SERVICES

EXHIBIT "E"

TENANT ESTOPPEL CERTIFICATE

Please refer to the documents described in Schedule 1 hereto, (the "Lease Documents") including the "Lease" therein described; all defined terms in this Certificate shall have the same meanings as set forth in the Lease unless otherwise expressly set forth herein. The undersigned Tenant hereby certifies that it is the tenant under the Lease. Tenant hereby further acknowledges that it has been advised that the Lease may be collaterally assigned in connection with a proposed financing secured by the Property and/or may be assigned in connection with a sale of the Property and certifies both to Landlord and to any and all prospective mortgagees and purchasers of the Property, including any trustee on behalf of any holders of notes or other similar instruments, any holders from time to time of such notes or other instruments, and their respective successors and assigns (the "Mortgagees") that as of the date hereof.

1. The information set forth in attached Schedule 1 is true and correct.

2. Tenant is in occupancy of the Premises and the Lease is in full force and effect, and, except by such writings as are identified on Schedule 1, has not been modified, assigned, supplemented or amended since its original execution, nor are there any other agreements between Landlord and Tenant concerning the Premises, whether oral or written.

3. All conditions and agreements under the Lease to be satisfied or performed by Landlord have been satisfied and performed.

4. Tenant is not in default under the Lease Documents, Tenant has not received any notice of default under the Lease Documents, and, to Tenant's knowledge, there are no events which have occurred that, with the giving of notice and/or the passage of time, would result in a default by Tenant under the Lease Documents.

5. Tenant has not paid any Rent due under the Lease more than 30 days in advance of the date due under the Lease and Tenant has no rights of setoff, counterclaim, concession or other rights of diminution of any Rent due and payable under the Lease except as set forth in Schedule 1.

6. To Tenant's knowledge, there are no uncured defaults on the part of Landlord under the Lease Documents, Tenant has not sent any notice of default under the Lease Documents to Landlord, and there are no events which have occurred that, with the giving of notice and/or the passage of time, would result in a default by Landlord thereunder, and that at the present time Tenant has no claim against Landlord under the Lease Documents.

7. Except as expressly set forth in Part G of Schedule 1, there are no provisions for any, and Tenant has no, options with respect to the Premises or all or any portion of the Property.

8. Except as set forth on Part M of Schedule 1, no action, voluntary or involuntary, is pending against Tenant under federal or state bankruptcy or insolvency law.

9. The undersigned has the authority to execute and deliver this Certificate on behalf of Tenant and acknowledges that all Mortgagees will rely upon this Certificate in purchasing the Property or extending credit to Landlord or its successors in interest.

10. This Certificate shall be binding upon the successors, assigns and representatives of Tenant and any party claiming through or under Tenant and shall inure to the benefit of all Mortgagees.

IN WITNESS WHEREOF, Tenant has executed this Certificate this ___ day of _____, 19___.

Name of Tenant

By: /s/ LAWRENCE R. IRVING

Title:

SCHEDULE 1 TO TENANT ESTOPPEL CERTIFICATE

Lease Documents, Lease Terms and Current Status

A. Date of Lease:

B. Parties:

1. Landlord:

2. Tenant d/b/a:

C. Premises known as:

D. Modifications, Assignments, Supplements or Amendments to Lease:

E. Commencement Date:

F. Expiration of Current Term:

G. Options:

H. Security Deposit Paid to Landlord: $_____

I. Current Fixed Minimum Rent (Annualized): $_____

J. Current Additional Rent (and if applicable, Percentage Rent) (Annualized): $_____

K. Current Total Rent: $_____

L. Square Feet Demised:

M. Tenant's Bankruptcy or other Insolvency Actions:

Exhibit 10.7

LEASE AGREEMENT

Dated

November 28, 2005

Between

APPLE TREE LLC

as "Landlord"

and

Synchronoss Technologies, Inc.

as "Tenant"

in

REDMOND TOWN SQUARE

STANDARD TERMS AND CONDITIONS

LEASE AGREEMENT

THIS LEASE made this 28th day of November, 2005, between APPLE TREE LLC, A LIMITED L1ABILTY CORPORATION formed under the laws of the State of Washington, ("Landlord"), and Synchronoss Technologies, Inc., a Delaware Corporation ("Tenant").

As parties hereto, Landlord and Tenant hereby agree as follows:

1. LEASE DATA AND EXHIBITS

(a) LEASED PREMISES. The leased premises (the "Premises") are situated on the real property as more particularly described in Exhibit A attached hereto (the "Land"), and consist of 1,959 RENTABLE SQUARE FEET located on the THIRD floor of the Building, as outlined on the floor plan attached hereto as Exhibit B. The address is 8201 164th Ave NE in Redmond, King County, Washington (the "Building"). The Premises shall include the Tenant improvements, if any, set forth and initialed in Exhibit C hereto.

(b) AGREED FLOOR AREAS. The Agreed Floor Area of the Premises is 1,959 rentable square feet and The Agreed Floor Area of the Building is 39,575 rentable square feet.

(c) LEASE TERM. The lease term shall be for 24 MONTHS, commencing on JANUARY 3,2006 and expiring on JANUARY 2, 2008 or such earlier or later dates as provided in Section 3 hereof.

(d) RENT. The rent shall be payable as described below in advance on or before the first day of each month without offset or deduction at the offices of Leibsohn & Company 11100 NE 8th Street Suite 800 Bellevue, WA. 98004 or such other place as the Landlord shall direct in writing.

Month 1-12 $ 2,938.50 per month, NNN
Months 13-24 $ 3,101.75 per month, NNN

Tenant has deposited with Landlord on the date hereof $2,938.50 to be applied to the first monthly rental payment due hereunder.

(e) SECURITY DEPOSIT. The security deposit shall be $3101.75 in cash.

(f) PERMITTED USES. The Premises shall be used only for general office purposes and no other purpose or use without the written consent of Landlord ("Permitted Uses").

(g) PARKING. Tenant shall have the right to park in the common parking areas on a ratio of 3.25 stalls for each 1,000 square feet of usable space, in common with all other Tenants in the Redmond Town Square Building.

(h) BROKERS. Tenant was represented by GVA Kidder Mathews in this lease transaction and Landlord was represented in this lease transaction by Craig Levine of Washington Partners, Inc, licensed real estate brokers. No other finder or broker participated in this lease transaction or is entitled to compensation on account of this lease transaction.

GENERAL TERMS AND CONDITIONS

2. PREMISES. Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the

Premises described in Section 1(a) hereof.

3. TERM. The lease term shall be for the period stated in Section 1(c) hereof. The lease term shall commence on the commencement date specified in Section 1(c)., if any, or on such earlier or later date as may be specified by written notice delivered by Landlord to Tenant advising Tenant that the Premises will be ready for occupancy and specifying the commencement date, which shall not be less than 7 days following the date of such notice; provided, however, that if this Lease is executed prior to substantial completion of the Building as described in Section 1(a) the commencement and termination dates of this Lease may at Landlord's sole option be extended by any period not to exceed one year from the date specified in Section 1(c) because of delays due to casualties, acts of God, acts of Tenant, strikes, shortages of labor or materials or other causes beyond the reasonable control of Landlord. If Tenant shall occupy the Premises prior to the date specified in Section 1(c) of this Lease then the commencement date shall be the date of such occupancy. Neither Landlord nor any agent or employee of Landlord shall be liable for any damage or loss due to Landlord's inability or failure to deliver possession of the Premises to Tenant as provided herein.

4. RENT. Tenant shall pay Landlord the monthly rent stated in Section l(d) hereof without demand, deduction or offset, payable in lawful money of the United States in advance on or before the day specified in Section 1(d) to Landlord at the offices of Landlord or its building manager at the place specified in Section l(d), or to such other party or at such other place as Landlord may hereafter from time to time designate in writing. Rental for any partial month at the beginning or end of the lease terms shall be prorated. Notwithstanding anything in Section 8 hereof, the rent payable by Tenant shall in no event be less than the rent specified in Section l(d) of this Lease.

5. SECURITY DEPOSIT. As security for the full and faithful performance of every covenant or condition of this Lease to be performed by Tenant, Tenant has paid to Landlord the sum specified in Section 1(e) hereof, the receipt of which is hereby acknowledged. If Tenant shall breach or default with respect to any covenant or condition or this Lease, including but not limited to the payment of rent, Landlord may apply all or any part of such deposit to the payment of any sum in default or any damage suffered by Landlord as a result of such breach or default, or other sum which Landlord may be required to spend or incur by reason of Tenant's breach or default or any other sum which Landlord may in its reasonable discretion deem necessary to spend or incur by reason of Tenant's breach or default, and in such event, Tenant shall upon the reasonable request of Landlord deposit with Landlord the amount so applied so that Landlord shall have the full deposit on hand at all times during the term of this Lease; provided that such request is accompanied by a written accounting of any sum incurred or spent by Landlord for any such breach or default by Tenant. Any payment to Landlord from the security deposit shall not be construed as a payment of liquidation damages. If Tenant shall have fully complied with all of the covenants and conditions of this Lease, but not otherwise, such sum shall be repaid to Tenant with interest within 30 days after expiration or sooner termination of this Lease.

6. USES. The Premises are to be used only for the uses specified in Section 1(f) hereof (the "Permitted Uses"), and for no other business or purpose without the written consent of Landlord. No act shall be done in or about the Premises that is unlawful or that would be reasonably expected to increase the existing rate of insurance on the Building. Tenant shall not commit or allow to be committed any waste upon the Premises, or any public or private nuisance or other act or thing which disturbs the quiet enjoyment of any other tenant in the Building. Tenant shall not, without the written consent of Landlord, use any apparatus, machinery or device in or about the Premises which will cause any substantial noise or vibration of any increase in the normal use of electric power. If any of Tenant's office machines and equipment should disturb the quiet enjoyment of any other tenant in the Building, the Tenant shall provide adequate insulation, or take such other action as may be necessary to eliminate the disturbance Tenant shall comply with all laws relating to its use of the Premises and shall observe such reasonable rules and regulations as may be adopted and published by Landlord from time to time for the safety, care and cleanliness of the Premises or the Building, and for the preservation of good order therein, including but not limited to any rules and regulations attached to this Lease. Landlord makes no representations regarding the zoning of the Building, or the legality of any particular use or uses of the Premises.

7. SERVICES AND UTILITIES. Landlord shall maintain the Premises and the public and common areas of the Building, such as lobbies, stairs, corridors and /or restrooms, in reasonably good order and condition except for damage

occasioned by the act or omission of Tenant, the repair of which damage shall be paid by Tenant.

Between 7:00 a.m. and 6:00 p.m., Monday through Friday and between 8:00 a.m. and 1:00 p.m., Saturday (excluding legal holidays), Landlord shall furnish the Premises with electricity for lighting and operation of low power usage office machines, water, heat and normal air conditioning, and elevator service. Landlord shall also provide light replacement service for Landlord-furnished light, toilet room supplies, window washing at reasonable intervals, and customary building janitorial service. No janitorial service shall be provided on Saturdays, Sundays or holidays. Tenant shall pay for after hours HVAC at the Landlord's cost which may be included in the monthly rent

The landlord intends to take advantage of recycling programs offered by waste disposal or waste management providers. Tenant agrees to cooperate with the landlords recycling efforts which operation shall include the following: (1) placement of recycling receptacles, supplied by the landlord at each employee's workstation and other appropriate locations, (2) encouraging all employees to properly use the recycling receptacles and otherwise follow the recycling plan, (3) all other reasonable effort to permit the landlord full participation in all recycling programs.

Landlord shall not be liable for any loss, injury or damage to property caused by or resulting from any variation, interruption, or failure of such services due to any cause whatsoever or from failure to make any repairs or perform any maintenance, except for such variations, interruptions or failures caused by the gross negligence or willful misconduct of Landlord. In the event of such variation, interruption or failure, however, Landlord shall use reasonable diligence to restore such service. No temporary interruption or failure of such service incident to the making or repairs, alterations or improvements, or due to accident or strike, or condition or events beyond Landlord's reasonable control shall be deemed an eviction of Tenant or relive Tenant from any of Tenant's obligations hereunder.

Before installing any equipment in the Premises that generate more than a minimum amount of heat, Tenant shall obtain the written permission of Landlord and Landlord may refuse to grant such permission if the amount of heat generated would place an above average burden on the air-conditioning system of the Building unless Tenant shall agree to pay at Landlord's election: (a) the costs of Landlord for installation, operation and maintenance of supplementary air-conditioning units as necessitated by such equipment or (b) an amount determined by Landlord to cover the additional burden on the existing air-conditioning system generated by such Tenant equipment.

If Tenant uses any equipment in the Premises requiring above average power usage (including but not limited to computers and data processing equipment and nonstandard office equipment), Tenant shall in advance, on the first day of each month during the lease term, pay Landlord as additional rent the reasonable amount estimated by Landlord as the cost of furnishing electricity for the operation of such equipment. The monthly rent stated in Section 1(d) hereof does not include any amount to cover the cost of furnishing electricity for such purpose unless so stated therein.

Tenant shall pay prior to delinquency all personal property taxes with respect to all property of Tenant located on the Premises or the Building and shall provide promptly upon request of Landlord written proof of such payment.

8. COSTS OF SERVICES AND UTILITIES. This is a "Net, Net, Net" lease. In addition to the rent provided in Section 1(d) of this Lease, Tenant shall be responsible for paying, as additional rent, its' share of the "operating costs" of the property. These rental charges shall be adjusted annually to reflect changes in Landlord's total cost of operating the Building. The adjustment shall be made as follows:

8.1 DEFINITIONS. As used herein, the following terms shall have the following respective meanings unless the context otherwise specifies or clearly requires.

"Lease Year" shall mean a calendar year commencing January 1 and ending December 31.

"Operating Costs" shall mean all expenses paid or incurred by Landlord for maintaining, operating and repairing the Building (including the parking facilities), the Land, and the personal property used in conjunction therewith, including but not limited to all expenses paid or incurred by Landlord for Property Taxes, as defined in Section 9 below, electricity, water, gas sewers, refuse collection, telephone charges not chargeable to tenants and similar utilities service; the cost of supplies, janitorial and cleaning services, window washing, insurance, cost of services of independent contractors, repair, replacements, management fees, cost of compensation (including employment taxes and fringe benefits) of all persons who perform duties in connection with such Operating Costs and any other expense or charge which in accordance with generally accepted accounting and management principles would be considered an expense of maintaining, operating or repairing the Building.

"Actual Direct Costs" shall mean the actual expenses paid or incurred by Landlord for Operating Costs

during any Lease Year of the term hereof.

"Actual Direct Costs Allocable to the Premises" shall mean the same proportion of the Actual Direct Costs as the Agreed Floor Area of the Premises bears to the Agreed Floor Area of the Building, as set forth in Section 1 (b).

"Estimated Direct Costs Allocable to the Premises" shall mean Landlord's estimate of Actual Direct Costs Allocable to the Premises for the following Lease Year to be given by Landlord to Tenant pursuant to Section 8.3.

8.2 RENTAL ADJUSTMENT FOR ESTIMATED COSTS. Landlord shall furnish Tenant a written statement of Estimated Costs Allocable to the Premises for each Lease Year, and a calculation of rental adjustment as follows: One-twelfth (1/12) of the amount of the Estimated Direct Costs Allocable to the Premises shall be added to the monthly rent payable by Tenant under this Lease for each month during such Lease Year. If such Estimated Direct Costs Allocable to the Premises are furnished after the commencement of the Lease Year, Tenant shall also make a retroactive lump-sum payment, within fifteen (15) days, equal to the amount of such monthly excess multiplied by the number of months during the Lease Year for which no such adjustment was paid.

8.3 ACTUAL COSTS. After the close of each Lease Year during the term hereof, Landlord shall deliver to Tenant a written statement setting forth the Actual Direct Costs Allocable to the Premises during the preceding Lease Year, accompanied by a written accounting of such Actual Direct Costs Allocable to the Premises. If such costs for any Lease Year exceed the Estimated Direct Costs Allocable to the Premises paid by Tenant to Landlord pursuant to Section 8.2 for such Lease Year, Tenant shall pay the amount of such excess to Landlord as additional rental within 30 days after receipt of such statement by Tenant. If such statement shows such costs to be less than the amount paid by Tenant to Landlord pursuant to Section 8.2, then the amount of such overpayment shall be credited toward the next monthly rental payable by Tenant.

8.4 DETERMINATIONS. The determination of Actual Direct Costs Allocable to the Premises and Estimated Direct Costs Allocable to the Premises shall be made by the Landlord. Any amounts payable by Tenant pursuant to this Section shall be additional rent payable by Tenant hereunder and in the event of nonpayment thereof, Landlord shall have similar rights with respect to such nonpayment as it has with respect to such nonpayment as it has with respect to any other nonpayment of rent hereunder.

8.5 END OF TERM. If this Lease shall terminate on a day other than the last day of a Lease Year, the amount of any adjustment between Estimated and Actual Direct Costs Allocable to the Premises with respect to the Lease Year in which such termination occurs shall be prorated on the basis which the number of days from the commencement of such Lease Year to and including such termination dated bears to 365, and any amount payable by Landlord to Tenant or Tenant to Landlord with respect to such adjustment shall be payable within 30 days after delivery of the statement of Actual Direct Costs Allocable to the Premises with respect to such Lease Year.

9. PROPERTY TAXES. "Property Taxes" shall mean all real property taxes and

assessments and personal property taxes, charges and assessments levied with respect to the Land, the Building, any improvements, fixtures and equipment, and all other property of Landlord, real or personal, located in or on the Building and used in connection with the operation of the Building.

10. TAX ON RENTALS. If any governmental authority shall in any manner levy a tax on rentals payable under this Lease or rentals accruing from use of property, or such a tax in any form against Landlord measured by income derived from the leasing or rental of the Building, such tax shall be paid by Tenant either directly or through Landlord; provided, however, that Tenant shall not be liable to pay any net income tax imposed on Landlord.

11. IMPROVEMENTS, All standard or special Tenant improvements listed on Exhibit C hereto, or paid for by Landlord, shall at all times be the property of Landlord. Subject to Section 24 hereof, upon the expiration or sooner termination of this Lease, all improvements and additions to the Premises made by Tenant shall become the property of Landlord.

12. ALTERATIONS AND CARE OF PREMISES. Tenant shall take good care of the Premises and shall promptly make all necessary repairs and maintenance, except those to be made by Landlord as provided herein.

Tenant shall, at the expiration or sooner termination of this Lease, surrender and deliver the Premises to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable use and wear and damage by fire or other insured casualty excepted.

Tenant shall not make any alterations, additions or improvements in or to the Premises, or make changes to locks on doors, or add disturb or in any way change any floor covering, wall covering, fixtures,

plumbing or wiring without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld. Tenant shall deliver to Landlord full and complete plans and specifications for any such alteration, addition or improvement.

Landlord does not and will not make any covenant or warranty, express or implied, that any such plans or specifications submitted by Tenant are accurate, complete or in any way suited for their intended purpose. Further, Tenant shall indemnify and hold Landlord harmless from any liability, claim or suit, including attorneys' fees, arising from any injury, damage, cost or loss sustained by persons or property as a result of any defect in design, material or workmanship related to work performed by or for or plans or specifications submitted by Tenant.

