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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
PART IV

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

Form 10-K

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

For the fiscal year ended December 31, 2011

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

For the transition period from   to

Commission file number 000-52049

SYNCHRONOSS TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Delaware	**06-1594540**
(State of incorporation)	(IRS Employer Identification No.)

750 Route 202 South, Suite 600, Bridgewater, New Jersey 08807
(Address of principal executive offices, including ZIP code)

(866) 620-3940
(Registrant's telephone number, including area code)

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

Title of each class	Name of each exchange on which registered
Common Stock, par value $.0001 par value	The NASDAQ Stock Market, LLC

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

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"). Yes ☐ No ☒

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

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

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

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

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

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the Registrant as of June 30, 2011, based upon the closing price of the common stock as reported by The NASDAQ Stock Market on such date was approximately $989 million. Shares of common stock held by each executive officer, director and stockholders known by the Registrant to own 10% or more of the outstanding stock based on public filings and other information known to the Registrant have been excluded since such persons may be deemed affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of February 13, 2012, a total of 38,516,263 shares of the Registrant's common stock were outstanding.

The exhibit index as required by Item 601(a) of Regulation S-K is included in Item 15 of Part IV of this report.

DOCUMENTS INCORPORATED BY REFERENCE

Information required by Part III (Items 10, 11, 12, 13 and 14) is incorporated by reference to portions of the registrant's definitive Proxy Statement for its 2012 Annual Meeting of Stockholders (the "Proxy Statement"), which is expected to be filed not later than 120 days after the registrant's fiscal year ended December 31, 2011. Except asexpressly incorporated by reference, the Proxy Statement shall not be deemed to be a part of this report on Form 10-K.

SYNCHRONOSS TECHNOLOGIES, INC.

FORM 10-K
DECEMBER 31, 2011

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PART I

ITEM 1. *BUSINESS*

The words "Synchronoss", "we", "our", "ours", "us" and the "Company" refer to Synchronoss Technologies, Inc. All statements in this Annual Report on Form 10-K that are not historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding Synchronoss' "expectations", "beliefs", "hopes", "intentions", "strategies," "plans," "targets," "estimations" or the like. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Synchronoss cautions investors that there can be no assurance that actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors, including, but not limited to, the risk factors discussed in this Annual Report on Form 10-K. Synchronoss expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Synchronoss' expectations with regard thereto or any change in events, conditions, or circumstances on which any such statements are based.

General

We are a leading provider of on-demand transaction management solutions. Such transactions include device and service procurement, provisioning, activation, intelligent connectivity management and content synchronization that enable communications service providers (CSPs), cable operators/multi-services operators (MSOs), original equipment manufacturers (OEMs) with embedded connectivity (e.g. smartphones, laptops, tablets and mobile Internet devices, among others), e-Tailers/retailers and other customers to accelerate and monetize their go-to-market strategies for connected devices. This includes automating subscriber activation, order management, upgrades, service provisioning and connectivity and content management from any channel (e.g., e-commerce, telesales, enterprise, indirect and other retail outlets, etc.) to any communication service (e.g., wireless (2G, 3G, (EV-DO and HSPA), 4G, (LTE and WiMAX)), high speed access, local access, IPTV, cable, satellite TV, etc.) across any connected device type and content transfer. Our global solutions touch all aspects of connected devices on the mobile Internet.

Our ConvergenceNow®, ConvergenceNow® Plus+™ and InterconnectNow™ platforms provide end-to-end seamless integration between customer-facing channels/applications, communication services, or devices and "back-office" infrastructure-related systems and processes. Our customers rely on our solutions and technology to automate the process of activation and content management for their customer's devices while delivering additional communication services. Our platforms are designed to be flexible and scalable to enable multiple converged communication services to be managed across multiple distribution channels, including e-commerce, m-commerce, telesales, customer stores, indirect and other retail outlets, etc., allowing us to meet the rapidly changing and converging services and connected devices offered by our customers. We enable our customers to acquire, retain and service subscribers quickly, reliably and cost-effectively by simplifying the processes associated with managing the customer experience for procuring, activating, connecting and synchronizing connected devices and services through the use of our platforms. The extensibility, scalability and relevance of our platforms enable new revenue streams for our customers through new subscriber acquisitions, sale of new devices, accessories and new value-added service offerings in the cloud, while optimizing their cost of operations and enhancing customer experience.

We currently have operations in North America, Europe and Asia. We market our solutions and services directly through our sales organizations in North America and Europe.