All such work so done by Tenant shall be done in accordance with all laws, ordinances, and rules and regulations of any federal, state, county, municipal or other public authority and/or Board of Fire Underwriters. Tenant expressly covenants and agrees that no liens of Mechanics, materialmen, laborers, architects, artisans, contractors, subcontractors, or any other lien of any kind whatsoever shall be created against or imposed upon the Premises, the Land or the Building, and that in the event any such claims or liens of any kind whatsoever shall be asserted or filed by any persons, firms or corporations performing labor or furnishing material in connection with such work, Tenant shall pay off or cause the same to be discharged of record or bonded within 10 days of notification thereof. All alternations, improvements, or changes made by Tenant to the Premises shall become the property of Landlord and shall remain upon and be surrendered with the Premises upon the termination of this Lease.

Tenant acknowledges and agrees that a material condition to the granting of approval of Landlord to any alterations and/or improvements and/or repairs required under this Lease or desired by Tenant is that the contractors who perform such work shall carry a Comprehensive Liability Policy covering both bodily injury, in the amount of $100,000 per person and $300,000 aggregate, and property damages, in the amount of $300,000, at Tenant's expense. Landlord may require proof of such insurance coverage from each contractor at the time of submission of Tenant's request for Landlord's consent to commence work.

All damage or injury done to the Building or the Premises or any appurtenances to either by Tenant, or by Tenant's agents, invitees, licensees,

or employees, or by any other persons who may be in the Building or upon the Premises with the consent of Tenant, including the cracking or breaking of glass of any windows and doors, shall be paid for by Tenant. Tenant shall not put curtains, draperies or other hangings on or beside the windows in the Premises or place any furniture on the patios, if any, without first obtaining Landlord's consent. All normal repairs necessary to maintain the Premises in a tenantable condition shall be done by or under the direction of Landlord and at Landlord's expense except as otherwise provided herein. Tenant shall promptly notify Landlord of any damage to the Premises requiring repair. Landlord shall be the sole judge as to what repairs are necessary.

13. ACCEPTANCE OF PREMISES. If this Lease shall be entered into prior to the completion of construction of the Building or Tenant improvements in the Premises to be occupied by Tenant, the acceptance of the Premises by Tenant shall be deferred until 5 days after Tenant's receipt of a written notice by Landlord to Tenant of the completion of such construction. Tenant shall within 5 days after receipt of such notice make such inspection of the Premises as Tenant deems appropriate and, except as otherwise notified by Tenant in writing to Landlord within such period, Tenant shall be deemed to have accepted the Premises in their then condition. If as a result of such inspection Tenant discovers minor deviations or variations from the plans and specifications for Tenant improvements of a nature commonly found on a "punch list" (as that term is used in the construction industry), Landlord shall promptly correct such deviations and variations upon receipt of such notice from Tenant. The existence of such punch list items shall not postpone the commencement date of this Lease.

14. SPECIAL IMPROVEMENTS. Tenant shall reimburse Landlord for Landlord's cost of making all special improvements requested by Tenant, including but not limited to counters, partitioning, electrical and telephone outlets and plumbing connections other than as described on Exhibit C or other attachment hereto being furnished by Landlord. Tenant shall pay Landlord for the cost of any such special improvements made within 10 days of receipt of a written request therefor by Landlord to Tenant.

15. ACCESS. Tenant shall permit Landlord and its agents to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same or for the purpose of cleaning, repairing, altering or improving the Premises or the Building. Nothing contained in this Section 15 shall be deemed to impose any obligation upon Landlord not expressly stated elsewhere in this Lease. When reasonably necessary, Landlord may temporarily close entrances, doors, corridors, elevators or other facilities without liability to Tenant by reason of such closure and without such action by Landlord being construed as an eviction of Tenant or may relieve Tenant from the duty of observing and performing any of the provisions of this Lease. Landlord shall have the right to enter the Premises for the purpose of showing the Premises to prospective tenants within 180

days prior to the expiration or sooner termination of the lease term. Landlord shall not be liable for the consequences of admitting by passkey, or refusing to admit to the Premises, Tenant or any of Tenant's agents or employees or other persons claiming the right of admittance.

16. DAMAGE OR DESTRUCTION. If the Premises shall be destroyed or rendered untenantable, either wholly or in part, by fire or other unavoidable casualty, Landlord may, at its option, either (a) terminate this Lease as provided herein or (b) restore the Premises to their previous condition, and in the meantime the monthly rent shall be abated in the same proportion as the untenantable portion of the Premises bears to the whole thereof. Unless Landlord, within 30 days after receipt from Tenant of notice that Tenant deems the Premises untenantable, shall notify Tenant of its election not to restore the Premises and to terminate this Lease, this Lease shall continue in full force and effect. If the damage is due directly or indirectly to the fault or neglect of Tenant, or its officers, contractors, licensees, agents, servants, employees, guests, invitees or visitors, there shall be no abatement of rent.

If the Building or the Premises shall be destroyed or damaged by fire or other casualty insured against under Landlord's fire and extended coverage insurance policy to the extent more than 50% of either is rendered untenantable, or if the Building or the Premises shall be destroyed or materially damaged by any other casualty other than those covered by such insurance policy,

notwithstanding that the Premises may be unaffected directly by such destruction or damage, Landlord may, at its election terminate this Lease by notice in writing to Tenant within 60 days after such destruction or damage. Such notice shall be effective 30 days after receipt thereof by Tenant. Landlord shall not be required to repair or restore fixtures, improvements, or other property of Tenant.

17. WAIVER OF SUBROGATION. Whether the loss or damage is due to the negligence of either Landlord or Tenant, their agents or employees, or any other cause, Landlord and Tenant do each herewith and hereby release and relieve the other and any other tenant, its agents or employees, from responsibility for, and waive their entire claim of recovery for, (a) any loss or damage to the real or personal property of either located anywhere in the Building including the Building itself, arising out of or incident to the occurrence of any of the perils which are covered by their respective fire insurance policies, with extended coverage endorsements or (b) any loss resulting from business interruption at the Premises or loss of rental income from the Building, arising out of or incident to the occurrence of any of the perils which may be covered by the business interruption insurance policy and by the loss of rental income insurance policy held by Landlord or Tenant. Each party shall cause its insurance carriers to consent to such waiver and to waive all rights of subrogation against the other party.

18. INDEMNIFICATION AND INSURANCE.

18.1 INDEMNIFICATION. Each of Landlord and tenant shall defend and indemnify the other and save it harmless from and against any and all liability, damages, costs, or expenses, including attorneys' fees, arising from any act, omission or negligence of or its officers, contractors, licensees, agents, servants, employees, guests, invitees or visitors in or about the Premises, or arising from any breach or default under this Lease by such party or arising from any accident, injury, or damage, howsoever and by whomever caused by any person or property, occurring in or about the Premises provided that the foregoing provision shall not be construed to make either the Tenant or the Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence of the other party, or its officers, contractors, licensees, agents, servants, employees, guests, invitees or visitors.

Except as caused by the gross negligence or willful misconduct of Landlord, Landlord shall not be liable for any loss or damage to person or property sustained by Tenant, or other persons, which may be caused by the Building or the Premises, or any appurtenance thereto, being out of repair, or the bursting or leakage of any water, gas, sewer or steam pipe, or by theft, or by any act or neglect of any tenant or occupant of the Building, or of any other person, or by any other cause of whatsoever nature. Tenant agrees to use and occupy the Premises and other facilities of the Building at its own risk and hereby releases Landlord, its agents and employees from all claims for any damage or injury to the fullest extent permitted by law, except to the extent that such claims for damage or injury are caused by the gross negligence or willful misconduct of Landlord.

18.2 INSURANCE.

(a) Tenant shall, throughout the term of this Lease and any renewal hereof, at its own expense, keep and maintain in full force and effect:

(i) Commercial general liability insurance with coverage at least as broad as the most commonly available ISO Commercial General Liability policy CG 00 01, with limits of liability no less than Two Million Dollars ($2,000,000) per occurrence limit, Two Million Dollars ($2,000,000) general aggregate

limit; including contractual; which limits shall be reasonably increased during the term of this Lease at Landlord's request to reflect both increases in liability exposure arising from inflation as well as arising from changing legal liability standards, and which policy names Landlord and, at Landlord's request, Landlord's mortgage lender(s) as additional insureds; and

(ii) Property insurance at least as broad as an ISO Special

Form Causes of Loss policy, CP 0030, covering all real and personal property of Tenant, including without limitation any leasehold improvements installed by or for Tenant and Tenant's personal property located on or in, or constituting a part of the Building, in an amount equal to one hundred percent (100%) insurable replacement value of all such property, with no coinsurance penalty, and naming Landlord's lender's as loss payees through a lender's loss payable indorsement; and

(iii) Business interruption insurance in an amount sufficient to cover costs, expenses, rents due hereunder, damages and lost income should the Premises not be fully usable for a period of up to 6 months.

(b) All insurance polices required under this Section 18.2 shall be with companies reasonably approved by Landlord and each policy shall provide that it is not subject to cancellation or reduction in coverage except after thirty (30) days following written notice to Landlord. Tenant shall deliver to Landlord and, at Landlord's request, Landlord's mortgage lender (s), if any, prior to the date of commencement of this Lease and from time to time thereafter, certificates evidencing the existence and amounts of all such policies, which certificate provides that the policies certified therein shall not be cancelable or subject to reduction of coverage until 30 days following written notice to Landlord.

(c) If Tenant fails to acquire or maintain any insurance or provide any certificate required by this Section 18.2, Landlord may, but shall not be required to, obtain such insurance and the cost of the premiums therefor shall become additional rent due hereunder.

19. ASSIGNMENT AND SUBLETTING. Tenant shall not assign, transfer, mortgage or encumber this Lease nor sublet the whole or any part of the Premises without first obtaining Landlord's written consent, which consent shall require that such subtenant or assignee consent to be bound by all of the terms and conditions of this Lease, but which consent shall not otherwise be unreasonably withheld. No such assignment or subletting shall relieve Tenant of any liability under this Lease regardless of whether such liability arises by or through Tenant. Assignment or subletting shall not operate as a waiver of the necessity for a written consent to any subsequent assignment or subletting, and the terms of such consent shall be binding upon any person holding by, under or through Tenant. Landlord may, at its election, collect rent directly from such assignee or subtenant.

In the event Tenant should desire to assign this Lease or sublet the Premises or any part hereof, Tenant shall give Landlord written notice at least sixty (60) days in advance of the date on which Tenant desires to make such assignment or sublease, which notice shall specify, (a) the name and business of the proposed assignee or sublessee, (b) the amount and location of the space affect, (c) the proposed effective date and duration of the subletting or assignment, and (d) the proposed rental to be paid to Tenant by such sublessee or assignee. Landlord shall then have a period of thirty (30) days following receipt of such notice within which to notify Tenant in writing that Landlord elects either (1) to terminate this Lease as to the space so affected as of the date so specified by Tenant and reclaim that portion of the Premises, (2) to permit Tenant to assign or sublet such space, in which event if the proposed rental rate between Tenant and sublessee is greater than the rental rate of this Lease, then such excess rental to be deemed additional rent owed by Tenant to Landlord under this Lease, and the amount of such excess, including any subsequent increases due to escalation or otherwise, to be paid by Tenant to Landlord in the same manner the Tenant pays the rental hereunder and in addition thereto, or (3) to withhold consent to Tenant's assignment or subleasing such space and to continue this Lease in full force and effect as to the entire Premises.

If Tenant is a corporation, then any transfer of this Lease by merger, consolidation or liquidation, or any change in the ownership of, or power to vote, the majority or controlling interest of its outstanding voting stock, shall not constitute an assignment or the purpose of this Section.

If Tenant is a partnership, then any dissolution, liquidation, merger, or consolidation of the partnership, or any change in ownership of a majority of the partnership interests, whether directly or indirectly, or any change of control of the partnership or of any general partner, shall not constitute an assignment for purposes of this Section.

Upon the exercise by Landlord of the option of termination of this Lease as to the space requested to be subleased, Tenant shall surrender that portion of

the Premises to be reclaimed, and the Agreed Floor Area of

the Premises and rent pursuant to Sections 1 (b) and 1 (d) above shall be reduced proportionately. All other terms and conditions of this Lease shall otherwise remain in force and effect. If the portion of the Premises to be sublet is inaccessible from any public hallway in the Building, Landlord may reclaim a comparable area of similar size elsewhere in the Premises that is accessible from such hallways and require Tenant to occupy such inaccessible area, provided that Tenant shall not be required to occupy any area that is not accessible from and contiguous to the remainder of the Premises. Landlord may make any alterations, modifications or improvements to the Premises it deems necessary for the reclaiming of any portion of the Premises.

20. ADVERTISING. Tenant shall not inscribe any inscription, or post, place or in any manner display any sign, notice, picture, placard or poster, or any advertising matter whatsoever, anywhere in or about the Premises or the Building at places visible (either directly or indirectly as an outline or shadow on a glass pane) from anywhere outside the Premises without first obtaining Landlord's written consent thereto. Any such consent by Landlord shall be upon the understanding and condition that Tenant will remove the same at the expiration or sooner termination of this Lease and Tenant shall repair any damage to the Premises or the Building caused thereby.

Tenant, at their sole cost and expense, shall have the right to building directory signage in common with other tenants at the project. Said sign is subject to Landlord's approval and all governmental codes and regulations.

21. LIENS AND INSOLVENCY. Tenant shall keep the Premises and the Building free from any liens arising out of any liens arising out of any work performed, materials ordered or obligations incurred by Tenant. If Tenant becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of Tenant, then Landlord may terminate Tenant's right of possession under this Lease at Landlord's option and in no event shall the Lease or any rights or privileges hereunder be an asset of Tenant under any bankruptcy, insolvency or reorganization proceedings.

22. DEFAULTS. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant: (i) the abandonment of the Premises by Tenant or the vacating of the Premises for more than thirty (30) consecutive days; (ii) the failure by Tenant to make any payment of Rent or any other payment required to be made by Tenant hereunder, and such failure continues for more than five (5) days after written notice from Landlord; (iii) the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of the Lease, where such failure shall continue for a period of twenty (20) days after written notice from Landlord; provided, however, if more than 20 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 20-day period and thereafter diligently prosecutes such cure to completion; (iv) the making by Tenant of any general assignment or general arrangement for the benefit of creditors; (v) the filing by or against Tenant of a petition to have Tenant adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); (vi) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in the Lease, where possession is not restored to Tenant within thirty (30) days; (vii) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days; or (viii) the assignment or other transfer of all or any interest of Tenant in this Lease, or the subletting of all or any portion of the Premises, in either case which is in violation of this Lease. All notice and cure periods set forth above are in lieu of and not in addition to any notice required pursuant to applicable unlawful detainer/eviction statutes

All rights and remedies of Landlord herein enumerated shall be cumulative, and none shall exclude any other right or remedy allowed by law or in equity, and all of the following may be exercised with or without legal process as then may be provided or permitted by the laws of the state in which the Premises are situated:

(a) Upon any material default under this Lease, Landlord may reenter the Premises and remove or put out Tenant or any other persons found therein. No such reentry shall be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant.

(b) Upon any material default under this Lease, Landlord may elect to re-let the Premises or any part thereof upon such terms and conditions, including rent, term and remodeling or renovation, as Landlord in its sole discretion may deem advisable. To the fullest extent permitted by law, the proceeds of any reletting shall be applied: first, to pay Landlord all costs and expenses of such reletting (including without limitation, costs and expenses incurred in retaking or repossessing the Premises, removing persons or property therefrom, securing new tenants, and, if Landlord maintains and operates the

Premises, the costs thereof); second, to pay any indebtedness of Tenant to Landlord other than rent; third, to the rent due and unpaid hereunder; and fourth, the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue.

(c) Upon any material default under this Lease, Landlord may also elect to terminate the Lease and all rights of Tenant by giving notice to Tenant of such election. If Landlord elects to terminate the Lease, Landlord shall have the right to reenter the Premises and remove all persons, and to take possession of and remove all equipment and fixtures of Tenant in the Premises. Tenant hereby waives all damages that may be caused by Landlord's reentering and taking possession of the Premises or removing or storing the property thereof, and Tenant shall save Landlord harmless therefrom, and no such reentry shall be considered a forcible entry. If Landlord so elects to terminate the Lease, Landlord may also recover from Tenant:

(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 the award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of rental loss that could have been reasonably avoided;

(III) The worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of the award exceeds the amount of rental loss that could be reasonably avoided;

(IV) Any other amount necessary to compensate the Landlord for all the detriment proximately caused by the Tenant's failure to perform its obligations under the Lease or which in the ordinary course of things would be likely to result therefrom; and

(V) At Landlord's election, such other amounts in addition to or in lieu of the foregoing that may be permitted from time to time by applicable law.

The "worth at the time of the award" of the amounts referred to in paragraphs (I) and (II) above is computed by allowing interest at twelve percent (12%). The "worth at the time of the award" of the amount referred to in paragraph (III) above is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%).

(d) Nothing in this Section 22 shall be deemed to affect Landlord's right to indemnification for liability or liabilities arising prior to termination of this Lease for personal injury or property damage under the indemnification provisions or other provisions of this Lease.

(e) Tenant acknowledges that certain benefits or concessions provided by Landlord are conditioned upon Tenant's timely, fully and faithful performance of each and every obligation, covenant, representation and warranty of this Lease throughout the entire term of this Lease, even though such benefits or concessions may be realized by Tenant over less than the entire term of this

Lease. Accordingly, notwithstanding anything to the contrary contained herein, in the event Landlord brings an action against Tenant for default under this Lease, Landlord shall become immediately entitled to receive from Tenant as additional rent the amount of all such benefits and concessions allocable to the balance of the Lease term on a pro rata basis, i.e., an amount equal to the product of (x) the sum of (a) any amounts theretofore or thereafter paid by Landlord to Tenant or to any third party, or any amounts credited to Tenant or to any third party, for of on account of (i) any moving, tenant improvement, decorating or other allowance or credit granted to Tenant, (ii) any real estate commission paid on account of this Lease, and (iii) any expenses or costs related to assumption by Landlord of any other lease, plus (b) an amount equal to the difference between the rent as specified in Section l(d) above and rent for any period for which this Lease provides any lesser amount including zero or nominal rent, including for any period of early occupancy of the Premises prior to the commencement of the term of this Lease, plus (c) the amount spent by Landlord for any tenant improvements to the Premises; multiplied by (y) a fraction, the numerator of which is the number of days of the term of this Lease remaining between the date of default and the expiration of the term of this Lease, and the denominator of which is the total number of days for the term of this Lease. By way of example, if Tenant receives a moving allowance of $1,000, the Lease term is 3 years (1,095 days) and a default occurs at the end of the first year such that there were 2 years (730 days) remaining, then Tenant shall pay as additional rent the sum for $666.67, which is computed as follows: ($1,000 x 730)/1,095 = $666.67.

23. PRIORITY. Upon demand by Landlord or the holder of any mortgage or deed of trust now

existing or that may hereafter be placed upon the Premises or the Building, Tenant will execute an agreement of subordination, non-disturbance and attornment in form acceptable to Landlord and to such mortgage holder. In the absence of such agreement, Tenant agrees that this Lease shall be subordinate to any mortgage or deed of trust now existing or hereafter placed upon the Premises or the Building and to any and all advances to be made thereunder, and to interest thereon, and all renewals, replacements or extensions thereof.

24. REMOVAL OF PROPERTY. Upon expiration or sooner termination of this Lease, Tenant may remove its trade fixtures, office supplies and movable office furniture and equipment not attached to the Building provided (a) such removal is made prior to the termination or expiration of this Lease, (b) Tenant is not in material default under any provision of this Lease at the time of such removal, and (c) Tenant immediately repairs all damages caused by or resulting from such removal. All other property in the Premises and any alterations thereto (including, without limitation, wall-to-wall carpeting, paneling, wall covering, or lighting fixtures and apparatus) and any other article affixes to the floor, wall to ceiling of the Premises shall become the property of Landlord and shall remain upon and be surrendered with the Premises, Tenant hereby waiving all rights to any payment or compensation therefore. If, however, Landlord so requests in writing, Tenant will, upon termination of this Lease, remove such alterations, additions, fixtures, equipment and property placed or installed by it in the Premises as requested by Landlord, and will immediately repair any damage caused by or resulting from such removal to the condition of the Premises prevailing upon commencement of this Lease, reasonable wear and tear expected.

If Tenant shall fail to remove any of its property of any nature whatsoever from the Premises or the Building at the termination of this Lease or when Landlord has the right of reentry, Landlord may at its option, remove and store said property without liability for loss thereof or damage thereto, such storage to be for the account and at the expense of Tenant. If Tenant shall not pay the cost or storing any such property after it has been stored for a period of 30 days or more, Landlord may, at its option, sell, or permit to be sold, any of all such property at public or private sale (and Landlord may become a purchaser at such sale), in such manner and at such times and place as Landlord in its sole discretion may deem proper without notice to Tenant, and shall apply the proceeds of such sale: first, to the cost and expense or such sale, including reasonable attorneys' fees actually incurred; second, to the payment of costs or charges for storing any such property; third, to the payment or any other sums of money which may then be or thereafter become due landlord from Tenant under any of the terms hereof; and fourth, the balance, if any, to Tenant.

25. NONWAIVER. Waiver by Landlord of any breach of any term, covenant, or condition herein contained shall not be deeded to be a waiver of such term, covenant or condition, or of any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, or condition of the Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

26. SURRENDER OF POSSESSION. Upon expiration or sooner termination of the term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord.

27. HOLDOVER. IF Tenant shall, without the written consent of Landlord, hold over after the expiration or termination of the term of this Lease, Tenant shall be deemed to be occupying the Premises on a month-to-month tenancy, which tenancy may be terminated as provided by the laws for the State of Washington. During such tenancy, Tenant agrees to pay to Landlord one and one-half the rate of rental as set forth herein, unless a different rate shall be agreed upon, and to be bound by all of the terms, covenants and conditions herein specified, so far as applicable.

28. CONDEMNATION. If all of the Premises, or such portions of the Building as may be required for the reasonable use of the Premises, are taken be eminent domain, this lease shall automatically terminate as of the date Tenant is required to vacate the Premises and all rentals shall be paid to that date. In case of a taking of a part of the Premises, or a portion of the Building not required for the reasonable use of the Premises, then this Lease shall continue in full force and effect and the rental shall be equitably reduced based on the proportion by which the floor area of the Premises is reduced, such rent reduction to be effective as of the date of possession of such reduced, such rent reduction to be effective as of the date possession of such portion is delivered to the condemning authority. Landlord reserves all rights to damage to the Premises for any taking by eminent domain, and Tenant hereby assigns to Landlord any right Tenant may have to such damages or award, and Tenant shall make no claim against Landlord for damages for termination of the leasehold interest or interference with Tenant's business. Tenant shall have the right, however, to claim and recover from the condemning authority compensation for any loss to which Tenant may be put for Tenant's moving expenses, provided that such damages may be claimed only if they are awarded separately in the eminent domain proceedings and not as part of the damages recoverable by Landlord.

29. NOTICES. All notices under this Lease shall be in writing and delivered in person or sent by registered or certified mail to Landlord at the same place rent payments are made, to Tenant at the Premises, and to the holder of any first mortgage or deed of trust at such place as such holder shall specify to Tenant in writing; or such other address as may from time to time be designated by such party in writing. Notices mailed as aforesaid shall be deemed given on the date of such mailing.

30. COSTS AND ATTORNEYS' FEES. In the event of any action or proceeding arising out of or in connection with this Lease, the prevailing party shall be entitled to all costs, expenses and reasonable attorneys' fees, with or without suit and on appeal.

31. LANDLORD'S LIABILITY. Anything in this Lease to the contrary notwithstanding, covenants, undertakings and agreements herein made on the part of Landlord are made and intended not as personal covenants, undertakings and agreements or for the purpose of binding Landlord personally or the assets or Landlord except Landlord's interest in the Premises and the Building, but are made and intended for the purpose of binding only Landlord's interest in the Premises and the Building. No personal liability or personal responsibility is assumed by, nor shall at any time be asserted or enforceable against Landlord or its partners and their respective heirs, legal representatives, successors and assigns on account of this Lease or on account of any covenant, undertaking or agreement of Landlord contained in this Lease.

32. ESTOPPEL CERTIFICATE. Tenant shall, from time to time upon written

request of Landlord, execute, acknowledge and deliver to Landlord or its designees a written statement stating the date this Lease was executed and the date it expires, the date Tenant entered into occupancy of the Premises, the amount of minimum monthly rental and the date to which such rental has been paid, and certifying that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way (or specifying the date of agreement so effecting this Lease); that this Lease represents the entire agreement between the parties as to this leasing; that all conditions under this Lease to be performed by Landlord have been satisfied, including, but without limitation, all co-tenancy requirements; that all required contributions by Landlord to Tenant on account of Tenant's improvements have been received; that on this date there are no existing defenses or offsets which Tenant has against the enforcement of this Lease by Landlord; that no rental has been paid in advance; and that no security has been deposited with Landlord (or, if so, the amount thereof). It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or a mortgagee of Landlord's interest or assignee of any mortgage upon Landlord's interest in the Building. If Tenant shall fail to respond within 10 days of receipt by Tenant of a written request by Landlord as herein provided, Tenant shall be deemed to have given such certificate as above provided without modification and shall be deemed to have admitted the accuracy of any information supplied by Landlord to a prospective purchaser or mortgagee and that this Lease is in full force and effect, that there are no uncured defaults in Landlord's performance, that the security deposit is as stated in this Lease, and that not more than one month's rental has been paid in advance.

33. TRANSFER OF LANDLORD'S INTEREST. This Lease shall be assignable by Landlord without the consent of Tenant in the event of any transfer or transfers of Landlord's interest in the Premises or the Building, other than a transfer for security purposes only, and the transfer or shall be automatically relieved of any and all obligations and liabilities on the part of Landlord accruing from and after the date of such transfer and Tenant agrees to attorn to the transferee.

34. RIGHT TO PERFORM. If Tenant shall fail to pay sum of money, other than rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue for ten (10) days after notice thereof by Landlord, or such shorter time if reasonable under the circumstances, Landlord may, but shall not be obligated so to do, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act on Tenant's part to be made or performed as provided in this Lease. Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the nonpayment of sums due under this Section as in the case of default by Tenant in the payment of rent.

35. RELOCATION OF PREMISES. During the term of the Lease Landlord may relocate the Tenant's Premise within the Building. Said relocation shall be at the total cost and expense of Landlord. In the event Landlord so elects to relocate Tenant, Landlord shall notify Tenant and propose the relocation space to Tenant shall have fifteen (15) days from the receipt of said notice to elect to accept said relocation. In the event that the relocation proposal is accepted by Tenant, Landlord and Tenant shall revise the Tenant's Lease to reflect the new space. Upon such relocation, such new space shall be deemed the Premises hereunder for all purposes and the Lease shall be deemed amended to that effect date without further formality. Rental rates for the new space shall be the same as those agreed to in the original Lease Agreement, subject to adjustment for additional space, or less space, as agreed to by the parties. All other terms and conditions of the original Lease shall

remain in full force and effect.

36. PARKING. Parking shall at all times be governed by reasonable rules and regulations which shall be published from time to time by Landlord. Parking may be on a reserved stall and/or undesignated stall -- "window sticker" basis, and may be self-service and/or attendant service, as determined from time to time by Landlord.

37. EXECUTION OF LEASE BY LANDLORD. The submission of this document for examination and negotiation does not constitute an offer to lease, or a

reservation of, or option for the Premises, and this document shall become effective and binding only upon execution and delivery by Landlord and the Tenant. No act or omission of any employee or agent of Landlord or of Landlord's broker shall alter, change or modify any of the provisions hereof.

38. GENERAL PROVISIONS.

(a) The titles of sections of this Lease are not a part of this Lease and shall have no effect upon the construction of interpretation of any part hereof. This Lease shall be construed and governed by the laws of the State of Washington.

(b) All of the covenants, agreements, terms and conditions contained in this Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.

(c) Tenant represents and warrants to Landlord that it has not engaged any broker, finder or other person who would be entitled to any Lease except for that broker identified in Section 1(h) hereof, and shall indemnify and hold harmless Landlord against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any other broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant.

(d) This Lease contains all covenants and agreements between Landlord and Tenant relating in any manner to the rental, use and occupancy of the Premises and Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified, or added to except in writing signed by Landlord and Tenant, any provision of this Lease shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(e) To the extent required by law, the Building shall be an open occupancy building.

(f) Any rent, additional rent or other sums payable by Tenant to Landlord which shall not be paid upon the due date thereof shall bear interest at a rate equal to five percent (5%) per annum above the prime lending rate as publicly announced from time to time by Bank of America, calculated from the date of delinquency to the date of payment. Any late payment of rental shall also be subject to a collection fee equal to the greater of $100.00 or five percent (5%) of the amount due.

(g) Landlord reserves the right to name and re-name the Building from time to time, and to install signs accordingly, without compensation or prior notice to Tenant.

(h) The invalidity of all or any part of any section of this Lease shall not render invalid the remainder of this Lease or the remainder of such section. If any provision of this Lease is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

(i) The following exhibits or riders are made a part of this Lease:

Exhibit A - LEGAL DESCRIPTION OF LAND
Exhibit B - FLOOR PLAN OF PREMISES
Exhibit C - TENANT IMPROVEMENTS
Exhibit D - RULE AND REGULATIONS

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

TENANT: Synchronoss Technologies, Inc.

By /s/ LAWRENCE R. IRVING

Its LAWRENCE R. IRVING

LANDLORD: APPLE TREE LLC

By /s/ Tony Chee

Its Managing Partner

CORPORATE ACKNOWLEDGEMENT:
State of NEW JERSEY)
) ss.
County of SOMERSET)

On this 3RD day of JANUARY, 2006 before me personally appeared LAWRENCE R. IRVING to me known to be the CFO of the corporation that executed the within and foregoing instrument, and acknowledged the same instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by official seal the day and year first written above.

Signature: /s/ Bharati B Parekh.

Print Name: BHARATI B PAREKH.

BHARATI B PAREKH
Notary Public
State of New Jersey
My Commission expires
April 9th, 2007.

Notary Public in and for the
State of NEW JERSEY
Residing in NEW JERSEY
My appointment expires: APRIL 9th, 2007.

(Seal)

LIMITED LIABILITY COMPANY:
State of Washington)
County of Illegible)

On this 4th day of Jan, 2006 before me personally appeared Tony Chee to me known to be the member of the limited liability company that executed the within and foregoing instrument, and acknowledged the same instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by official seal the day and year first written above.

Signature: /s/ CATHIE M WEBSTER

Print Name: CATHIE M WEBSTER

Notary Public in and for the
State of Washington
Residing in Illegible
My appointment expires 6-5-06

(Seal)

EXHIBIT A

LEGAL DESCRIPTION OF LAND

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

THE WEST 92 FEET OF THE NORTH 104 OF THE FOLLOWING DESCRIBED TRACT:

BEGINNING AT THE COMMON CORNER OF SECTION 1,2,11, AND 12, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON; THENCE NORTH ALONG LINE BETWEEN SECTION 1 AND 2,238.7 FEET; THENCE WEST AT RIGHT ANGLES 30 FEET TO POINT OF BEGINNING: THENCE WEST 208.7 FEET; THENCE NORTH PARALLEL TO THE EAST LINE OF SECTION 1.417.4 FEET TO THE POINT OF BEGINNING; EXCEPT THAT PORTION THEREOF LYING NORTHERLY OF A LINE THAT IS PARALLEL WITH AND 30,000 FEET SOUTHERLY FROM THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF 164TH AVENUE N.E. (BEING THE EAST LINE OF SAID SECTION 2) WITH THE CENTER LINE OF N.E. 83RD STREET (FORMERLY TRIMBLE STREET AS SHOWN ON PERRIGO'S PLAT OF REDMOND, ACCORDING TO PLAT RECORDED IN VOLUME 18 OF PLATS, PAGE 40, IN KING COUNTY, WASHINGTON), SAID INTERSECTION BEING DISTANT NORTH 1 DEGREES 8'48" EAST 659.97 FEET ALONG SAID EAST LINE OF SECTION 2 FROM THE SOUTHEST CORNER THEREOF; THENCE NORTH 58'59' WEST 395.17 FEET TO THE TERMINUS OF SAID LINE.

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

NORTH 104.00 FEET OF THE FOLLOWING DESCRIBED TRACT:

BEGINNING AT THE COMMON CORNER OF SECTIONS 1, 2, 11, AND 12 IN TOWNSHIP 25 NORHT, RANGE 5 EAST W.M., IN KING COUNTY, WASHINGTON; THENCE NORTH ALONG LINE BETWEEN SECTIONS 1 AND 2, 238.7 FEET; THENCE WEST AT RIGHT ANGLES 30 FEET TO POINT OF BEGINNING; THENCE WEST 208.7 FEET; THENCE NORTH PARALLEL TO THE EAST LINE OF SECTION 1, 417.4 FEET; THENCE EAST 208.07 FEET TO WEST LINE OF COUNTRY ROAD; THENCE SOUTH 417.4 FEET THE POINT OF BEGINNING; EXCEPT THE WEST 92 FEET THEREOF; ALSO

EXCEPT THAT PORTION THEREOF LYING NORTHERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE INTERSECTION OF THE CENTER OF 164TH AVENUE N.E. (BEING THE EAST LINE OF SAID SECTION 2) WITH THE ENTER LINE OF N.E. 83RD STREET (FORMERLY TRIMBLE STREET AS SHOWN ON PERRIGO'S PLAT OF REDMOND. ACCORDING TO PLAT RECORDED IN VOLUME 18 OF PLATS, PAGE 40, IN KING COUNTY, WASHINGTON), SAID INTERSECTION BEING DISTANT NORTH 1 DEGREES 8'48" EAST 659.97 FEET ALONG SAID EAST LINE OF SECTION 2 FROM THE SOUTHEST CORNER THEREOF; THENCE NORTH 88 DEGREES 58'58' WEST 146.69 FEET TO THE NORTHERLY PROLONGATION OF THE EAST LINE OF SAID WEST 92 FEET; THENCE SOUTH 1 DEGREES 8'48" WEST 30.00 FEET ALONG SAID PROLONGATION AND EAST LINE TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 28'25" EAST 116.70 FEET FROM THE COURSE HEREIN ABOVE DESCRIBED AS HAVING A BEARING OF NORTH 88 DEGREES 58'58' WEST AND THE TERMINUS OF SAID LINE.

THE NORTH 74.25 FEET OF A TRACT OF LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE COMMON CORNER OF SECTIONS 1,2, 11, AND 12 IN TOWNSHIP 25 NORHT, RANGE 5 EAST W.M.

THENCE NORTH OF THE SECTION LINE BETWEEN SECTIONS 1 AND 2, 238.7 FEET:

THENCE WEST AT RIGHT ANGLES 30 FEET TO A POINT:

THENCE NORTH 15 FEET TO THE POINT OF BEGINNING;

THENCE WEST 208.7 FEET;

THENCE NORTH AT RIGHT ANGLES 298.05 FEET;

THENCE EAST 208.07 FEET;

THENCE SOUTH 298.05 FEET TO THE POINT OF BEGINNING;

SITUATED IN THE CITY OF REDMOND, COUNTY OF KING, STATE OF WASHINGTON.

EXHIBIT B

FLOOR PLAN OF PREMISES

(FLOOR PLAN)

EXHIBIT C

Tenant Improvements

Tenant accepts the premises on an "As Is" basis.

EXHIBIT "D"

REDMOND TOWN SQUARE

RULES AND REGULATIONS

1. Lessee shall not erect or install or otherwise utilize signs, lights, symbols, canopies, awnings, window coverings or other advertising or decorative matter on the windows, walls, and exterior doors, or areas otherwise visible from the exterior of the leased premises without first submitting its plans to Lessor and obtaining Lessor's written approval thereof.

2. Lettering upon the directory board and the doors as required by Lessee shall be made by the sign company designated by Lessor.

3. No additional locks shall be placed upon any doors of the leased premises, and Lessee agrees not to have any duplicate keys made without the consent of Lessor. If more than two keys for any lock are desired, such additional keys shall be paid for by Lessee. Each Lessee, upon the termination of the tenancy, shall deliver to the Lessor the keys of offices, and rooms which shall have been furnished the Lessee or which the Lessee shall have had made, and in the event of loss of any keys so furnished, shall pay the Lessor therefor.

4. No furniture, freight, supplies not carried by hand, or equipment of any kind shall be brought into or removed from Building without the consent of Lessor. Such furniture, freight, equipment, safes and other heavy property shall be moved in or out of Building only at the times and in the manner permitted by Lessor. Lessor will not be responsible for loss or damage to any of the items above referred to, and all damage done to the leased premises or the Building by moving or maintaining any of such items shall be repaired at the expense of Lessee. Any merchandise not capable of being carried by hand shall utilize hand trucks equipped with rubber tires and rubber side guards.

5. Lessor shall have the right to limit the weight, size and to designate the locations of all safes, filerooms, libraries and other heavy property within the building. Maximum uniform floor loading allowed is 65 pounds per square foot. Lessee warrants that under no circumstances shall they load the floor in excess of this limit. If excess floor loading is required, all costs (including engineering) to prepare the floor surface and structure to withstand excess floor loads shall be borne by the Lessee. In no event shall excess floor loads be accomplished without express written permission by Lessor.

6. The entrances, corridors, stairways and elevators shall not be obstructed

by Lessee, or used for any other purpose than ingress or egress to and from the leased premises.