Our industry-leading customers include tier 1 service providers such as AT&T Inc., Verizon Wireless and Vodafone, tier 1 cable operators/MSOs like Cablevision, Comcast, and Time Warner Cable and large OEMs/e-Tailers such as Apple, Dell, Panasonic, Sony and Nokia. These customers utilize our platforms, technology and services to service both consumer and business customers, including over 300 of the Fortune 500 companies.

We were incorporated in Delaware in 2000. Our Web address is www.synchronoss.com. On this Web site, we post the following filings as soon as reasonably practicable after they are electronically filed with or furnished to the U.S. Securities and Exchange Commission (SEC): our annual reports on Form 10-K, quarterly reports on Form 10-Q, our current reports on Form 8-K, our proxy statement on Form 14A related to our annual stockholders' meeting and any amendment to those reports or statements filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended. All such filings are available on the Investor Relations portion of our Web site free of charge. The contents of our Web site are not intended to be incorporated by reference into this Form 10-K or in any other report or document we file.

Synchronoss' Platforms

Our ConvergenceNow®, ConvergenceNow® Plus+™ and InterconnectNow™ platforms provide highly scalable on-demand, end-to-end order processing, transaction management, service provisioning, device activation, intelligent connectivity and content transfer and synchronization through multiple channels including e-commerce, m-commerce, telesales, enterprise, indirect, and retail outlets. Our global platforms are designed to be flexible and scalable across a wide range of existing communication services and connected devices, while offering a best-in-class experience for our customers. The extensible nature of our platforms enables our customers to rapidly respond to the ever changing and competitive nature of the telecommunications business.

Our ConvergenceNow® platform orchestrates the complex and different back-end systems of communication service providers to provide a best-in-class ordering and content management system by orchestrating the workflow and consolidated customer care services. This allows CSPs using ConvergenceNow® to realize the full benefits of their offerings and analyze customer buying behavior.

Our ConvergenceNow® Plus+™ platform offers all of the features of our core ConvergenceNow® platform and extends those features into more transaction areas required to enable subscriber management for connected devices including directly on the device itself. In addition, ConvergenceNow® Plus+™ is specifically designed to support connected devices, such as smartphones, mobile Internet devices (MIDS), laptops, tablets and wirelessly enabled consumer electronics such as cameras, tablets, e-readers, personal navigation devices, global positioning system (GPS) enabled devices, etc. Specifically, ConvergenceNow® Plus+™ supports, among other automated transaction areas, credit card billing, inventory management, and trouble ticketing.

Our ConvergenceNow® Plus+™ platform consists of three key solutions: Automated Channel Enablement, Cloud Enablement and Smart Mobility. A key element of the ConvergenceNow® Plus+™ platform is that it extends a carrier's and OEM's visibility and reach into all aspects of a subscriber's use of a connected device. It introduces the notion of Connect-Sync-Activate for all devices. Channel Enablement activates a device through a variety of different channels; once activated, Smart Mobility enables the device to be connected to the best available network by enforcing policies that are managed from the cloud by a carrier. Once connected, most mobile devices avail of content synchronization from the cloud using policies that are appropriate and applicable to each specific device.

Our InterconnectNow™ platform supports the physical transactions involved in customer activation and service such as managing access service requests, local service requests, local number portability, and directory listings.

In addition to handling large volumes of customer transactions quickly and efficiently, our platforms are designed to recognize, isolate and address transactions when there is insufficient information or other erroneous process elements. This knowledge enables us to adapt our solutions to automate a higher percentage of transactions over time, further improving the value of our solutions to our customers. Our platforms also offer a centralized reporting platform that provides intelligent, real-time analytics around the entire workflow related to any transaction. This reporting allows our customers to appropriately identify buying behaviors and trends, define their subscriber's segments and pin point areas where their business has increased or could be improved. These analytics enable our customers to upsell new and additional products and services in a targeted fashion that helps increase their consumption of our product offerings. The automation and ease of integration of our platforms were designed to enable our customers to lower the cost of new subscriber acquisitions, enhance the accuracy and reliability of customer transactions thus reducing the inbound service call volumes, and responding rapidly to competitive market conditions to create new revenue streams. Our platforms offer flexible, scalable, extensible and relevant solutions backed by service level agreements (SLAs) and exception handling.