7. Lessee will not use or permit to be used in the leased premises anything that will increase the rate of insurance on the office Building or any part thereof; nor overload any floor or part thereof; nor anything that may be dangerous to life or limb; nor in any manner deface or injure the Office Building or any part thereof; nor do anything or permit anything to be done upon the leased premises in any way tending to create a nuisance or to disturb any other tenant or occupant of any part of the Office Building; and Lessee, at Lessee's expense, will comply with all health, fire and police regulations respecting the leased premises.

8. Lessee shall not mark, drive nails, screw or drill into woodwork or plaster, or paint or in any way deface the Office Building or any part thereof, of the lease premises or any part thereof, of fixtures therein. The expense of remedying any breakage, damage or stoppage resulting from a violation of this rule shall be borne by Lessee.

9. Canvassing, soliciting and peddling in Building are prohibited and each Lessee shall cooperate to prevent such activity.

10. The requirements of tenants will be attended to only upon application at the main office of the Lessor. Lessor's employees shall not perform any work or do anything outside of their regular duties, except on issuance of special instructions from Lessor. If Lessor's employees are made available for the assistance of any tenants, Lessor shall be paid for their services by such tenants at reasonable hourly rates.

    Lessor reserves the right to close and keep locked all entrance and exit doors of the Building on Sundays

and legal holidays and between the hours of 6:00 p.m. of any day and 7:00 am of the following day and during such further hours as Lessor may deem advisable for the adequate protection of the Office Building and the property of the tenants.

11. Lessor shall, operate the air conditioning system from 7:00 am until 6:00 p.m. on business days, and on Saturdays, when the hours shall be from 8:00 am until 1:00 p.m.

12. Lessee shall exercise care and caution to ensure that all water faucets or water apparatus, electricity and gas are carefully and entirely shut off before Lessee or its employees leave Building, so as to prevent waste or damage. Lessee shall be responsible for any damage to the leased premises or the Office Building and for all damage or injuries sustained by other tenants or occupants of the Office Building arising from Lessee's failure to observe this provision.

13. Lessor reserves the right to exclude or expel from the Office Building any person who, in the judgment of Lessor is under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Office Building.

14. Lessor shall supply A.C. electrical current to the leased premises capable of providing electrical capacity equivalent to 5 watts per square foot. The cost of providing electrical capacity above such specified amount and the use of electrical power in excess of 5 watts per square foot for 10 hours per day shall be paid by Lessee.

15. Lessee, employees and invitees shall obey all traffic and parking regulations as posted throughout the Office Complex by Lessor.

16. Toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Lessee who, or whose employees or invitees shall have caused it.

17. Lessee shall not employ any person or persons other than the janitor of Lessor for the purpose of cleaning the leased premises unless otherwise agreed to by Lessor. Except with the written consent of Lessor, no person or persons other than those approved by Lessor shall be permitted to enter the Building for the purpose of cleaning the same. Lessee shall not cause any unnecessary labor by reason of Lessee's carelessness or indifference in the preservation of good order and cleanliness. Lessor shall in no way be responsible to any Lessee for any loss of property on the Leased Premises, however occurring, or for any damage done to the effect of any Lessee by the janitor or any other employee or any other person. Janitor service shall include ordinary dusting and cleaning by the janitor assigned to such work and shall not include cleaning of carpets or rugs, except normal vacuuming, or moving of furniture or other special services.

18. Lessee shall not use, keep or permit to be used or kept any foul or noxious gas, or substance in the leased premises, or permit or suffer the leased premises to be occupied or used in a manner offensive or objectionable to the Lessor or other occupants of the Office Building by reason of noise, odors, and/or vibrations, or interfere in any way with other Lessees or those having business therein, nor shall any animals or birds be brought in or kept in or about the leased premises or the Office Building.

19. Lessee shall not use or keep in the leased premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Lessor.

20. Lessor will direct electricians as to where and how telephone and electrical wires are to be introduced. No boring or cutting wires will be allowed without the consent of Lessor. The locations of telephones, call boxes and other office equipment affixed to the leased premises shall be subject to the approval of Lessor.

21. No Lessee shall lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the leased premises in any manner except as approved by the Lessor. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by the Lessee by whom, or by whose contractors, employees or invitees, the damage shall have been caused.

22. No furniture, packages, supplies, equipment or merchandise will be received in the building or carried up or down in the elevator except between such hours and in such elevators as shall be designated by the Lessor

23. On Saturdays, Sundays and legal holidays, and on all other days between the hours of 6:00 p.m. and 7:00 am the following day, access to the Building or to the halls, corridors, elevators or stairways in the building, or the leased premises may be refused unless the person seeking access is known to the person or employee of the Office Building of any person. In case of invasion, mob, riot, public excitement or other commotion, the Lessor reserves the right to prevent access to the Building during the continuance of the same by closing the doors or otherwise, for the safety of the Lessees and protection of the property in the Office Complex and the Building.

24. No vending machine or machines of any description shall be installed, maintained or operated upon the leased premises without the prior written consent of the Lessor.

25. The word "Office Complex" means the entire complex of buildings, land driveway, parking and walkway, and landscaped areas which make up the entire Kingsgate Place. The word "Building" as used herein means the Building of which the leased premises are a part.

26. Chair floor pads must be used under all chairs with rollers or casters.

27. Lessor shall provide disposal service, janitorial cleaning, and restroom supplies. The cost of providing such services above what is considered, at the discretion of Lessor, normal and reasonable for and office shall be paid by Lessee.

28. Lessor reserves the right to make such other and further reasonable regulations as in its judgement may from time to time be needed or desirable for the safety, care and cleanliness of Leased Premises, the Building of the Office Complex, and the preservation of good order therein.

EXHIBIT 10.8

Silicon Valley Bank Warrants

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR ANY APPLICABLE STATE SECURITIES LAW, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR PURSUANT TO RULE 144 AND AN EXEMPTION UNDER APPLICABLE STATE LAW OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE CORPORATION AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

WARRANT TO PURCHASE STOCK

Corporation:	Synchronoss Technologies, Inc., a Delaware corporation
Number of Shares:	60,345
Class of Stock:	Series A Preferred
Initial Exercise Price:	$2.90
Issue Date:	May 21, 2001
Expiration Date:	May 20, 2008

THIS WARRANT CERTIFIES THAT, for the agreed upon value of $1.00 and for other good and valuable consideration, SILICON VALLEY BANK ("Holder") is entitled to purchase the number of fully paid and nonassessable shares of the class of securities (the "Shares") of the corporation (the "Company") at the initial exercise price per Share (the "Warrant Price") all as set forth above and as adjusted pursuant to Article 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

ARTICLE 1. EXERCISE.

1.1 Method of Exercise. Holder may exercise this Warrant by delivering a duly executed Notice of Exercise in substantially the form attached as Appendix 1 to the principal office of the Company. Unless Holder is exercising the conversion right set forth in Section 1.2, Holder shall also deliver to the Company a check for the aggregate Warrant Price for the Shares being purchased.

1.2 Conversion Right. In lieu of exercising this Warrant as specified in Section 1.1, Holder may from time to time convert this Warrant, in whole or in part, into a number of Shares determined by dividing (a) the aggregate fair market value of the Shares or other securities otherwise issuable upon exercise of this Warrant minus the aggregate Warrant Price of such Shares by (b) the fair market value of one Share. The fair market value of the Shares shall be determined pursuant Section 1.3.

1.3 Fair Market Value. If the Shares are traded in a public market, the fair market value of the Shares shall be the closing price of the Shares (or the closing price of the Company's stock into which the Shares are convertible) reported for the business day immediately before Holder delivers its Notice of Exercise to the Company. If the Shares are not traded in a public market, the Board of Directors of the Company shall determine fair market value in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Promptly after Holder exercises or converts this Warrant, the Company shall deliver to Holder certificates for the Shares acquired and, if this Warrant has not been fully exercised or converted and has not expired, a new Warrant representing the Shares not so acquired.

1.5 Replacement of Warrants. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company or, in the case of mutilation, or surrender and cancellation of this Warrant, the Company shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor.

1.6 Assumption on Sale, Merger, or Consolidation of the Company.

1.6.1 "Acquisition". For the purpose of this Warrant, "Acquisition" means any sale, license, or other disposition of all or

substantially all of the assets of the Company, or any reorganization, consolidation, or merger of the Company where the holders of the Company's securities before the transaction beneficially own less than 50% of the outstanding voting securities of the surviving entity after the transaction.

1.6.2 Assumption of Warrant. Upon the closing of any Acquisition, the successor entity shall assume the obligations of this Warrant, and this Warrant shall be exercisable for the same securities, cash, and property as would be payable for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on the record date for the Acquisition and subsequent closing. The Initial Exercise Price and/or number of Shares shall be adjusted accordingly.

ARTICLE 2. ADJUSTMENTS TO THE SHARES.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend on its common stock (or the Shares if the Shares are securities other than common stock) payable in common stock, or other securities, subdivides the outstanding common stock into a greater amount of common stock, or, if the Shares are securities other than common stock, subdivides the Shares in a transaction that increases the amount of common stock into which the Shares are convertible, then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without cost to Holder, the total number and kind of securities to which Holder would have been entitled had Holder owned the Shares of record as of the date the dividend or subdivision occurred. If the outstanding shares are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Initial Exercise Price shall be proportionately increased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any reclassification, exchange, substitution, or other event that results in a change of the number and/or class of the securities issuable upon exercise or conversion of this Warrant, Holder shall be entitled to receive, upon exercise or conversion of this Warrant, the number and kind of securities and property that Holder would have received for the Shares if this Warrant had been exercised immediately before such reclassification, exchange, substitution, or other event. Such an event shall include any automatic conversion of the outstanding or issuable securities of the Company of the same class or series as the Shares to common stock pursuant to the terms of the Company's Articles of Incorporation upon the closing of a registered public offering of the Company's common stock. The Company or its successor shall promptly issue to Holder a new Warrant for such new securities or other property. The new Warrant shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 2 including, without limitation, adjustments to the Initial Exercise Price and to the number of securities or property issuable upon exercise of the new Warrant. The

provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, substitutions, or other events.

2.3 Adjustments for Dilutive Issuances. In the event of the issuance (a "Dilutive Issuance") by the Company of securities which would cause an adjustment to the conversion price for the Shares as provided in the Company's Restated Certificate of Incorporation, as amended (the "Certificate"), the Shares purchasable hereunder shall have the benefit the same anti-dilution rights applicable to the class as designated in the Certificate. Under no circumstances shall the aggregate Exercise Price payable by the Holder upon exercise of the Warrant increase as a result any adjustment arising from a Dilutive Issuance. The provisions set forth for the Shares in the Certificate relating to the above in effect as of the Issue Date may not be amended, modified or waived, without the prior written consent of Holder unless such amendment, modification or waiver affects Holder in the same manner as they affect all other shareholders of the Shares.

2.4 No Impairment. The Company shall not, by amendment of its Articles of Incorporation or through a reorganization, transfer of assets, consolidation, merger, dissolution, issue, or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Warrant by the Company, but shall at all times in good faith assist in carrying out of all the provisions of this Article 2 and in taking all such action as may be necessary or appropriate to protect Holder's

rights under this Article against impairment.

2.5 Fractional Shares. No fractional Shares shall be issuable upon exercise or conversion of the Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional share interest arises upon any exercise or conversion of the Warrant, the Company shall eliminate such fractional share interest by paying Holder the amount computed by multiplying the fractional interest by the fair market value of a full Share.

2.6 Certificate as to Adjustments. Upon each adjustment of the Warrant Price, the Company shall promptly notify Holder in writing, and, at the Company's expense, promptly compute such adjustment, and furnish Holder with a certificate of its Chief Financial Officer setting forth such adjustment and the facts upon which such adjustment is based. The Company shall, upon written request, furnish Holder a certificate setting forth the Warrant Price in effect upon the date thereof and the series of adjustments leading to such Warrant Price.

ARTICLE 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than (i) the price per share at which the Shares were last issued in an arms-length transaction in which at least $500,000 of the Shares were sold and (ii) the fair market value of the Shares as of the date of this Warrant.

(b) All Shares which may be issued upon the exercise of the purchase right represented by this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and nonassessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws.

(c) The Capitalization Table previously provided to Holder remains true and complete as of the issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time (a) to declare any dividend or distribution upon its common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend; (b) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (c) to effect any reclassification or recapitalization of common stock; (d) to merge or consolidate with or into any other corporation, or sell, lease, license, or convey all or substantially all of its assets, or to liquidate, dissolve or wind up; or (e) offer holders of registration rights the opportunity to participate in an underwritten public offering of the company's securities for cash, then, in connection with each such event, the Company shall give Holder (1) at least 10 days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of common stock will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (c) and (d) above; (2) in the case of the matters referred to in (c) and (d) above at least 10 days prior written notice of the date when the same will take place (and specifying the date on which the holders of common stock will be entitled to exchange their common stock for securities or other property deliverable upon the occurrence of such event); and (3) in the case of the matter referred to in (e) above, the same notice as is given to the holders of such registration rights.

3.3 Registration Under Securities Act of 1933. as amended. The Company agrees that the holder of this Warrant shall be treated as a "Holder," as that term is defined and used in the Company's November 13, 2000 Registration Rights Agreement (the "Registration Rights Agreement") and that the common stock issued or issuable upon conversion of the Shares issued or issuable upon conversion or exercise of this Warrant shall be subject to the registration rights set forth in the Registration Rights Agreement. The provisions set forth in the Company's

Registration Rights Agreement as of the Issue Date may not be amended, modified or waived without the prior written consent of Holder if such amendment, modification or waiver adversely affects Holder in a manner substantially different than the other stockholders of the Company who hold the same series of shares granted to the Holder.

ARTICLE 4. REPRESENTATIONS WARRANTIES OF THE HOLDER. The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. Except for transfers to Holder's affiliates, this Warrant and the securities to be acquired upon exercise of this Warrant by the Holder will be acquired for investment for the Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the 1933 Act, and the Holder has no present intention of selling, granting any participation in, or otherwise distributing the same. If not an individual, the Holder also represents that the Holder has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. The Holder has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. The Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such

information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to the Holder or to which the Holder has access.

4.3 Investment Experience. The Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. The Holder: (i) has experience as an investor in securities of companies in the development stage and acknowledges that the Holder is able to fend for itself, can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that the Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or (ii) has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables the Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. The Holder is an "accredited investor" within the meaning of Regulation D promulgated under the 1933 Act.

ARTICLE 5. MISCELLANEOUS.

5.1 Term: This Warrant is exercisable in whole or in part at any time and from time to time on or before the Expiration Date.

5.2 Legends. This Warrant and the Shares (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) shall be imprinted with a legend in substantially the following form:

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR UNDER ANY APPLICABLE STATE LAWS, AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THERE OF UNDER SUCH ACT AND AN EXEMPTION UNDER APPLICABLE STATE LAW OR PURSUANT TO RULE 144 OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE CORPORATION AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part without compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation

letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder or if there is no material question as to the availability of current information as referenced in Rule 144(c), Holder represents that it has complied with Rule 144(d) and (e) in reasonable detail, the selling broker represents that it has complied with Rule 144(f), and the Company is provided with a copy of Holder's notice of proposed sale.

5.4 Transfer Procedure. Subject to the provisions of Section 5.3, Holder may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the securities issuable, directly or indirectly, upon conversion of the Shares, if any) at any time to

Silicon Valley Bancshares or The Silicon Valley Bank Foundation, or to any affiliate of Holder, or, to any other transferee by giving the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer identification number of the transferee and surrendering this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable). The Company may refuse to transfer this Warrant to any person who directly competes with the Company, unless the stock of the Company is publicly traded.

5.5 Notices. All notices and other communications from the Company to the Holder, or vice versa, shall be deemed delivered and effective when given personally or mailed by first-class registered or certified mail, postage prepaid, at such address as may have been furnished to the Company or the Holder, as the case may be, in writing by the Company or such holder from time to time. All notices to the Holder shall be addressed as follows:

Silicon Valley Bank
Attn: Treasury Department
3003 Tasman Drive, HG 110
Santa Clara, CA 95054

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorney's Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorney's fees.

5.8 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

"COMPANY"

SYNCHRONOSS TECHNOLOGIES, INC.

By: /s/ STEPHEN WALDIS

Name: STEPHEN WALDIS
Title: CEO

By:

Name:

Title:

"HOLDER"
Silicon Valley Bank

By: /s/ Illegible

Name: Illegible
Title: Illegible

APPENDIX 1

NOTICE OF EXERCISE

1. Holder elects to purchase _____ shares of the Common/Series _____ Preferred [strike one] Stock of Synchronoss Technologies, Inc. pursuant to the terms of the attached Warrant, and tenders payment of the purchase price of the shares in full.

1. Holder elects to convert the attached Warrant into Shares/cash [strike one] in the manner specified in the Warrant. This conversion is exercised for _____ of the Shares covered by the Warrant.

[Strike paragraph that does not apply.]

2. Please issue a certificate or certificates representing the shares in the name specified below:

Holders Name

(Address)

3. The undersigned represents it is acquiring the shares solely for its own account and not as a nominee for any other party and not with a view toward the resale or distribution except in compliance with applicable securities laws.

HOLDER:

By:

Name:

Title:

(Date)

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR ANY APPLICABLE STATE SECURITIES LAW, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR PURSUANT TO RULE 144 AND AN EXEMPTION UNDER APPLICABLE STATE LAW OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE CORPORATION AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

WARRANT TO PURCHASE STOCK

Corporation:	Synchronoss Technologies, Inc., a Delaware corporation
Number of Shares:	34,483
Class of Stock:	Series A Preferred
Initial Exercise Price:	$2.90
Issue Date:	June 26, 2002

Expiration Date: June 25, 2009

THIS WARRANT CERTIFIES THAT, for the agreed upon value of $1.00 and for other good and valuable consideration, SILICON VALLEY BANK ("Holder") is entitled to purchase the number of fully paid and nonassessable shares of the class of securities (the "Shares") of the corporation (the "Company") at the initial exercise price per Share (the "Warrant Price") all as set forth above and as adjusted pursuant to Article 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

ARTICLE 1. EXERCISE.

1.1 Method of Exercise. Holder may exercise this Warrant by delivering a duly executed Notice of Exercise in substantially the form attached as Appendix 1 to the principal office of the Company. Unless Holder is exercising the conversion right set forth in Section 1.2, Holder shall also deliver to the Company a check for the aggregate Warrant Price for the Shares being purchased.

1.2 Conversion Right. In lieu of exercising this Warrant as specified in Section 1.1, Holder may from time to time convert this Warrant, in whole or in part, into a number of Shares determined by dividing (a) the aggregate fair market value of the Shares or other securities otherwise issuable upon exercise of this Warrant minus the aggregate Warrant Price of such Shares by (b) the fair market value of one Share. The fair market value of the Shares shall be determined pursuant Section 1.3.

1.3 Fair Market Value. If the Shares are traded in a public market, the fair market value of the Shares shall be the closing price of the Shares (or the closing price of the Company's stock into which the Shares are convertible) reported for the business day immediately before Holder delivers its Notice of Exercise to the Company. If the Shares are not traded in a public market, the Board of Directors of the Company shall determine fair market value in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Promptly after Holder exercises or converts this Warrant, the Company shall deliver to Holder certificates for the Shares acquired and, if this Warrant has not been fully exercised or converted and has not expired, a new Warrant representing the Shares not so acquired.

1.5 Replacement of Warrants. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company or, in the case of mutilation, or surrender and cancellation of this Warrant, the Company shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor.

1.6 Assumption on Sale, Merger, or Consolidation of the Company.

1.6.1 "Acquisition". For the purpose of this Warrant, "Acquisition" means any sale, license, or other disposition of all or substantially all of the assets of the Company, or any reorganization, consolidation, or merger of the Company where the holders of the Company's securities before the transaction beneficially own less than 50% of the outstanding voting securities of the surviving entity after the transaction.

1.6.2 Assumption of Warrant. Upon the closing of any Acquisition, the successor entity shall assume the obligations of this Warrant, and this Warrant shall be exercisable for the same securities, cash, and property as would be payable for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on the record date for the Acquisition and subsequent closing. The Initial Exercise Price and/or number of Shares shall be adjusted accordingly.

ARTICLE 2. ADJUSTMENTS TO THE SHARES.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend on its common stock (or the Shares if the Shares are securities other than common stock) payable in common stock, or other securities, subdivides the outstanding common stock into a greater amount of common stock, or, if the Shares are securities other than common stock, subdivides the Shares in a transaction that increases the amount of common stock into which the Shares are

convertible, then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without cost to Holder, the total number and kind of securities to which Holder would have been entitled had Holder owned the Shares of record as of the date the dividend or subdivision occurred. If the outstanding shares are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Initial Exercise Price shall be proportionately increased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any reclassification, exchange, substitution, or other event that results in a change of the number and/or class of the securities issuable upon exercise or conversion of this Warrant, Holder shall be entitled to receive, upon exercise or conversion of this Warrant, the number and kind of securities and property that Holder would have received for the Shares if this Warrant had been exercised immediately before such reclassification, exchange, substitution, or other event. Such an event shall include any automatic conversion of the outstanding or issuable securities of the Company of the same class or series as the Shares to common stock pursuant to the terms of the Company's Articles of incorporation upon the closing of a registered public offering of the Company's common stock. The Company or its successor shall promptly issue to Holder a new Warrant for such new securities or other property. The new Warrant shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 2 including, without limitation, adjustments to the Initial Exercise Price and to the number of securities or property issuable upon exercise of the new Warrant. The

provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, substitutions, or other events.

2.3 Adjustments for Dilutive Issuances. In the event of the issuance (a "Dilutive Issuance") by the Company of securities which would cause an adjustment to the conversion price for the Shares as provided in the Company's Restated Certificate of Incorporation, as amended (the "Certificate"), the Shares purchasable hereunder shall have the benefit the same anti-dilution rights applicable to the class as designated in the Certificate. Under no circumstances shall the aggregate Exercise Price payable by the Holder upon exercise of the Warrant increase as a result any adjustment arising from a Dilutive Issuance. The provisions set forth for the Shares in the Certificate relating to the above in effect as of the Issue Date may not be amended, modified or waived, without the prior written consent of Holder unless such amendment, modification or waiver affects Holder in the same manner as they affect all other shareholders of the Shares.

2.4 No Impairment. The Company shall not, by amendment of its Articles of Incorporation or through a reorganization, transfer of assets, consolidation, merger, dissolution, issue, or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Warrant by the Company, but shall at all times in good faith assist in carrying out of all the provisions of this Article 2 and in taking all such action as may be necessary or appropriate to protect Holder's rights under this Article against impairment.

2.5 Fractional Shares. No fractional Shares shall be issuable upon exercise or conversion of the Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional share interest arises upon any exercise or conversion of the Warrant, the Company shall eliminate such fractional share interest by paying Holder the amount computed by multiplying the fractional interest by the fair market value of a full Share.

2.6 Certificate as to Adjustments. Upon each adjustment of the Warrant Price, the Company shall promptly notify Holder in writing, and, at the Company's expense, promptly compute such adjustment, and furnish Holder with a certificate of its Chief Financial Officer setting forth such adjustment and the facts upon which such adjustment is based. The Company shall, upon written request, furnish Holder a certificate setting forth the Warrant Price in effect upon the date thereof and the series of adjustments leading to such Warrant Price.

ARTICLE 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and

warrants to the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than (i) the price per share at which the Shares were last issued in an arms-length transaction in which at least $500,000 of the Shares were sold and (ii) the fair market value of the Shares as of the date of this Warrant.

(b) All Shares which may be issued upon the exercise of the purchase right represented by this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and nonassessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws.

(c) The Capitalization Table previously provided to Holder remains true and complete as of the issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time (a) to declare any dividend or distribution upon its common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend; (b) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (c) to effect any reclassification or recapitalization of common stock; (d) to merge or consolidate with or into any other corporation, or sell, lease, license, or convey all or substantially all of its assets, or to liquidate, dissolve or wind up; or (e) offer holders of registration rights the opportunity to participate in an underwritten public offering of the company's securities for cash, then, in connection with each such event, the Company shall give Holder (1) at least 10 days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of common stock will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (c) and (d) above; (2) in the case of the matters referred to in (c) and (d) above at least 10 days prior written notice of the date when the same will take place (and specifying the date on which the holders of common stock will be entitled to exchange their common stock for securities or other property deliverable upon the occurrence of such event); and (3) in the case of the matter referred to in (e) above, the same notice as is given to the holders of such registration rights.

3.3 Registration Under Securities Act of 1933, as amended. The Company agrees that the holder of this Warrant shall be treated as a "Holder," as that term is defined and used in the Company's November 13, 2000 Registration Rights Agreement (the "Registration Rights Agreement") and that the common stock issued or issuable upon conversion of the Shares issued or issuable upon conversion or exercise of this Warrant shall be subject to the registration rights set forth in the Registration Rights Agreement. The provisions set forth in the Company's Registration Rights Agreement as of the Issue Date may not be amended, modified or waived without the prior written consent of Holder if such amendment, modification or waiver adversely affects Holder in a manner substantially different than the other stockholders of the Company who hold the same series of shares granted to the Holder.

ARTICLE 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER. The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. Except for transfers to Holder's affiliates, this Warrant and the securities to be acquired upon exercise of this Warrant by the Holder will be acquired for investment for the Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the 1933 Act, and the Holder has no present intention of selling, granting any participation in, or otherwise distributing the same. If not an individual, the Holder also represents that the Holder has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. The Holder has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and

its underlying securities. The Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such

information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to the Holder or to which the Holder has access.

4.3 Investment Experience. The Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. The Holder: (i) has experience as an investor in securities of companies in the development stage and acknowledges that the Holder is able to fend for itself, can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that the Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or (ii) has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables the Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. The Holder is an "accredited investor" within the meaning of Regulation D promulgated under the 1933 Act.

ARTICLE 5. MISCELLANEOUS.

5.1 Term: This Warrant is exercisable in whole or in part at any time and from time to time on or before the Expiration Date.

5.2 Legends. This Warrant and the Shares (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) shall be imprinted with a legend in substantially the following form:

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR UNDER ANY APPLICABLE STATE LAWS, AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THERE OF UNDER SUCH ACT AND AN EXEMPTION UNDER APPLICABLE STATE LAW OR PURSUANT TO RULE 144 OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE CORPORATION AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part without compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder or if there is no material question as to the availability of current information as referenced in Rule 144(c), Holder represents that it has complied with Rule 144(d) and (e) in reasonable detail, the selling broker represents that it has complied with Rule 144(f), and the Company is provided with a copy of Holder's notice of proposed sale.

5.4 Transfer Procedure. Subject to the provisions of Section 5.3, Holder may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the securities issuable, directly or indirectly, upon conversion of the Shares, if any) at any time to

Silicon Valley Bancshares or The Silicon Valley Bank Foundation, or to any affiliate of Holder, or, to any other transferee by giving the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer

identification number of the transferee and surrendering this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable). The Company may refuse to transfer this Warrant to any person who directly competes with the Company, unless the stock of the Company is publicly traded.

5.5 Notices. All notices and other communications from the Company to the Holder, or vice versa, shall be deemed delivered and effective when given personally or mailed by first-class registered or certified mail, postage prepaid, at such address as may have been furnished to the Company or the Holder, as the case may be, in writing by the Company or such holder from time to time. All notices to the Holder shall be addressed as follows:

Silicon Valley Bank
Attn: Treasury Department
3003 Tasman Drive, HG 110
Santa Clara, CA 95054

c

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorney's Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorney's fees.

5.8 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

"COMPANY"

SYNCHRONOSS TECHNOLOGIES, INC.

By: /s/ STEPHEN G. WALDIS

Name: STEPHEN G. WALDIS
Title: President and CEO

By:

Name:

Title:

"HOLDER"

Silicon Valley Bank

By: /s/ Robert Hamilton

Name: Robert Hamilton
Title: Vice President

APPENDIX 1

NOTICE OF EXERCISE

1. Holder elects to purchase _____ shares of the Common/Series _____ Preferred [strike one] Stock of Synchronoss Technologies, Inc. pursuant to the terms of the attached Warrant, and tenders payment of the purchase price of the shares in full.

1. Holder elects to convert the attached Warrant into Shares/cash [strike

one] in the manner specified in the Warrant. This conversion is exercised for _____ of the Shares covered by the Warrant.

[Strike paragraph that does not apply.]

2. Please issue a certificate or certificates representing the shares in the name specified below:

Holders Name

(Address)

3. The undersigned represents it is acquiring the shares solely for its own account and not as a nominee for any other party and not with a view toward the resale or distribution except in compliance with applicable securities laws.

HOLDER:

By: ---
Name: ---
Title: ---

(Date)

EXHIBIT 10.9

Loan and Security Agreement

Exhibit 10.9

LOAN AND SECURITY AGREEMENT

by and between

SYNCHRONOSS TECHNOLOGIES, INC.,

as the BORROWER

and

SILICON VALLEY BANK,

as the LENDER

MAY 21, 2001

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "Agreement") dated May _, 2001, between SILICON VALLEY BANK, a California chartered bank, an address of 3003 Tasman Drive, Santa Clara, California 95054 and a loan production office at 5 Radnor Corporate Center, Suite 555, 100 Matsonford Road, Radnor, Pennsylvania 19087, telefacsimile number (610) 971-2063 ("Bank") AND SYNCHRONOSS TECHNOLOGIES, INC., A DELAWARE corporation, having an address at 1525 Valley Center Parkway, Bethlehem, Pennsylvania 18017, telefacsimile number (610) 814-5501 ("Borrower"), provides the terms on which Bank will lend to Borrower and Borrower will repay Bank. The parties AGREE as follows:

1 ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement will be construed following GAAP. Calculations and determinations must be made following GAAP. The term "financial statements" includes the notes and schedules. The terms "including" and "includes" always mean "including (or includes) without limitation" in this or any Loan Document. Capitalized terms in this Agreement shall have the meanings set forth in Section 13.

2 LOAN AND TERMS OF PAYMENT

2.1 Revolving Advances.

(a) Bank will make Advances not exceeding the lesser of the Committed Revolving Line or the Borrowing Base. Amounts borrowed under this Section 2 .1 may be repaid and reborrowed during the term of this Agreement. All Advances shall be evidenced by a Revolving Promissory Note to be executed and delivered by Borrower to Bank on the Closing Date and shall be repaid in accordance with the terms of the Revolving Promissory Note,

(b) To obtain an Advance, Borrower must notify Bank by facsimile or telephone by 3:00 p.m. Eastern time on the Business Day the Advance is to be made. Borrower must promptly confirm the notification by delivering to Bank the Payment Advance Form attached AS EXHIBIT B. BANK WILL credit Advances to Borrower's deposit account. Bank may make Advances under this Agreement based on instructions from a Responsible Officer or his or her designee or without instructions if the Advances are necessary to meet Obligations which have become due. Bank may rely on any telephone notice given by a person whom Bank believes is a Responsible Officer or designee. Borrower will indemnify Bank for any loss Bank suffers due to that reliance.

(c) The Committed Revolving Line terminates on the Revolving Maturity Date, when all Advances are immediately payable.

2.2 Equipment Advances.

(a) Subject to the terms and conditions of this Agreement, Bank agrees to lend to Borrower, from time to time prior to the Commitment Termination Date, equipment advances (each an "Equipment Advance" and collectively the "Equipment Advances") in an aggregate amount not to exceed the Committed Equipment Line. When repaid, the Equipment Advances may not be reborrowed. The proceeds of the Equipment Advances will be used solely to reimburse Borrower for the purchase of Eligible Equipment purchased within ninety (90) days of the Equipment Advance. Bank's obligation to lend hereunder shall terminate on the

earlier of (i) the occurrence and continuance of an Event of Default, or (ii) the Commitment Termination Date. For purposes of this Section, the minimum amount of each Equipment Advance is Two Hundred Fifty Thousand Dollars ($250,000), provided that Borrower must draw down not less than One Million Dollars ($1,000,000) on the Committed Equipment Line within thirty (30) days of the Closing Date. The maximum number of Equipment Advances that will be made is six (6).

(b) To obtain an Equipment Advance, Borrower will deliver to Bank a completed supplement in substantially the form attached AS EXHIBIT E ("Loan Supplement"), copies of invoices for the Financed Equipment, together with a UCC Financing Statement, if requested by Bank, covering the Equipment described on the Loan Supplement, and such additional information as Bank may request at least five (5) Business Days before the proposed funding date (the "Funding Date"). On each Funding date, Bank will specify in the Loan Supplement for each Equipment Advance, the Basic Rate, the Loan Factor, and the Payment Dates. If Borrower satisfies the conditions of each Equipment Advance specified herein, Bank will disburse such Equipment Advance by internal transfer to Borrower's deposit account with Bank. Each Equipment Advance may not exceed one hundred percent (100%) of the Original Stated Cost.

(C) Bank's obligation to lend the undisbursed portion of the Committed Equipment Line will terminate if, in Bank's sole discretion, there has been a material adverse change in the general affairs, management, results of operation, condition (financial or otherwise) or the prospects of Borrower, whether or not arising from transactions in the ordinary course of business, or there has been any material adverse deviation by Borrower from the most recent business plan of Borrower presented to and accepted by Bank prior to the execution of this Agreement.

2.3 OVERADVANCES. If Borrower's Obligations under Section 2.1 exceed the lesser of either (i) the Committed Revolving Line or (ii) the Borrowing BASE, Borrower must immediately pay in cash to Bank the excess.

2.4 INTEREST RATE; PAYMENTS.

(a) INTEREST RATE.

(i) Advances under the Committed Revolving Line accrue interest on the outstanding principal balance in accordance with the Revolving Promissory Note.

(ii) Equipment Advances under the Committed Equipment Line accrue interest on the outstanding principal balance in accordance with Section 2 .5 (b) herein.

(iii) After an Event of Default, Obligations accrue interest at five percent (5%) above the rate set forth in the Revolving Promissory Note and the rate applicable to each Equipment Advance as set forth in Section 2.5 herein effective immediately before the Event of Default.

(iv) The interest rate on the Committed Revolving Line increases or decreases when the Prime Rate changes.

(v) Interest on the Obligations is computed on a 360-day year for the actual number of days elapsed.

(b) PAYMENTS.

(i) Interest on the Committed Revolving Line is payable on the first (1st) day of each month.

(ii) Principal and Interest on the Committed Equipment Line is payable in accordance with Section 2.5 (a) herein.

(iii) Bank may debit any of Borrower's deposit accounts including Account Number _____ for principal and interest payments when due or any amounts Borrower owes Bank when due. Bank will notify Borrower when it debits Borrower's accounts. These debits are not a set-off. Payments received after 12:00 noon Eastern time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment is due the next Business Day and interest accrues.

2.5 INTEREST RATE, PAYMENTS.

(a) PRINCIPAL AND INTEREST PAYMENTS ON PAYMENT DATES. Borrower will repay the Equipment Advances on the terms provided in the Loan Supplement. Borrower will make payments monthly in advance of principal and accrued interest for each Equipment Advance (collectively, "Scheduled Payments"), on the first Business Day of the month following the Funding Date (or commencing on the Funding Date if the Funding Date is the first Business Day of the month) with respect to such Equipment Advance and continuing thereafter during the Repayment Period on the first Business Day of each calendar month (each a "Payment Date"), in an amount equal to the Loan Factor multiplied by the Loan Amount for such Equipment Advance as of such Payment Date. All unpaid principal and accrued interest is due and payable in full on the last Payment Date with respect to such Equipment Advance. Payments received after 12:00 noon Eastern time are considered received at the opening of business on the next Business Day. An Equipment Advance may only be prepaid in accordance with Sections 2.5 (e) and 2.5 (g).

(b) INTEREST RATE. Borrower will pay interest on the Payment Dates (as described above) at the per annum rate of interest equal to the Basic Rate determined by Bank as of the Funding Date for each Equipment Advance in accordance with the definition of the Basic Rate. Any amounts outstanding during the continuance of an Event of Default shall bear interest at a per annum rate equal to the Basic Rate plus five percent (5%). If any change in the law increases Bank's expenses or decreases its return from the Equipment Advances, Borrower will pay Bank upon request the amount of such increase or decrease.

(c) INTERIM PAYMENT. In addition to the Scheduled Payments, on the Funding Date for each Equipment Advance (unless the Funding Date is the first Business Day of the month) Borrower shall pay to Bank, on behalf of Bank, the projected interest to accrue from the Funding Date to the first Payment Date, at the Bank's Prime Rate plus two percent (2.0%) per annum.

(d) FINAL PAYMENT. On the Maturity Date with respect to each Equipment Advance, Borrower will pay, in addition to the unpaid principal and accrued interest and all other amounts due on such date with respect to such Equipment Advance, an amount equal to the Final Payment.

(e) PREPAYMENT UPON AN EVENT OF LOSS. if any Financed Equipment is subject to an Event of Loss and Borrower is required to or elects to prepay the Equipment

Advance with respect to such Financed Equipment pursuant to Section 6 .7, then such Equipment Advance shall be prepaid to the extent and in the manner provided in such section.

(f) MANDATORY PREPAYMENT UPON AN ACCELERATION. If the Equipment Advances are accelerated following the occurrence of an Event of Default or otherwise (other than following an Event of Loss), then Borrower will immediately pay to Bank (i) all unpaid Scheduled Payments (including principal and interest) with respect to each Equipment Advance, (ii) all remaining Scheduled Payments (including principal and interest unpaid) (iii) all accrued unpaid interest, including the default rate of interest, to the date of the prepayment, (iv) the Final Payment and (v) all other sums, if any, that shall

have become due and payable with respect to any Equipment Advance.

(g) PERMITTED PREPAYMENT OF LOANS. Borrower shall have the option to prepay all, but not less than all, of the Equipment Advances advanced by Bank under this Agreement, provided Borrower (1) provides written notice to Bank of its election to prepay the Equipment Advances at least thirty (30) days prior to such prepayment, and (ii) pays, on the date of the prepayment (A) all unpaid Scheduled Payments (including principal and interest) with respect to each Equipment Advance; (B) all outstanding principal; (C) all unpaid accrued interest to the date of the prepayment; (D) the Final Payment; and (E) all other sums, if any, that shall have become due and payable hereunder with respect to this Agreement.