Our platforms manage transactions relating to a wide range of existing communications and digital content services across the different segments of our customers. For example, we enable wireless providers to conduct business-to-consumer, or B2C, business-to-business, or B2B, enterprise and indirect channel (i.e.: resellers/dealers) transactions. The capabilities of our platforms are designed to provide our customers with the opportunity to improve operational performance and efficiencies, dynamically identify new revenue opportunities and rapidly deploy new services. They are also designed to provide customers the opportunity to improve performance and efficiencies for activation, content migration and connectivity management for connected devices.

Our platforms are designed to be:

Highly Automated: We designed our platforms to eliminate manual processes and to automate otherwise labor-intensive tasks, thus improving operating efficiencies and order accuracy and reducing costs. By tracking every order and identifying those that are not provisioned properly, our platforms were designed to substantially reduce the need for manual intervention and reduce unnecessary customer service center calls. The technology of our platforms automatically guides a customer's request for service through the entire series of required steps.

Predictable and Reliable: We are committed to providing high-quality, dependable services to our customers. To ensure reliability, system uptime and other service offerings, our transaction management is guaranteed through SLAs. Our platforms offer 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 platforms recognize and isolate transaction orders that are not configured to specifications, process them in a timely manner and communicate 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 Canada and the United States and, where applicable, to other cost-effective geographies. Additionally, our database design preserves data integrity while ensuring fast, efficient, transaction-oriented data retrieval methods.

Seamless: Our platforms integrate information across our customers' entire operation, including subscriber information, order information, delivery status, installation scheduling and content stored on the device to allow for the seamless activation and content transfer during the device purchase flow. Through our solution, the device is automatically activated and consumer's content is available for use via the cloud, ensuring continuity of service and eliminating subscriber churn propensity. CSPs and e-Tailers/retailers can bundle additional applications during retail phone purchases, and also provide live updates to support new features and new devices. We have built our platforms using an open design with fully-documented software interfaces, commonly referred to as application programming interfaces, or APIs. Our APIs enable our customers, strategic partners and other third parties to integrate our platforms with other software applications and to build best-in-class cloud-based applications incorporating third-party or customer-designed capabilities. Through our open design and alliance program, we believe we provide our customers with superior solutions that combine our technology with best-of-breed applications with the efficiency and cost-effectiveness of commercial, packaged interfaces.

Scalable: Our platforms are designed to process expanding transaction volumes reliably and cost effectively. While our transaction volume has increased rapidly since our inception, we anticipate substantial future growth in transaction volumes, and we believe our platforms are capable of scaling their output commensurately, requiring principally routine computer hardware and software updates. Our synchronization and activation platforms routinely support our customers' transactions at the highest level of demands when needed with our current production deployments. We saw the number of transactions for connected devices, such as smartphones, mobile Internet devices, netbooks, laptops and other connected consumer electronics, grow to become one of the fastest growing transaction types across all our platforms, products and services in 2011. Our Cloud Synchronization solution is deployed across millions of devices, managing in the cloud and performing more than 7 million synchronizations per day.

Value-add Reporting Tools: Our platforms' attributes are tightly integrated into the critical workflows of our customers and have analytical reporting capabilities that provide near real-time information for every step of the relevant transaction processes. In addition to improving end-user customer satisfaction, these capabilities are designed to provide our customers with value-added insights into historical and current transaction trends. We also offer mobile reporting capabilities for users to receive critical data about their transactions on connected devices.

Build Consumer Loyalty: Our synchronization services help drive consumers to the CSPs, OEM or e-Tailer/Retailer's Web site by presenting them with a branded application and fully-integrated Web portal that provides convenience, security, and continuity for end user customers, which we believe helps our customers by further building the loyalty of their subscribers.

Efficient: Our platforms' capabilities provide what we believe to be a more cost-effective, efficient and productive approach to enabling new activations across services and channels. Our solutions allow our customers to reduce overhead costs associated with building and operating their own customer transaction management infrastructure. With automated activation rate and consolidated fall out customer service, our e-commerce platforms consolidate customer service fall out, which we believe dramatically reduce our customer subscriber acquisition/retention costs in addition to operating expenses for training and staffing costs. We also provide our customers with the information and tools intended to more efficiently manage marketing and operational aspects of their business, as well as business intelligence required to do targeted up-selling of their products.

Quick Concept to Market Delivery: The automation and ease of integration of our on-demand platform allow our customers to accelerate the deployment of their services and new service offerings by shortening the time between a subscriber's order and the provisioning of service or activation and enabling of a connected device(s).

Extensible and Relevant: Our customers operate in dynamic and fast paced industries. Our platforms and solutions are built in a modular fashion, thereby conducive to be extended dynamically and enabling our customers to offer solutions that are relevant to current market situations, with the goal of providing them with the competitive edge required for them to be successful.

Designed to integrate with back-office systems, our platforms allow work to flow electronically across our customer's organization while providing ready access to performance and resource usage information in providing activation and subscriber management.

Our platforms are comprised of several distinct modules, each providing solutions to what we believe to be the most common and critical needs of our customers.

PerformancePartner® Portal

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

Gateway Manager

Our Gateway Manager provides the capability to fulfill multiple types of transactions. These gateways are the engines that support our customers' front-end portals, handling hundreds of thousands of transactions on a monthly basis. Our gateways deliver a flexible architecture, supporting seamless entry and rapid time to market. In addition, these gateways contain business rules to interact with the customers' back-office and third-party trading partners.

WorkFlow Manager

Our WorkFlow Manager provides a seamless interaction with all third-party relationships and enables customers 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 and offers:

- Flexible configuration to meet individual customer requirements
- Centralized queue management for maximum productivity
- Real-time visibility for transaction revenues management
- Exception handling management
- Order view availability during each stage of the transactional process
- 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 our customers' process of delivering products and services to end-users.

Visibility Manager

Our Visibility Manager provides historical trending and mobile reporting to our customers, supports best business practices and processes and allows our customers to monitor daily metrics to determine whether process objectives are met or exceeded. The Visibility Manager offers:

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

Content Synchronization Portal

Our Content Synchronization Portal facilitates seamless content migration across devices from different platforms. Our Content Synchronization Portal (i) protects consumer content in the cloud that is accessible from a customer branded site, (ii) provides comprehensive integration with customer web presence including single sign on and CSR administrative access and (iii) provides flexible APIs that provide synchronization of content across customer's disparate services (e.g. providing a centralized address book solution for the carrier's chosen GPS application, TXT messaging, video conferencing, and other services).

Device Client

Our Device Client provides Smart connectivity for seamless activation, connection management, and content migration and synchronization. The Device Client offers customization for customer brand requirements and availability across major device operating system platforms for feature phones, smartphones, computers, and tablets.

Demand Drivers for Our Business

Our services are capable of managing a wide variety of transactions across multiple customer delivery channels and services, which we believe enables us to benefit from increased growth, complexity and technological change in the communications industry. As the communications technology industry evolves, new access networks, connected devices and applications with multiple services and modes are emerging. This proliferation of services and advancement of technologies, combined with their bundling, are accelerating subscriber growth and increasing the number of transactions between our customers and their subscribers. In addition to this dynamic, we believe our core electronic transaction management business is further being driven by the following factors:

- A proliferation of connected devices led by **a)** new & richer operating systems that challenge the status quo, **b)** increasing connected devices adoption, **c)** broadband networks experiencing critical mass and **d**) enhanced cloud computing enabling access to rich content

- Wireless ecosystem undergoing a paradigm shift in its buying patterns

- Continued growth of the online channel for the communications marketplace

- Consolidation of e-Tailers/retailers focused in the communications marketplace

- Expansion of communication service bundles to be utilized across multiple devices

- Pressure on operators to improve efficiency while delivering a superior subscriber experience

- Growth of the on-demand delivery model

- Mobile Network Operators' shift in focus from new subscriber additions to new connections added

We continue to see embedded connectivity technology within a vast array of common electronic devices. According to the GSMA, the number of total wireless connected devices is expected to more than double from 9 billion today to more than 24 billion in 2020. This growth will be paced by strong momentum in mobile connected devices which are expected to increase from 6 billion today to 12 billion by 2020. This is expected to create a $1.2 trillion market opportunity for the wireless industry, a sevenfold increase from forecasted revenues for 2011,according to the study conducted by Machina Research.

We see the following drivers behind this development:

New and Richer Operating Systems: In many ways, new device operating systems like the iOS for the iPhone/iTouch/iPad portfolio, the Android produced by Google, Windows® Phone 7, Blackberry OS for the RIM portfolio and Sony Playstation phone and next generation PSP for mobile connected gaming have accelerated the adoption and usage of smartphones. Additionally, touchscreen based operating systems have been extended to tablets and many analysts believe there will be a surge in tablets. For example, according to IDC, tablet and eReader sales have increased over 260% from the last year resulting in 18.1 million units being shipped in the third quarter of 2011. Global tablet revenues are expected to exceed $49 billion worldwide by 2015, with North America, Asia-Pacific and Western Europe leading the way as the most valuable regions for tablet vendors, according to Strategy Analytics.