2.6 FEES. Borrower will pay to Bank:

(a) FACILITY FEE. A fully earned, nonrefundable facility fee for the Committed Revolving Line of Seven Thousand Five Hundred Dollars ($7,500) due on the Closing Date (which fee Bank acknowledges it has previously received); and

(b) BANK EXPENSES. All Bank Expenses including reasonable attorneys' fees and expenses (not exceeding Seven Thousand Five Hundred Dollars ($7,500), plus all out-of-pocket expenses, for pre-closing preparation and negotiation of this Agreement and the Loan Documents, provided reasonable negotiation), incurred through and after the Closing Date when due.

2.7 REQUEST TO DEBIT ACCOUNTS.

Bank may debit any of Borrower's deposit accounts including Account Number for principal and interest payments or any amounts Borrower owes when due.

Bank will notify Borrower when it debits Borrower's accounts. These debits are not a set-off.

3 CONDITIONS OF LOANS

3.1 CONDITIONS PRECEDENT TO INITIAL CREDIT EXTENSION. Bank's obligation to make the initial Credit Extension is subject to the following conditions precedent:

(a) With respect to the initial Credit Extension under the Committed Revolving Line only, Bank shall have conducted a satisfactory field audit of the Borrower; and

(b) Bank receives the agreements, documents and fees it reasonably requires.

3.2 CONDITIONS PRECEDENT TO ALL CREDIT EXTENSIONS. Bank's obligations to make each Credit Extension, including the initial Credit Extension, is subject to the following:

(a) timely receipt of any Payment/Advance Form; and

(b) the representations and warranties in Section 5 must be materially true on the date of the Payment/Advance Form and on the effective date of each Credit Extension and no Event of Default may have occurred and be continuing, or result from the Credit Extension. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in Section 5 remain true.

4 CREATION OF SECURITY INTEREST

4.1 GRANT OF SECURITY INTEREST. Borrower grants Bank a continuing security interest in all presently existing and later acquired Collateral to secure all Obligations and performance of each of Borrower's duties under the Loan Documents. Except for Permitted Liens, any security interest will be a first priority security interest in the Collateral. Bank may place a "hold" on any deposit account pledged as Collateral. If the Agreement is terminated, Bank's lien and security interest in the Collateral will continue until Borrower fully satisfies its Obligations.

5 REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

5.1 DUE ORGANIZATION AND AUTHORIZATION. Borrower is duly existing and in good standing in its state of formation and qualified and licensed to do business in, and in good standing in, any state in which the conduct of its business or its ownership of property requires that it be qualified, except where failure to do so could not reasonably be expected to cause a material Adverse Change. The execution, delivery and performance of the Loan Documents have been duly authorized, and do not conflict with Borrower's formations documents, nor constitute an event of default under any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which or by which it is bound in which the default could reasonably be expected to cause a Material Adverse Change.

5.2 COLLATERAL. Borrower has good title to the Collateral, free of Liens except Permitted Liens. The Eligible Accounts are bona fide, existing obligations, and the service or property has been performed or delivered to the account debtor or its agent for immediate shipment to and unconditional acceptance by the account debtor. Borrower has no notice of any actual or imminent Insolvency Proceeding of any account debtor whose accounts are an Eligible Account in any Borrowing Base Certificate. All Inventory is in all material respects of good and marketable quality, free from material defects. Borrower is the sole owner of the Intellectual Property, except for non-exclusive licenses granted to its customers in the ordinary course of business (provided Bank acknowledges that with respect to certain license rights held by Borrower in Intellectual Property licensed from third parties, Borrower may not be the sole and exclusive owner of all rights to such Intellectual Property). To the best of Borrower's knowledge, each Patent is valid and enforceable and no part of the Intellectual Property has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the Intellectual Property violates the rights of any third party.

5.3 LITIGATION. Except as shown in the Schedule, there are no actions or proceedings pending or, to Borrower's knowledge, to the knowledge of Borrower's Responsible Officers and legal counsel, threatened by or against Borrower or any Subsidiary in which an adverse decision could cause a Material Adverse Change.

5.4 NO MATERIAL ADVERSE CHANGE IN FINANCIAL STATEMENTS. All consolidated financial statements for Borrower and any Subsidiary delivered to Bank fairly present in all material respects Borrower's consolidated financial condition and Borrower's consolidated

results of operations. There has not been any material deterioration in Borrower's consolidated financial condition since the date of the most recent financial statements submitted to Bank.

5.5 SOLVENCY. Borrower is able to pay its debts (including trade debts) as they mature.

5.6 REGULATORY COMPLIANCE. Borrower is not an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act. Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations T and U of the Federal Reserve Board of Governors). Borrower has complied with the Federal Fair Labor Standards Act. Borrower has not violated any laws, ordinances or rules, the violation of which could cause a Material Adverse Change. None of Borrower's or any Subsidiary's properties or assets has been used by Borrower or any Subsidiary or, to the best of Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Borrower and each Subsidiary has timely filed all required tax returns and paid, or made adequate provision to pay, all material taxes. Borrower and each Subsidiary has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all government authorities that are necessary to continue its business as currently conducted, except where failure to do so could not reasonably be expected to cause a Material Adverse Change.

5.7 SUBSIDIARIES. Borrower does not own any stock, partnership interest or other equity securities except for Permitted Investments.

5.8 FULL DISCLOSURE. No representation, warranty or other statement of Borrower in any certificate or written statement given to Bank contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized by Bank that the projections and forecasts, if any, provided by Borrower in good faith and based upon reasonable assumptions are not to be viewed as facts and that actual results during the period or periods covered by any such projections and forecasts may differ from the projected or forecasted results).

6 AFFIRMATIVE COVENANTS

Borrower will do all of the following:

6.1 GOVERNMENT COMPLIANCE. Borrower will maintain its corporate existence and good standing in its jurisdiction of incorporation and maintain qualification in each jurisdiction in which the failure to so qualify could have a material adverse effect on Borrower's business or operations. Borrower will comply with all laws, ordinances and regulations to which it is subject, noncompliance with which could have a material adverse effect on Borrower's business or operations or cause a material Adverse Change.

6.2 FINANCIAL STATEMENTS REPORTS, CERTIFICATES.

Borrower will deliver to Bank: (i) as soon as available, but no later than thirty (30) days after the last day of each month, a Borrower prepared consolidated balance sheet and income statement covering Borrower's consolidated operations during the period, in a form acceptable to Bank and certified by a Responsible Officer; (ii) beginning with fiscal year 2001, as soon as available, but no later than one hundred twenty (120) days after the end of Borrower's fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied,

together with an unqualified opinion on the financial statements from an independent certified public accounting firm acceptable to Bank; (iii) a prompt report of any legal actions pending or threatened against Borrower or any Subsidiary that could result in damages or costs to Borrower or any Subsidiary of One Hundred Thousand Dollars ($100,000.00) or more; and (iv) budgets, sales projections, operating plans or other financial information Bank requests.

Within thirty (30) days after the last day of each month, Borrower will deliver to Bank a Borrowing Base Certificate signed by a Responsible Officer in the form of EXHIBIT C, with aged listings of accounts receivable.

Within thirty (30) days after the last day of each month, Borrower will deliver to Bank with the monthly financial statements a Compliance Certificate signed by a Responsible Officer in the form of EXHIBIT D.

Bank has the right to audit Borrower's Accounts at Borrower's expense not to exceed $5,000 per audit, but the audits will be conducted no more often than once every twelve (12) months unless an Event of Default has occurred and is continuing.

6.3 TAXES. Borrower will make, and cause each Subsidiary to make, timely payment of all material federal, state, and local taxes or assessments and will deliver to Bank, on demand, appropriate certificates attesting to the payment.

6.4 INSURANCE. Borrower will keep its business and the Collateral insured for risks and in amounts, as Bank requests. Insurance policies will be in a form, with companies, and in amounts that are satisfactory to Bank. All property policies will have a lender's loss payable endorsement showing Bank as a loss payee and all liability policies will show the Bank as an additional insured and provide that the insurer must give Bank at least twenty (20) days notice before canceling its policy. At Bank's request, Borrower will deliver certified copies of policies and evidence of all premium payments. Proceeds payable under any policy will, at Bank's option, be payable to Bank on account of the Obligations.

6.5 PRIMARY ACCOUNTS. Borrower will maintain its primary depository and operating accounts with Bank.

6.6 FINANCIAL COVENANTS.

Borrower will maintain as of the last day of each month, unless otherwise noted:

(a) QUICK RATIO. A ratio of (i) Quick Assets to (ii) Current Liabilities, of at least 2.0 to 1.0.

(b) REVENUES. Borrower shall have year to date total revenue of not less than the following amounts as of the dates indicated below, based on the monthly financial statements delivered to Bank pursuant to Section 6 .2 herein:

DATES	YEAR TO DATE TOTAL REVENUES
March 31, 2001	$1,100,000
June 30, 2001	$2,600,000
September 30, 2001	$4,400,000
December 31, 2001	$6,800,000

6.7 LOSS, DESTRUCTION OR DAMAGE.

Borrower will bear the risk of the Financed Equipment being lost, stolen, destroyed, or damaged. If during the term of this Agreement any item of Financed Equipment is lost, stolen, destroyed, damaged beyond repair, rendered permanently unfit for use, or seized by a governmental authority for any reason for a period equal to at least the remainder of the term of this Agreement (an "Event of Loss"), then in each case, Borrower:

(a) prior to the occurrence of an Event of Default, at Borrower's option, will (i) pay to Bank on account of the Obligations all accrued interest to the date of the prepayment, plus all outstanding principal, plus the Final Payment; or (ii) repair or replace any Financed Equipment subject to an Event of Loss provided the repaired or replaced Financed Equipment is of equal or like value to the Financed Equipment subject to an Event of Loss and provided further that Bank has a first priority perfected security interest in such repaired or replaced Financed Equipment.

(b) during the continuance of an Event of Default, on or before the Payment Date after such Event of Loss for each such item of Financed Equipment subject to such Event of Loss, Borrower will, at Bank's option, pay to Bank an amount equal to the sum of: (i) all accrued and unpaid Scheduled Payments (with respect to such Equipment Advance related to the Event of Loss) due prior to the next such Payment Date, (ii) all Regularly Scheduled Payments (including principal and interest), (iii) the Final Payment plus (iv) all other sums, if any, that shall have become due and payable, including interest at the Default Rate with respect to any past due amounts.

(c) On the date of receipt by Bank of the amount specified above with respect to each such item of Financed Equipment subject to an Event of Loss, this Agreement shall terminate as to such Financed Equipment. If any proceeds of insurance or awards received from governmental authorities are in excess of the amount owed under this Section, Bank shall promptly remit to Borrower the amount in excess of the amount owed to Bank.

6.8 FURTHER ASSURANCES. Borrower will execute any further instruments and take further action as Bank reasonably requests to perfect or continue Bank's security interest in the Collateral or to effect the purposes of this Agreement.

7 NEGATIVE COVENANTS

Borrower will not do any of the following:

7.1 DISPOSITIONS: Convey, sell, lease, transfer or otherwise dispose of (collectively a "Transfer"), all or any part of its business or property, other than a Transfer (i) of Inventory in the ordinary course of business; (ii) of non-exclusive licenses and similar arrangements for the use of the property of Borrower in the ordinary course of business; or (iii) of wornout or obsolete Equipment.

7.2 CHANGES IN BUSINESS OWNERSHIP, MANAGEMENT OR BUSINESS LOCATIONS. (i) Engage in any business other than the businesses currently engaged in by Borrower or business reasonably related thereto; or (ii) have a change of twenty-five percent (25%) or more of its capital stock (other than the sale of securities in a public offering or to existing investors) in its ownership or management; or (iii) if Stephen G. Waldis ceases to be a key executive officer of the Borrower with substantial responsibility for Borrower's day to day operations. Borrower

will not, without at least thirty (30) days prior written notice to Bank, relocate its principal executive office or add any new offices or business locations.

7.3 MERGERS OR ACQUISITIONS. Merge or consolidate with any other Person, or acquire all or substantially all of the capital stock or property of another Person.

7.4 INDEBTEDNESS. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 Encumbrance. Create, incur, or allow any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, except for Permitted Liens, or permit any Collateral not to be subject to Bank's first priority security interest granted herein, subject only to Permitted Liens.

7.6 INVESTMENTS; DISTRIBUTIONS. (i) Directly or indirectly acquire or own any Person, or make any Investment in any Person, other than Permitted Investments; or (ii) pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock.

7.7 Transactions WITH AFFILIATES. Directly or indirectly enter or permit any material transaction with any Affiliate, except transactions that are in the ordinary course of Borrower's business, on terms less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person.

7.8 SUBORDINATED DEBT. Make or permit any payment on any Subordinated Debt, except under the terms of the Subordinated Debt, or amend any provision in any document relating to the Subordinated Debt, without Bank's prior written consent.

7.9 COMPLIANCE. Undertake as one of its important activities extending credit to purchase or carry margin stock, or use the proceeds of any Advance for that purpose; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could have a material adverse effect on Borrower's business or operations or cause a Material Adverse Change, or permit any of its Subsidiaries to do so.

8 EVENTS OF DEFAULT

Any one of the following is an event of default:

8.1 PAYMENT DEFAULT. Borrower fails to pay any of the Obligations within three (3) days after their due date. During the additional three (3) day period the failure to cure the default is not an Event of Default (but no Credit Extensions shall be made during the cure period);

8.2 COVENANT DEFAULT. Borrower does not perform any obligation in Section 6 or violates any covenant in Section 7 or does not perform or observe

any other material term, condition or covenant in this Agreement, any Loan Documents, or in any agreement between Borrower and Bank and as to any default under a term, condition or covenant that can be cured, has not cured the default within ten (10) days after it occurs, or if the default cannot be cured within ten (10) days or cannot be cured after Borrower's attempts in the ten (10) day period, and the default may be cured within a reasonable time, then Borrower has an additional time, (of not more than thirty (30) days) to attempt to cure the default. During the additional period the failure

to cure the default is not an Event of Default (but no Credit Extensions will be made during the cure period);

8.3 MATERIAL ADVERSE CHANGE. (i) Bank determines, based upon information available to it and in its reasonable judgment, that there is a reasonable likelihood that Borrower will fail to comply with one or more of the financial covenants in Section 6.6 during the next succeeding financial reporting period; (ii) a material impairment of the perfection or priority of the Bank's security interest in the Collateral or in the value of such Collateral which is not covered by adequate insurance occurs; (iii) a material adverse change in the business, operations, or condition (financial or otherwise) of the Borrower occurs, or (iv) a material impairment of the prospect of repayment of any portion of the Obligations occurs (collectively, a "Material Adverse Change");

8.4 ATTACHMENT. (i) Any material portion of Borrower'S assets is attached, seized, levied on, or comes into possession of a trustee or receiver and the attachment, seizure or levy is not removed in ten (10) days; (ii) Borrower is enjoined, restrained, or prevented by court order from conducting a material part of its business; (iii) a judgment or other claim becomes a Lien on a material portion of Borrower's assets; or (iv) a notice of lien, levy, or assessment is filed against any of Borrower's assets by any government agency and not paid within ten (10) days after Borrower receives notice. These are not Events of Default if stayed or if a bond is posted pending contest by Borrower (but no Credit Extension will be made during the cure period);

8.5 INSOLVENCY. (i) Borrower becomes insolvent; (ii) Borrower begins an Insolvency Proceeding; or (iii) an Insolvency Proceeding is begun against Borrower and not dismissed or stayed within thirty (30) days (but no Credit Extensions will be made before any insolvency Proceeding is dismissed);

8.6 DEFAULT UNDER WARRANT. The Borrower shall breach any material term of that certain Warrant from the Borrower in favor of the Bank of even date herewith.

8.7 MISREPRESENTATIONS. If Borrower or any Person acting for Borrower makes any material misrepresentation or material misstatement now or later in any warranty or representation in this Agreement or in any communication delivered to Bank or to induce Bank to enter this Agreement or any Loan Document.

9 BANK'S RIGHTS AND REMEDIES

9.1 RIGHTS AND REMEDIES. When an Event of Default occurs and continues Bank may, without notice or demand, do any or ail of the following:

Declare all Obligations immediately due and payable (but if an Event of Default described in Section 8 .5 occurs all Obligations are immediately due and payable without any action by Bank);

Stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Bank;

Settle or adjust disputes and claims directly with account debtors for amounts, on terms and in any order that Bank considers advisable;

Make any payments and do any acts it considers necessary or reasonable to protect its security interest in the Collateral. Borrower will assemble the Collateral if Bank

requests and make it available as Bank designates. Bank may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Bank a license to enter and occupy any of its premises, without charge, to exercise any of Bank's rights or remedies;

Apply to the Obligations any (i) balances and deposits of Borrower it holds, or (ii) any amount held by Bank owing to or for the credit or the account of Borrower;

Ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral; and

Dispose of the Collateral according to the Code.

9.2 POWER OF ATTORNEY. When an Event of Default occurs and continues, Borrower irrevocably appoints Bank as its lawful attorney to: (i) endorse Borrower's name on any checks or other forms of payment or security; (ii) sign Borrower's name on any invoice or bill of lading for any Account or drafts against account debtors, (iii) make, settle, and adjust all claims under Borrower's insurance policies; (iv) settle and adjust disputes and claims about the Accounts directly with account debtors, for amounts and on terms Bank determines reasonable; and (v) transfer the Collateral into the name of Bank or a third party as the Code permits. Bank may exercise the power of attorney to sign Borrower's name on any documents necessary to perfect or continue the perfection of any security interest regardless of whether an Event of Default has occurred. Bank's appointment as Borrower's attorney in fact, and all of Bank's rights and powers, coupled with an interest, are irrevocable until all Obligations have been fully repaid and performed and Bank's obligation to provide Credit Extensions terminates.

9.3 ACCOUNTS COLLECTION. When an Event of Default occurs and continues, Bank may notify any Person owing Borrower money of Bank's security interest in the funds and verify the amount of the Account. Borrower must collect all payments in trust for Bank and, if requested by Bank, immediately deliver the payments to Bank in the form received from the account debtor, with proper endorsements for deposit.

9.4 BANK EXPENSES. If Borrower fails to pay any amount or furnish any required proof of payment to third persons Bank may make all or part of the payment or obtain insurance policies required in Section 6.5, and take any action under the policies Bank deems prudent. Any amounts paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then applicable rate and secured by the Collateral. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver of any Event of Default.

9.5 BANK's LIABILITY FOR COLLATERAL. If Bank complies with reasonable banking practices, it is not liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other person. Except as provided in the preceding sentence, Borrower bears all risk of loss, damage or destruction of the Collateral.