Increasing Mobile Adoption in Developed Countries: The ITU Telecom Database reported in 2011 5.9 billion mobile-cellular subscriptions with global penetration reaching 87% and 79% in the developing world. As operators address this mobile adoption and the subsequent slowing in top line growth, they become receptive to new types of devices that leverage the existing infrastructure (i.e.: connected netbooks, e-readers, etc.) and encourage their customers to have more than one wireless device.

Wireless Broadband Networks Experiencing Critical Mass: The establishment of multiple broadband mobile networks (e.g., Universal Mobile Telecommunications System, High-Speed Packet Access, Evolution-Data Optimized, WiMax, and LTE among others) has provided broader bandwidth to CSPs, while decreasing the cost per bit transmitted, thus enabling the proliferation of mobile devices and equipment with embedded connectivity. As more of these devices enter the market, and many of them with lower average revenue per user (ARPU) than traditional wireless services, they will necessitate an efficient and seamless activation/provisioning system with a best-in-class customer experience to differentiate them.

4G-LTE Networks: The emergence of 4G-LTE networks is expected to improve the connected devices customer experience with higher data speeds and reduced latency. In addition, devices such as mobile routers and tablets can generate mobile hotspots. With fixed mobile broadband, mobile carriers and MSOs can also offer bundled services. As well, these networks are also focused on enhancing Machine to Machine (M2M) communications.

Wireless Ecosystem Undergoing a Paradigm Shift in its Buying Patterns: Consumers have traditionally been accustomed to purchasing their devices and service plans directly from CSPs. That is, if they wanted a particular wireless service, they first had to decide which operator they wanted, and then only after they made this decision, could they select a phone. We are seeing considerable forces altering this typical buy flow and in doing so generating considerable innovation and change in the ecosystem.

Companies like Amazon with the Kindle and Kindle Fire have in some ways contributed to the change of this buy flow process. Specifically, we are seeing these OEMs invest considerable resources in developing their "direct to consumer" channel and in some cases making it the only channel available. While this recent change in the ecosystem offers some advantages to these OEMs it also presents some challenges for them while at the same time creating a new higher growth channel for communication service providers who ultimately provide the access and connectivity. In many ways analysts have argued that this is a win-win game theory situation and that ultimately the "pie," not "individual slices," is getting larger.

Furthermore e-Tailers/retailers are taking a more aggressive approach in their go-to-market programs and redefining the ways that connected devices are sold and activated. Companies like Best

Buy Mobile or Radio Shack are key drivers of this change and have implemented advanced tools at the disposal of their end customers to buy and activate their phones either in-store or online.

Managing the activation, provisioning, connectivity and synchronization of these devices and handling the connectivity with the different service providers is something that is not core to OEMs or e-Tailers/retailers. As this dynamic evolves, we expect that there will be an increasing need for automated connect-sync-activate services as well as other transaction areas such as device integration, certification, credit card billing, inventory management, and trouble ticketing.

Continued Growth of the Online Channel for the Communications Space: Cloud-based commerce provides our customers with the opportunity to cost-effectively gain new subscribers, provide service and interact more effectively. Specifically, we estimate that the cost per gross add (CPGA) for a customer obtained via e-commerce can be up to 50% less than those obtained via traditional means. With the dramatic increase in Internet usage and desire to directly connect with end users over the course of the customer lifecycle, service providers are increasingly focusing on e-commerce as a channel for customer acquisition and delivery of ongoing services. According to industry research firm IDC, the amount of business-to-business and business-to-consumer spending on e-Commerce will rise to more than $16 trillion by 2013. As this channel continues to experience growth, we expect that there will be an increasing need to automate the activation and provisioning process of mobile devices, and provide a best-in-class customer experience over the Internet.

Consolidation of e-Tailers/retailers focused in the Communications Space: Phones and connected devices have become sought after consumer items. Retailer channels will take marketing efforts to another level to drive demand. Automated systems that are efficient and easy to use for retail sales representatives will be important to lower training and staffing costs and improve in-store experience. We believe that this channel represents as much as 10% growth for some leading CSPs today. Furthermore, this channel has demonstrated considerable innovation as these e-Tailers/retailers attempt to launch emerging devices (e.g.: Amazon's Kindle).

As these constituents of the wireless ecosystem continue to advance their strategies and grow their presence in the connected devices market place we believe they will require further support to automate the activation/provisioning of their new customers and to assist with the management of their existing customers.