9.6 REMEDIES CUMULATIVE. Bank's rights and remedies under this Agreement, the Loan Documents, and all other agreements are cumulative. Bank has all rights and remedies provided under the Code, by law, or in equity. Bank's exercise of one right or remedy is not an election, and Bank's waiver of any Event of Default is not a continuing waiver. Bank's delay is

not a waiver, election, or acquiescence. No waiver its effective unless signed by Bank and then is only effective for the specific instance and purpose for which it was given.

9.7 DEMAND WAIVER. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at

maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guaranties held by Bank on which Borrower is liable.

10 NOTICES

All notices or demands by any party to this Agreement or any other related agreement must be in writing and be personally delivered or sent by an overnight delivery service, by certified mail, postage prepaid, return receipt requested, or by telefacsimile at the addresses listed at the beginning of this Agreement. Any notice sent to Borrower shall also be sent to Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP, 610 Lincoln Street, Waltham, Massachusetts 02451, Attn: Kevin J. Sullivan, Esquire, telefacsimile number (781) 622-1622. A party may change its notice address by giving the other party written notice.

11 CHOICE OF LAW VENUE AND JURY TRIAL WAIVER

Pennsylvania law governs the Loan Documents without regard to principles of conflicts of law. Borrower and Bank each submit to the exclusive jurisdiction of the State and Federal courts in the Commonwealth of Pennsylvania provided, however, that if for any reason the Bank can not avail itself of the courts of the Commonwealth of Pennsylvania, the Borrower and Bank each submit to the jurisdiction of the State and Federal Courts in Santa Clara County, California.

BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

12 GENERAL PROVISIONS

12.1 SUCCESSORS AND ASSIGNS. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or Obligations under it without Bank's prior written consent which may be granted or withheld in Bank's discretion. Bank has the right, without the consent of or notice to Borrower, to sell, transfer, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights and benefits under this Agreement, the Loan Documents or any related agreement.

12.2 INDEMNIFICATION. Borrower will indemnify, defend and hold harmless Bank and its officers, employees and agents against: (a) all obligations, demands, claims, and liabilities asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (b) all losses or Bank Expenses incurred, or paid by Bank from, following, or consequential to transactions between Bank and Borrower (including reasonable attorneys' fees and expenses), except for losses caused by Bank's gross negligence or willful misconduct.

12.3 TIME OF ESSENCE. Time is of the essence for the performance of all Obligations in this Agreement.

12.4 SEVERABILITY OF PROVISION. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.5 AMENDMENTS IN WRITING, INTEGRATION. All amendments to this Agreement must be in writing signed by both Bank and Borrower. This Agreement, the Loan Documents and the Loan Supplement, if any, represent the entire agreement about this subject matter, and supersedes prior or contemporaneous negotiations or agreements. All prior or contemporaneous agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Agreement and the Loan Documents merge into this Agreement and the Loan Documents.

12.6 COUNTERPARTS. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, are an original, and all taken together, are one

Agreement.

12.7 SURVIVAL. All covenants, representations and warranties made in this Agreement continue in full force while any Obligations remain outstanding, The obligations of Borrower in Section 12.2 to indemnify Bank will survive until all statutes of limitations for actions that may be brought against Bank have run.

12.8 CONFIDENTIALITY. In handling any confidential information, Bank will exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made:, (i) to Bank's subsidiaries or affiliates in connection with their business with Borrower; (ii) to prospective transferees or purchasers of any interest in the Loans; (iii) as required by law, regulation, subpoena, or other order, (iv) as required in connection with Bank's examination or audit; and (v) as Bank considers appropriate in exercising remedies under this Agreement. Confidential information does not include information that either: (a) is in the public domain or in Bank's possession when disclosed to Bank, or becomes part of the public domain after disclosure to bank; or (b) is disclosed to Bank by a third party, if Bank does not know that the third party is prohibited from disclosing the information. In connection with any prospective transfer or purchase of any interest in the Loans, bank will request that any prospective transferee or purchaser agree to be bound by the terms of this Section, but the failure to obtain any such agreement from any such Person shall not affect or impair in any manner Bank's ability or right to disclose such information to such transferee or purchaser.

12.9 ATTORNEYS' FEES, COSTS AND EXPENSES. In any action or proceeding between Borrower and Bank arising out of the Loan Documents, the prevailing party will be entitled to recover its reasonable attorneys' fees and other costs and expenses incurred, in addition to any other relief to which it may be entitled, whether or not a lawsuit is filed.

13 DEFINITIONS

13.1 DEFINITIONS.

"ACCOUNTS" are all existing and later arising accounts, contract rights, and other obligations owed Borrower in connection with its sale or lease of goods (including licensing software and other technology) or provision of services, all credit insurance, guaranties, other security and all merchandise returned or reclaimed by Borrower and Borrower's Books relating to any of the foregoing.

"ADVANCE" OR "ADVANCES" is a loan advance (or advances) under the Committed Revolving Line.

"AFFILIATE" of a Person is a Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person's managers and members.

"BANK EXPENSES" are all audit fees and expenses and reasonable costs or expenses (including reasonable attorneys' fees and expenses) for preparing, negotiating, administering, defending and enforcing the Loan Documents (including appeals or Insolvency Proceedings).

"BASIC RATE" is, as of the Funding Date, a fixed per annum rate of interest (based on a year of 360 days) equal to the greater of (i) nine percent (9%) or (ii) the sum of (a) the Prime Rate, plus (b) the Loan Margin.

"BORROWER'S BOOKS" are all Borrower's books and records including ledgers, records regarding Borrower's assets or liabilities, the Collateral, business operations or financial condition and all computer programs or discs or any equipment containing the information.

"BORROWING BASE" is eighty percent (80%) of Eligible Accounts, as determined by Bank from Borrower's most recent Borrowing Base Certificate.

"BORROWING BASE CERTIFICATE" is EXHIBIT C.

"BUSINESS Day" is any day that is not a Saturday, Sunday or a day on which the Bank is closed.

"CLOSING DATE" is the date of this Agreement.

"CODE" is the Pennsylvania Uniform Commercial Code.

"COLLATERAL" is the property described on EXHIBIT A.

"COMMITMENT TERMINATION DATE" is September 30, 2001.

"COMMITTED EQUIPMENT Line" is an Equipment Advance or Equipment Advances of up to Two Million Dollars ($2,000,000).

"COMMITTED REVOLVING LINE" is an Advance or Advances of up to One Million Five Hundred Thousand Dollars ($1,500,000).

"CONTINGENT OBLIGATION" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (i) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation directly or indirectly guaranteed, endorsed, comade, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (ii) any obligations for undrawn letters of credit for the account of that Person; and (iii) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designed to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated

liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under the guarantee or other support arrangement.

"COPYRIGHTS" are all copyright rights, applications or registrations and like protections in each work or authorship or derivative work, whether published or not (whether or not it is a trade secret) now or later existing, created, acquired or held.

"CREDIT EXTENSION" is each Advance, Equipment Advance, or any other extension of credit by Bank for Borrower's benefit.

"CURRENT LIABILITIES" are the aggregate amount of Borrower's Total Liabilities, excluding Indebtedness in favor of Bank, which mature within one (1) year, plus all Indebtedness in favor of Bank.

"ELIGIBLE ACCOUNTS" are Accounts in the ordinary course of Borrower's business that meet all Borrower's representations and warranties in Section 5.2; BUT Bank may change eligibility standards by giving Borrower thirty (30) days prior written notice. Unless Bank agrees otherwise in writing, Eligible Accounts will not include:

(a) Accounts that the account debtor has not paid within ninety (90) days of invoice date;

(b) Accounts for an account debtor, fifty percent (50%) or more of whose Accounts have not been paid within ninety (90) days of invoice date;

(c) Credit balances over ninety (90) days from invoice date;

(d) Accounts for an account debtor, including Affiliates, whose total obligations to Borrower exceed twenty-five percent (25%) of all Accounts (except with respect to WorldCom, for which total obligations to Borrower can not exceed fifty percent (50%) of ail Accounts), for the amounts that exceed that percentage, unless Bank approves in writing;

(e) Accounts for which the account debtor does not have its

principal place of business in the United States;

(f) Accounts for which the account debtor is a federal, state or local government entity or any department, agency, or instrumentality;

(g) Accounts for which Borrower owes the account debtor, but only up to the amount owed (sometimes called "contra" accounts, accounts payable, customer deposits or credit accounts);

(h) Accounts for demonstration or promotional equipment, or in which goods are consigned, sales guaranteed, sale or return, sale on approval, bill and hold, or other terms if account debtor's payment may be conditional;

(i) Accounts for which the account debtor is Borrower's Affiliate, officer, employee, or agent, provided, however, that for purposes of the definition of Eligible Accounts, Accounts from Celox and Vertek are not Accounts from an Affiliate of Borrower;

(j) Accounts in which the account debtor disputes liability or makes any claim and Bank believes there may be a basis for dispute (but only up to the disputed or claimed

amount), or if the Account Debtor is subject to an Insolvency Proceeding, or becomes insolvent, or goes out of business;

(k) Accounts for which Vertek is the Account Debtor, to the extent that such Accounts in the aggregate exceed $100,000; and

(1) Accounts for which Bank reasonably determines collection to be doubtful.

"ELIGIBLE EQUIPMENT" is new or used general purpose computer equipment, office equipment, test and laboratory equipment, furnishings, and, subject to the limitations set forth below, Other Equipment that complies with all of Borrower's representations and warranties to Bank and which is acceptable to Bank in all respects.

"EQUIPMENT" is all present and future machinery, equipment, tenant improvements, furniture, fixtures, vehicles, tools, parts and attachments in which Borrower has any interest.

"EQUIPMENT ADVANCE" is defined in Section 2.2.

"EQUIPMENT TERM NOTE" means that certain Equipment Term Note of even date herewith in the principal amount of Two Million Dollars ($2,000,000) from Borrower in favor of Bank, together with all renewals, amendments, modifications and substitutions therefor.

"ERISA" is the Employment Retirement Income Security Act of 1974, and its regulations.

"FINAL PAYMENT" is a payment (in addition to and not a substitution for the regular monthly payments of principal plus accrued interest) due on the Maturity Date for such Equipment Advance equal to the Loan Amount for such Equipment Advance multiplied by the Final Payment Percentage.

"FINAL PAYMENT PERCENTAGE" is, for each Equipment Advance, five percent (5%).

"FINANCED EQUIPMENT" is defined in the Loan Supplement.

"FUNDING DATE" is any date on which an Equipment Advance is made to or on account of Borrower.

"GAAP" is generally accepted accounting principles.

"INDEBTEDNESS" is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations and (d) Contingent Obligations.

"INSOLVENCY PROCEEDING" is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"INTELLECTUAL PROPERTY" is:

(a) Copyrights, Trademarks, and Patents including amendments, renewals, extensions, and all licenses or other rights to use and all license fees and royalties from the use;

Any trade secrets and any Intellectual Property rights in computer software and computer software products now or later existing, created, acquired or held;

All design rights which may be available to Borrower now or later created, acquired or held;

Any claims for damages (past, present or future) for infringement of any of the rights above, with the right, but not the obligation, to sue and collect damages for use or infringement of the intellectual property rights above; and

All proceeds and products of the foregoing, including all insurance, indemnity or warranty payments.

"INVENTORY" is present and future inventory in which Borrower has any interest, including merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products intended for sale or lease or to be furnished under a contract of service, of every kind and description now or later owned by or in the custody or possession, actual or constructive, of Borrower, including inventory temporarily out of its custody or possession or in transit and including returns on any accounts or other proceeds (including insurance proceeds) from the sale or disposition of any of the foregoing and any documents of title.

"INVESTMENT" is any beneficial ownership of (including stock, partnership interest or other securities) any Person, or any loan, advance or capital contribution to any Person.

"LIEN" is a mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

"LOAN AMOUNT" is the aggregate amount of the Equipment Advance.

"LOAN DOCUMENTS" are, collectively, this Agreement, the Revolving Promissory Note, the Equipment Term Note, any note, or notes or guaranties executed by Borrower, and any other present or future agreement between Borrower and/or for the benefit of Bank in connection with this Agreement, all as amended, extended or restated.

"LOAN FACTOR" is the percentage which results from amortizing the Equipment Advance over the Repayment Period, using the Basic Rate as the interest rate.

"LOAN MARGIN" is one hundred fifty (150) basis points.

"LOAN SUPPLEMENT" is attached as EXHIBIT E.

"MATERIAL ADVERSE CHANGE" has been defined in Section 8.3 hereof.

"MATURITY DATE" is, with respect to each Equipment Advance, the last day of the Repayment Period for such Equipment Advance, or if earlier, the date of acceleration of such Equipment Advance by Bank following an Event of Default.

"OBLIGATIONS" are debts, principal, interest, Bank Expenses and other amounts Borrower owes Bank now or later, including interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Bank.

"ORIGINAL STATED COST" is (i), the original cost to the Borrower of the item of new or used Equipment net of any and all freight, installation, tax or (ii) the fair market value assigned to

such item of used Equipment by mutual agreement of Borrower and Bank at the time of making of the Equipment Advance.

"OTHER EQUIPMENT" is leasehold improvements, intangible property such as computer software and software licenses, and other soft costs approved by the Bank, including sales tax, freight and installation expense. Unless otherwise agreed to by Bank, not more than Five Hundred Thousand Dollars ($500,000) of the Committed Equipment Line shall consist of Other Equipment.

"PATENTS" are patents, patent applications and like protections, including improvements, divisions, continuations, renewals, reissues, extensions and continuations in part of the same.

"PERMITTED INDEBTEDNESS" is:

(a) BORROWER'S indebtedness to BANK under this Agreement or the Loan Documents;

Indebtedness existing on the Closing Date and shown on the Schedule;

Subordinated Debt;

Indebtedness to trade creditors incurred in the ordinary course of business; and

Indebtedness secured by Permitted Liens.

"PERMITTED INVESTMENTS" ARE:

(b) Investments shown on the Schedule and existing on the Closing Date;

(c) marketable direct obligations issued or unconditionally guaranteed by the United States or its agency or any State maturing within one (1) year from its acquisition, (ii) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor's Corporation or Moody's Investors Service, Inc., and (iii) Bank's certificates of deposit issued maturing no more than one (1) year after issue; and

(d) LOANS TO EMPLOYEES OR DIRECTORS OF BORROWER TO PURCHASE STOCK IN BORROWER IN AN AGGREGATE AMOUNT NOT TO EXCEED ONE MILLION TWO HUNDRED THOUSAND DOLLARS ($1,200,000) IN THE AGGREGATE, PROVIDED THAT NO EVENT OF DEFAULT HAS OCCURRED, IS CONTINUING OR WOULD EXIST AFTER GIVING EFFECT TO SUCH LOANS.

"Permitted Liens" are:

(e) Liens existing on the Closing Date and shown on the Schedule or arising under this Agreement or other Loan Documents;

(f) Liens for taxes, fees, assessments or other government charges or levies, either not delinquent or being contested in good faith and for which Borrower maintains adequate reserves on its Books, if they have no priority over any of Bank's security interests;

(g) Purchase money Liens (i) on Equipment acquired or held by Borrower or its Subsidiaries incurred for financing the acquisition of the Equipment, or (ii) existing on equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the equipment;

(h) Leases or subleases and licenses or sublicenses granted in the ordinary course of Borrower's business, if the leases, subleases, licenses and sublicenses permit granting Bank a security interest; and

(i) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (a) through (c), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase.

"PERSON" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"PRIME RATE" is Bank's most recently announced "prime rate," even if it is not Bank's lowest rate.

"QUICK ASSETS" is, on any date, the Borrower's consolidated, unrestricted cash, cash equivalents, net billed accounts receivable and investments with maturities of less than twelve (12) months determined according to GAAP.

"REPAYMENT PERIOD," as to the Equipment Advances, is thirty (30) months.

"RESPONSIBLE OFFICER" is each of the Chief Executive Officer, the President, the Chief Financial Officer and the Director of Finance of Borrower.

"REVOLVING MATURITY DATE" is May __, 2002.

"REVOLVING PROMISSORY NOTE" means that certain Revolving Promissory Note of even date herewith in the maximum principal amount of One Million Five Hundred Thousand Dollars ($1,500,000) from Borrower in favor of Bank, together with all renewals, amendments, modifications and substitutions, therefor.

"SCHEDULE" is any attached schedule of exceptions.

"SUBORDINATED DEBT" is debt incurred by Borrower subordinated to Borrower's indebtedness owed to Bank and which is reflected in a written agreement in a manner and form acceptable to Bank and approved by Bank in writing.

"SUBSIDIARY" is for any Person, joint venture, or any other business entity of which more than fifty percent (50%) of the voting stock or other equity interests is owned or controlled, directly or indirectly, by the Person or one or more Affiliates of the Person.

"TOTAL LIABILITIES" is on any day, obligations that should, under GAAP, be classified as liabilities on Borrower's consolidated balance sheet, including all Indebtedness, and current portion Subordinated Debt allowed to be paid, but excluding all other Subordinated Debt.

"TRADEMARKS" are trademark and service mark rights, registered or not, applications to register and registrations and like protections, and the entire goodwill of the business of Borrower connected with the trademarks.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

BORROWER:

SYNCHRONOSS TECHNOLOGIES, INC.

By:
Name: Stephen Waldis
Title: CEO

BANK:

SILICON VALLEY BANK

BY:
Name: Illegible
Title:

SILICON VALLEY BANK

BY:
Name:
Title:

EXHIBIT A
COLLATERAL

The Collateral shall consist of all right, title and interest of Borrower in and to the following:

(a) All goods and equipment now owned or hereafter acquired, including, without limitation, all machinery, fixtures, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing, and all attachments, accessories, accessions, replacements, substitutions, additions, and improvements to any of the foregoing, wherever located;

(b) All inventory, now owned or hereafter acquired, including, without limitation, all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products including such inventory as is temporarily out of Borrower's custody or possession or in transit and including any returns upon any accounts or other proceeds, including insurance proceeds, resulting from the sale or disposition of any of the foregoing and any documents of title representing any of the above, and Borrower's Books relating to any of the foregoing;

(c) All contract rights and general intangibles now owned or hereafter acquired, including, without limitation, goodwill, leases, license agreements, franchise agreements, blueprints, drawings, purchase orders, customer lists, route lists, claims, literature, reports, catalogs, income tax refunds, payments of insurance and rights to payment of any kind;

(d) All now existing and hereafter arising accounts, contract rights, royalties, license rights and all other forms of obligations owing to Borrower arising out of the sale or lease of goods, the licensing of technology or the rendering of services by Borrower, whether or not earned by performance, and any and all credit insurance, guaranties, and other security therefor, as well as all merchandise returned to or reclaimed by Borrower and Borrower's Books relating to any of the foregoing;

(e) All documents, cash, deposit accounts, securities, letters of credit, certificates of deposit, instruments and chattel paper now owned or hereafter acquired and Borrower's Books relating to the foregoing; and

(f) Any and all claims, rights and interests in any of the above and all substitutions for, additions and accessions to and proceeds thereof.