Expansion of Communication Service Bundles: With subscribers expecting CSPs to offer all services under one contract, communications companies continue the development of bundled style offerings of their available services. In this environment, more CSPs are utilizing an array of communication delivery technologies to become all-in-one providers of communication services. For example, MSOs are increasingly creating true quad-play's (i.e., voice, video, high speed data and wireless) with the creation, acquisition and/or development of their own wireless networks. As wireless technology proliferates further into the consumer device market, we believe we will see an emergence of service bundling that surpasses the traditional perception of a quad-play, where the wireless component will encompass an added array of wireless enabled devices. As quad-play offerings gain more traction and service bundles begin encompassing emerging devices and technologies, we believe that the level of complexity in seamlessly delivering these services will increase significantly and that CSPs will need transaction management systems that can effectively handle those delivery challenges. According to Strategy Analytics, by 2016 13% of US households will take a "Quad Play" service—a bundled offering of fixed voice, broadband, television and mobile voice, representing a four-fold increase compared to 2011 levels. Additionally, Strategy Analytics sees high growth opportunities for multiplay bundling in Austria, Italy, and China, each expected to double the percentage of multiplay homes by 2016.

Pressure on Customers to Improve Efficiency while Delivering a Superior Subscriber Experience: Increased competition, recessionary markets, and excess network capacity have placed significant pressure on our customers 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. Customers with multiple back-end systems are looking for ways to help their systems interoperate for a better customer experience. In addition, customers are moving to automated provisioning systems to enable them to more easily purchase, upgrade or add new features, application and content. As a result, customers are looking for ways to offer new communications services more rapidly and efficiently to existing and new customers. Increased competition and demand for superior subscriber experience have placed significant pressure on our customers to improve customer-centric processes. CSPs are increasingly turning to transaction based, cost effective, scalable and automated third-party solutions that can offer guaranteed levels of service delivery.

Growth in On-Demand Delivery Model: Our on-demand business model enables delivery of our proprietary solutions over the Internet as a service. As such, customers do not have to make large and potentially risky upfront investments in software, additional hardware, extensive implementation services and additional IT staff.

Services, Networks and Device Complexity: The wireless industry is changing. CSPs are moving away from unlimited data plans, networks are becoming multi-layered with varying levels of complexity and devices are becoming more feature rich and capable, driving bandwidth consuming traffic over the networks. We believe all of these require CSPs and OEMs to be more creative in the services they offer, requiring an increased need for automation in device integration certification and activation. This will require complex policy based device and network management. Certain functions of our ConvergenceNow® Plus^{+}™ platform can help address these needs.

Our Growth Strategy

Our growth strategy is to establish our platforms as the de-facto industry standard for CSPs, MSOs, OEMs, and e-Tailers/retailers while investing in extensions of our services portfolio. We will continue to focus our technology and efforts around improving functionality, helping customers drive higher ARPU and subscriber retention, embracing alternative channels and allowing more capabilities for ordering bundled applications and content offerings across these same complex and advanced networks.

Key elements of this strategy are:

Continue to Expand Our Product Portfolio and Offer More of them to Communication Service Providers. Given the explosive growth of connected mobile broadband devices, our objective is to play a vital role in monetizing those devices with our connect-synch-activate strategy. In addition, we plan to cater to the needs of the nascent cloud computing markets by enriching our offerings in the back-up and synchronization space.

Continue our Expansion into the Original Equipment Manufacturers (OEMs). As OEMs further expand their footprint into the "direct to consumer" model, they will need to develop robust yet nimble capabilities to support and differentiate their ordering/activation experience. As new types of connected devices are deployed, we expect to work with our customers, such as Dell, Apple and Nokia to enable our technology to support a "plug and play" approach to end users wishing to purchase new advanced services being offered by these customers.

Leverage the Growth of e-Commerce and e-Tailers as High Growth Channels for Service Providers. Given our success in enabling the e-commerce channel for our customers, our ConvergenceNow® platforms are designed with a Web-friendly architecture that enables a scalable and beneficial customer activation experience. As we continue expanding the breadth and depth of our customers' relationships, we will attempt to leverage our online experience to enable the growth of companies in the e-commerce channel.

Broaden Customer Base and Expand Offering to Existing Customers. As our existing customers continue to expand into new distribution channels, such as the rapidly growing e-commerce channel, they will likely need to support new types of transactions that are managed by our platforms. In addition, we believe our customers will require new transaction management solutions as they expand their subscriber customer base, which will provide us with opportunities to drive increasing amounts of volume over our platforms. 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 cloud-based e-commerce has led to increased focus by our customers on their online distribution, thus providing in our belief another opportunity for us to further penetrate into existing customers. The expansion of our AT&T relationship and the expansion of our relationship with Time Warner Cable and other customers highlight further penetration of existing customers as well as the development of a major growth initiative in consumer digital convergence.

Expand into New Geographic Markets. Although the majority of our revenue has traditionally been generated in North America, we are in the midst of a global expansion to support our customer's expansion. Today, we have several instances of our platforms in Europe and are currently in the process of integrating to a variety of carriers in Europe, including Vodafone, to support our connected devices customers. We believe that the growth of connected devices will further drive opportunities to penetrate new geographic markets within the coming years. Asia/Pacific and Latin America are of particular interest, as these markets experience similar trends to those that have driven growth in North America.

Maintain Technology Leadership. We strive to continue to build upon our technology leadership by continuing to invest in research and development to increase the automation of processes and workflows and develop complementary product modules that leverage our platforms and competitive strengths, thus driving increased interest by making it more economical for customers to use us as a third-party solutions provider. In addition, we believe our close relationships with our tier 1 customers will continue to provide us with valuable insights into the dynamics that are creating demand for next-generation solutions.

Expand through Strategic Partnerships or Acquisitions. We have fully integrated our FusionOne, Inc. and Sapience Knowledge Systems, Inc. acquisitions and we believe we have assimilated the synergies and efficiencies that these acquisitions have afforded us. As of December 31, 2011, we were beginning to integrate Miyowa S.A., our newest acquisition. As we explore additional new opportunities, we continue to look for strategic partnership or acquisition candidates that may enable us to enter new markets or enhance our offerings.

Leverage and Enforce our Intellectual Property. We have a significant repository of granted and filed IP, and we expect to use this as a differentiator of our products in the marketplace.

Customers

Our industry-leading customers include tier 1 service providers such as AT&T Inc., Verizon Wireless and Vodafone, tier 1 cable operators/MSOs like Cablevision, Comcast, and Time Warner Cable and large OEMs/e-Tailers such as Apple, Dell, Panasonic, Sony and Nokia. These customers utilize our platforms, technology and services to service both consumer and business customers, including over 300 of the Fortune 500 companies.

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. Contracts typically extend up to 60 months in length from execution and include minimum transaction or revenue commitments from our customers. All of our significant customers may terminate their contracts for convenience upon written notice and in many cases payment of contractual penalties. Contract penalties received by us are immaterial to our Statements of Income for the years ended December 31, 2011, 2010, and 2009. We have a long-standingrelationship with AT&T, dating back to January 2001 when we began providing service to AT&T Wireless, which was subsequently acquired by Cingular Wireless. Through the merger of AT&T with BellSouth, Cingular Wireless was integrated into AT&T. We are the primary provider of e-commerce transaction management solutions to AT&T's e-commerce channel. Our agreement with AT&T was automatically renewed in 2011 through December 2012, and will automatically renew each year unless either party notifies the other of its intention not to renew at least sixty days prior to the end of the then-current term. This agreement defines the work activities, transaction pricing, forecasting process, service level agreements and remedies associated with certain services performed by us for AT&T's ecommerce organizations. The agreement provides for AT&T to pay us (i) a monthly hosting fee, (ii) a fee based on the number of transactions processed through our technology platform, (iii) a fee based on manual processing services and (iv) fees for professional services rendered by us. For 2011, we received 51% of our revenues from AT&T, compared to 62% of our revenues in 2010. Verizon Wireless and Time Warner Cable are the only other customers that accounted for more than 10% of our revenues in 2011.

Sales and Marketing

Sales

We market and sell our services primarily through a direct sales force and through our strategic partners. To date, we have concentrated our sales efforts on a range of CSPs, OEMs, and e-Tailers/retailers both domestically and internationally. Typically our sales process involves an initial consultative process that allows our customers to better assess the operating and capital expenditure benefits associated with an optimal activation and provisioning architecture. Our sales teams are well trained in our ConvergenceNow® and ConvergenceNow® Plus+™ platforms and on the market trends and conditions that our customers are facing. This enables them to easily identify and qualify opportunities that are appropriate for our platform deployments to benefit these customers. 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, events, market research, our Web site, customers, strategic partners and our ongoing public relations program.