Each item of equipment, or personal property financed with a "Equipment Advance" pursuant to that certain Loan and Security Agreement, dated as of May __, 2001 (the "Loan Agreement"), by and between Borrower and Bank, including, without limitation, the property described in Annex A hereto, whether now owned or hereafter acquired, together with all substitutions, renewals or replacements of and additions, improvements, and accessions to any and all of the foregoing, and all proceeds from sales, renewals, releases or other dispositions thereof.

Notwithstanding the foregoing, the Collateral shall not be deemed to include any copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished, now owned or

hereafter acquired; any patents, trademarks, servicemarks and applications therefor; any trade secret rights, including any rights to unpatented inventions, know-how, operating manuals, license rights and agreements and confidential information, now owned or hereafter acquired; or any claims for damages by way of any past, present and future infringement of any of the foregoing.

Notwithstanding the foregoing, "Collateral" excludes Intellectual Property currently held or hereafter obtained, but includes proceeds of Intellectual Property (including all rights to payment or general intangibles arising therefrom).

EXHIBIT B
LOAN PAYMENT/ADVANCE TELEPHONE REQUEST FORM

DEADLINE FOR SAME DAY PROCESSING IS 3:00 P.M., EASTERN TIME

TO: CENTRAL CLIENT SERVICE DIVISION DATE: _____
FAX#: (781) 431-9906 TIME: _____

FROM: _____
CLIENT NAME (BORROWER)

REQUESTED BY: _____
AUTHORIZED SIGNER'S NAME

AUTHORIZED SIGNATURE: _____

PHONE NUMBER: _____

FROM ACCOUNT # _____ TO ACCOUNT # _____

REQUESTED TRANSACTION TYPE	REQUEST DOLLAR AMOUNT
PRINCIPAL INCREASE (ADVANCE)	$
PRINCIPAL PAYMENT (ONLY)	$
INTEREST PAYMENT (ONLY)	$
PRINCIPAL AND INTEREST (PAYMENT)	$

OTHER INSTRUCTIONS:

All Borrower's representations and warranties in the Loan and Security Agreement are true, correct and complete in all material respects on the date of the telephone request for and Advance confirmed by this Borrowing Certificate; but those representations and warranties expressly referring to another date shall be true, correct and complete in all material respects as of that date.

BANK USE ONLY
TELEPHONE REQUEST:

The following person is authorized to request the loan payment transfer/loan advance on the advance designated account and is known to me.

_____ _____
Authorized Requester Phone #

_____ _____
Received By (Bank) Phone #

_____
Authorized Signature (Bank)

EXHIBIT C
BORROWING BASE CERTIFICATE

Borrower: Synchronoss Technologies, Inc. Lender: Silicon Valley Bank

Commitment Amount: $ 1,500,000

ACCOUNTS RECEIVABLE

1.	Accounts Receivable Book Value as of	$
2.	Additions (please explain on reverse)	$
3.	TOTAL ACCOUNTS RECEIVABLE	$

ACCOUNTS RECEIVABLE DEDUCTIONS (without duplication)

4.	Amounts over 90 days due	$
5.	Balance of 50% over 90 day accounts	$
6.	Credit balances over 90 days	$
7.	Concentration Limits (50% for WorldCom)	$
8.	Foreign Accounts	$
9.	Governmental Accounts	$
10.	Contra Accounts	$
11.	Promotion or Demo Accounts	$
12.	Intercompany/Employee Accounts	$
13.	Other (please explain on reverse)	$
14.	TOTAL ACCOUNTS RECEIVABLE DEDUCTIONS	$
15.	Eligible Accounts (#3 minus #14)	$
16.	LOAN VALUE OF ACCOUNTS (80% of #15)	$

BALANCES

17.	Maximum Loan Amount	$ 1,500,000
18.	Total Funds Available Lesser of #16 or #17	$
20.	Present balance owing on Line of Credit	$
21.	Outstanding under Sublimits	$
22.	RESERVE POSITION (#17 minus #18 and #20)	$

The undersigned represents and warrants that this is true, complete and correct, and that the information in this Borrowing Base Certificate complies with the representations and warranties in the Loan and Security Agreement between the undersigned and Silicon Valley Bank.

COMMENTS:

By: _____
Authorized Signer

EXHIBIT D
COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK

FROM: SYNCHRONOSS TECHNOLOGIES, INC.

The undersigned authorized officer of Synchronoss Technologies, Inc. certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the "Agreement"), (i) Borrower is in complete compliance for the period ending _____ with all required covenants except as noted below and (ii) all representations and warranties in the Agreement are true and correct in all material respects on this date. Attached are the required documents supporting the certification. The Officer certifies that these are prepared in accordance with Generally Accepted Accounting Principles (GAAP) consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The Officer acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered.

PLEASE INDICATE COMPLIANCE STATUS BY CIRCLING YES/NO UNDER "COMPLIES" COLUMN.

REPORTING COVENANT	REQUIRED		COMPLIES	
Monthly financial statements	Monthly within 30 days		Yes	No
Annual (CPA Audited)	FYE within 120 days		Yes	No
A/R Agings	Monthly within 30 days		Yes	No
Borrowing Base Certificate	Monthly within 30 days		Yes	No

FINANCIAL COVENANT	REQUIRED	ACTUAL		COMPLIES	
Maintain on a Monthly Basis:					
Minimum Quick Ratio	2.0:1.0	:1.0		Yes	No
Maintain Year to Date Total Revenues as of the following dates:					
March 31, 2001	$1,100,000	$_____		Yes	No
June 30, 2001	$2,600,000	$_____		Yes	No
September 30, 2001	$4,400,000	$_____		Yes	No
December 31, 2001	$6,800,000	$_____		Yes	No

COMMENTS REGARDING EXCEPTIONS: See Attached.

Sincerely,

SIGNATURE

TITLE

DATE

BANK USE ONLY

Received by:
AUTHORIZED SIGNER
DATE:

Verified
AUTHORIZED SIGNER
DATE:

Compliance Status: Yes No

EXHIBIT E

FORM OF LOAN AGREEMENT SUPPLEMENT

LOAN AGREEMENT SUPPLEMENT No. [ ]

LOAN AGREEMENT SUPPLEMENT No. [ ], dated , 200_ ("Supplement"), to the Loan and Security Agreement dated as of May _, 2001 (the "Loan Agreement) by and between the undersigned ("Borrower"), and Silicon Valley Bank ("Bank").

Capitalized terms used herein but not otherwise defined herein are used with the respective meanings given to such terms in the Loan Agreement.

To secure the prompt payment by Borrower of all amounts from time to time outstanding under the Loan Agreement, and the performance by Borrower of all the terms contained in the Loan Agreement, Borrower grants Bank, a first priority security interest in each item of equipment and other property described in Annex A hereto, which equipment and other property shall be deemed to be additional Financed Equipment and Collateral. The Loan Agreement is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

Annex A (Equipment Schedule) and Annex B (Loan Terms Schedule) are attached hereto.

The proceeds of the Loan should be transferred to Borrower's account with Bank set forth below:

Bank Name: Silicon Valley Bank
Account No.: _____

Borrower hereby certifies that (a) the foregoing information is true and correct and authorizes Bank to endorse in its respective books and records, the Basic

Rate applicable to the Funding Date of the Loan contemplated in this Loan Agreement Supplement and the principal amount set forth in the Loan Terms Schedule; (b) the representations and warranties made by Borrower in the Loan Agreement are true and correct in all material respects on the date hereof and will be true and correct in all material respects on such Funding Date. No Event of Default has occurred and is continuing under the Loan Agreement. This Supplement may be executed by Borrower and Bank in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

This Supplement is delivered as of this day and year first above written.

SILICON VALLEY BANK

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Annex A - Description of Financed Equipment
Annex B - Loan Terms Schedule

Annex A to Exhibit E

The Financed Equipment being financed with the Equipment Advance which this Loan Agreement Supplement is being executed is listed below. Upon the funding of such Equipment Advance, this schedule automatically shall be deemed to be a part of the Collateral.

Description of Equipment: Make Model Serial # Invoice #

Annex B to Exhibit E

LOAN TERMS SCHEDULE #_____

Loan Funding Date: _____ , 200_

Original Loan Amount: $_____

Basic Rate: _____%

Loan Factor: _____%

Scheduled Payment Dates and Amounts*:

One (1) payment of $_____ due
_____ payment of $_____ due monthly in advance from _____ through _____.
One (1) payment of $_____ due

Maturity Date: _____

Final Payment: An additional amount equal to the Final Payment Percentage multiplied by the Loan Amount then in effect, shall be paid on the Maturity Date with respect to such Loan.

Payment No.	Payment Date
1	
2	
3	
4	

...
*/ The amount of each Scheduled Payment will change as the Loan Amount changes.

REVOLVING PROMISSORY NOTE

$2,000,000 Radnor, Pennsylvania
October __, 2004

FOR VALUE RECEIVED, the undersigned, SYNCHRONOSS TECHNOLOGIES, INC., a Delaware corporation ("Borrower") promises to pay to the order of SILICON VALLEY BANK, a California-chartered bank ("Bank"), at such place as the holder hereof may designate, in lawful money of the United States of America, the aggregate unpaid principal amount of all advances ("Advances") made by Bank to Borrower in accordance with the terms and conditions of the Loan and Security Agreement between Borrower and Bank of even date herewith (as amended from time to time, the "Loan Agreement"), up to a maximum principal amount of Two Million Dollars ($2,000,000) ("Principal Sum"), or so much thereof as may be advanced or readvanced and remains unpaid.

The unpaid Principal Sum, together with interest thereon at the rate or rates provided in the Loan Agreement, shall be payable as set forth in the Loan Agreements.

The fact that the balance hereunder may be reduced to zero from time to time pursuant to the Loan Agreement will not affect the continuing validity of this Note or the Loan Agreement, and the balance may be increased to the Principal Sum after any such reduction to zero.

Borrower further agrees that, if any payment made to Borrower or any other person is applied to this Note and is at any time annulled, set aside, rescinded, invalidated, declared to be fraudulent or preferential, or otherwise required to be refunded or repaid, or the proceeds of any property hereafter securing this Note is required to be returned by Bank to Borrower, its estate, trustee, receiver or any other party, including, without limitation, such Borrower, under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, Borrower's liability hereunder (and any lien, security interest or other collateral securing such liability) shall be and remain in full force and effect, as fully as if such payment had never been made, or, if prior thereto any such lien, security interest or other collateral hereafter securing Borrower's liability hereunder shall have been released or terminated by virtue of such cancellation or surrender, this Note (and such lien, security interest or other collateral) shall be reinstated in full force and effect, and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of Borrower in respect of the amount of such payment (or any lien, security interest or other collateral securing such obligation).

This Note is the "Revolving Promissory Note" described in the Loan Agreement, to which reference is hereby made for a more complete statement of the terms and conditions under which the loans and advances evidenced hereby are made. This Note is secured as provided in the Loan Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Loan Agreement.

Borrower irrevocably waives the right to direct the application of any and all payments at any time hereafter received by Bank from or on behalf of Borrower and Borrower irrevocably agrees that Bank shall have the continuing exclusive right to apply any and all such payments against the then due and owing obligations of Borrower as Bank may deem advisable. In the absence of a specific determination by Bank with respect thereto, all payments shall be applied in the following order: (a) then due and payable fees and expenses; (b) then due and payable interest payments and mandatory prepayments; and (c) then due and payable principal payments and optional prepayments.

Bank is hereby authorized by Borrower to endorse on Bank's books and records each Advance made by Bank under this Note and the amount of each payment or prepayment of principal of each such Advance received by Bank; it being understood, however, that failure to make any such endorsement (or any error in notation) shall not affect the obligations of Borrower with respect to Advances made hereunder, and payments of principal by Borrower shall be credited to Borrower notwithstanding the failure to make a notation (or any

errors in notation) thereof on such books and records.

The occurrence of any one or more of the following events shall constitute an event of default (individually, an "Event of Default" and collectively, the "Events of Default") under the terms of this Note:

(a) The failure of Borrower to pay to Bank within five (5) Business Days of when due any and all amounts payable by Borrower to Bank under the terms of this Note; or

(b) The occurrence of an Event of Default (as defined therein) under the terms and conditions of any of the other Loan Documents.

Upon the occurrence of an Event of Default, at the option of Bank, all amounts payable by Borrower to Bank under the terms of this Note shall immediately become due and payable by Borrower to Bank without notice to Borrower or any other person, and Bank shall have all of the rights, powers, and remedies available under the terms of this Note, any of the other Loan Documents and all applicable laws. Borrower and all endorsers, guarantors, and other parties who may now or in the future be primarily or secondarily liable for the payment of the indebtedness evidenced by this Note hereby severally waive presentment, protest and demand, notice of protest, notice of demand and of dishonor and non-payment of this Note and expressly agree that this Note or any payment hereunder may be extended from time to time without in any way affecting the liability of Borrower, guarantors and endorsers.

Borrower promises to pay all costs and expense of collection of this Note and to pay all reasonable attorneys' fees incurred in such collection, whether or not there is a suit or action, or in any suit or action to collect this Note or in any appeal thereof. No delay by Bank in exercising any power or right hereunder shall operate as a waiver of any power or right. Time is of the essence as to all obligations hereunder.

This Note is issued pursuant to the Loan Agreement, which shall govern the rights and obligations of Borrower with respect to all obligations hereunder.

Borrower acknowledges and agrees that this Note shall be governed by the laws of the Commonwealth of Pennsylvania, excluding conflicts of laws principles, even though for the convenience and at the request of borrower, this Note may be executed elsewhere.

BORROWER ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE COMMONWEALTH OF PENNSYLVANIA IN ANY ACTION, SUIT, OR PROCEEDING OF ANY KIND, AGAINST IT WHICH ARISES OUT OF OR BY REASON OF THIS AGREEMENT; PROVIDED, HOWEVER, THAT IF FOR ANY REASON BANK CANNOT AVAIL ITSELF OF THE COURTS OF PENNSYLVANIA, BORROWER ACCEPTS JURISDICTION OF THE COURTS AND VENUE IN SANTA CLARA COUNTY, CALIFORNIA. BORROWER AND BANK EACH HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, Borrower has caused this Note to be executed under seal by its duly authorized officers as of the date first written above.

WITNESS/ATTEST: SYNCHRONOSS TECHNOLOGIES, INC.

/s/ [Illegible] By: /s/ Lawrence R. Irving (SEAL)
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Name: LAWRENCE R. IRVING
Title: CFO

EQUIPMENT TERM NOTE

$3,000,000 Radnor, Pennsylvania
October __, 2004

FOR VALUE RECEIVED, the undersigned, SYNCHRONOSS TECHNOLOGIES, INC., a Delaware corporation ("Borrower") promises to pay to the order of SILICON VALLEY BANK, a California-chartered bank, ("Bank"), at such place as the holder hereof may designate, in lawful money of the United States of America, the aggregate unpaid principal amount of all equipment advances ("Equipment Advances") made by Bank to Borrower in accordance with the terms and conditions of the Loan and Security Agreement between Borrower and Bank of even date herewith (as amended from time to time, the "Loan Agreement"), up to a maximum principal amount of Three Million Dollars ($3,000,000) ("Principal Sum"), or so much thereof as may be advanced and remains unpaid. Borrower may request Equipment Advances under this Note from and until the "Equipment Availability End Date". The unpaid Principal Sum, together with interest thereon at the rate or rates provided in the Loan Agreement, shall be payable as set forth in the Loan Agreement.

This Note is "Equipment Term Note" described in the Loan Agreement, to which reference is hereby made for a more complete statement of the terms and conditions under which the loans and advances evidenced hereby are made. This Note is secured as provided in the Loan Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Loan Agreement.

Borrower irrevocably waives the right to direct the application of any and all payments at any time hereafter received by Bank from or on behalf of Borrower and Borrower irrevocably agrees that Bank shall have the continuing exclusive right to apply any and all such payments against the then due and owing obligations of Borrower as Bank may deem advisable. In the absence of a specific determination by Bank with respect thereto, all payments shall be applied in the following order: (a) then due and payable fees and expenses; (b) then due and payable interest payments and mandatory prepayments; and (c) then due and payable principal payments and optional prepayments.

Bank is hereby authorized by Borrower to endorse on Bank's books and records each Equipment Advance made by Bank under this Note and the amount of each payment or prepayment of principal of each such Equipment Advance received by Bank; it being understood, however, that failure to make any such endorsement (or any error in notation) shall not affect the obligations of Borrower with respect to Equipment Advances made hereunder, and payments of principal by Borrower shall be credited to Borrower notwithstanding the failure to make a notation (or any errors in notation) thereof on such books and records.

The occurrence of any one or more of the following events shall constitute an event of default (individually, an "Event of Default" and collectively, the "Events of Default") under the terms of this Note.

(a) The failure of Borrower to pay to Bank within five (5) Business Days of when due any and all amounts payable by Borrower to Bank under the terms of this Note; or

(b) The occurrence of an Event of Default (as defined therein) under the terms and conditions of any of the other Loan Documents.

Upon the occurrence of an Event of Default, at the option of Bank, all amounts payable by Borrower to Bank under the terms of this Note shall immediately become due and payable by Borrower to Bank without notice to Borrower or any other person, and Bank shall have all of the rights, powers, and remedies available under the terms of this Note, any of the other Loan Documents and all applicable laws. Borrower and all endorsers, guarantors, and other parties who may now or in the future be primarily or secondarily liable for the payment of the indebtedness evidenced by this Note hereby severally waive presentment, protest and demand, notice of protest, notice of demand and of dishonor and non-payment of this Note and expressly agree that this Note or any payment hereunder may be extended from time to time without in any way affecting the liability of Borrower, guarantors and endorsers.

Borrower promises to pay all costs and expense of collection of this Note and to pay all reasonable attorneys' fees incurred in such collection, whether or not there is a suit or action, or in any suit or action to collect this Note or in any appeal thereof. No delay by Bank in exercising any power or right hereunder shall operate as a waiver of any power or right. Time is of the essence as to all obligations hereunder.

This Note is issued pursuant to the Loan Agreement, which shall govern the rights and obligations of Borrower with respect to all obligations hereunder.

Borrower acknowledges and agrees that this Note shall be governed by the laws of the Commonwealth of Pennsylvania, excluding conflicts of laws principles, even though for the convenience and at the request of Borrower, this Note may be executed elsewhere.

BORROWER ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE COMMONWEALTH OF PENNSYLVANIA IN ANY ACTION, SUIT, OR PROCEEDING OF ANY KIND, AGAINST IT WHICH ARISES OUT OF OR BY REASON OF THIS AGREEMENT; PROVIDED, HOWEVER, THAT IF FOR ANY REASON BANK CANNOT AVAIL ITSELF OF THE COURTS OF PENNSYLVANIA, BORROWER ACCEPTS JURISDICTION OF THE COURTS AND VENUE IN SANTA CLARA COUNTY, CALIFORNIA. BORROWER AND BANK EACH HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE

TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, Borrower has caused this Note to be executed under seal by its duly authorized officers as of the date first written above.

WITNESS/ATTEST:

/s/ [Illegible]

SYNCHRONOSS TECHNOLOGIES, INC.

By: /s/ Lawrence R. Irving (SEAL)

Name: LAWRENCE R. IRVING
Title: CFO