Marketing

We focus our marketing efforts on supporting new product initiatives, creating awareness of our services and generating new sales opportunities. We base our product management strategy on analysis of market requirements, customer needs, industry direction competitive offerings and projected cost savings. Our team is active in numerous technology and industry forums and regularly gets invited to speak at trade shows such as the Consumer Electronics Show (CES), Cellular Telecommunications Industry Association (CTIA), GSM Association—Mobile World Congress, and National Cable & Telecommunications Association (NCTA), in which we also demonstrate our solutions. In addition, through our product marketing and marketing communications functions, we also have an active public relations program and maintain relationships with recognized trade media and industry analysts such as International Data Corporation (IDC), Gartner Inc., Forrester Research, Inc., and Frost & Sullivan. We also manage and maintain our Web site, blog, social media profiles on LinkedIn and Twitter, utilize search engine optimization (SEO) and search engine marketing (SEM), publish product related content, educational white papers, and conduct seminars and user group meetings. Finally, we also actively sponsor technology-related conferences and demonstrate our solutions at trade shows targeted at providers of communications services.

Operations and Technology

We leverage common, proprietary information technology platforms to deliver carrier grade services to our customers across communication and digital convergence market segments. Constructed using a combination of internally developed and licensed technologies, our platforms integrate our order management, gateway, workflow and reporting into a unified system. The platforms are secure foundations on which to build and offer additional services and maximize performance, scalability and reliability.

Exception Handling Services

We differentiate our services from both the internal and competitive offerings by handling exceptions through our technology and human touch solutions, a substantial portion of which are provided by third-party vendors. Our business process engineers optimize each workflow; however, there are exceptions and we handle these to ensure the highest quality customer experience at the lowest cost. Our exception handling services deal with the customer communication touch points including provisioning orders, inbound calls, automated interactive voice 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. We use third-party vendors in providing exception handling services, each of whom provide services under automatically renewable contracts. We believe our unique exception handling services help reduce the cost of each transaction by driving more automation, over time, into a better and more cost effective way to manage our customers' subscriber experiences.

Locations

Our locations are distributed across various time zones in the United States, Asia and Europe to help us serve our customers in a timely manner. In addition, in 2011 we opened a new 47,000 square foot facility in Tucson, Arizona and through our acquisitions of Sapience Knowledge Systems, Inc. and Miyowa S.A. we obtained offices in Chicago, Illinois, Marseille, France and Bucharest, Romania. We also entered into a new lease in 2011 for 80,000 square feet in Bridgewater, New Jersey to relocate our corporate headquarters in 2012. With our other locations, this affords us access to key talent in all major markets in the US.

Data Center Facilities

We have data center facilities in Bethlehem, Pennsylvania and Bangalore, India. These facilities offer significant improvements in the areas of size, network connectivity and redundant electrical power systems and are currently expected to support our growth objectives. These secure facilities house all customer-facing, production, test and development systems that are the backbone of the services delivered to our customers. The facilities and 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, Solar Winds®, Nagios®, Keynote® and Empirix OneSight®.

Network

We use AT&T, Verizon and Sprint, to provide a managed, fully-redundant network solution at our Bethlehem, Pennsylvania facility to deliver enterprise scale services to customers. Specifically, we have two OC-12 and one OC-48 fiber optic rings, delivering highly redundant bandwidth to the Bethlehem and Bridgewater facilities. Wide Area Network connectivity between our locations is achieved via redundant Multiprotocol Label Switching (MLPS) circuits and Internet access to selected locations via multiple dedicated circuits. A dedicated Metro Ethernet solution is utilized to provide a data center backbone connection between our primary data center facility in Bethlehem and our disaster recovery site, should the need arise.

Disaster Recovery Facility

We operate a second data center facility at our corporate headquarters in Bridgewater, New Jersey that is used to provide a hot site for real time data backup and disaster recovery purposes.

Customer Support

Our 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 our 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 includes 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:

- Breadth and depth of our transaction management solutions, including our exception handling technology
- Quality and performance of our products
- High-quality customer service
- Ability to implement and integrate solutions
- Overall value of our platforms
- References of our customers

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 ConvergenceNow® and ConvergenceNow® Plus+TM platforms. We anticipate continued growth in the communications industry and the entrance of new competitors in the order processing and transaction management solutions market and expect 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. Many of our 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 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, patent and trademark rights, as well as confidentiality procedures and contractual restrictions. Synchronoss®, the Synchronoss® logo, PerformancePartner®, ConvergenceNow® and ActivationNow® are registered trademarks of Synchronoss. In addition, we regularly file patent applications to protect inventions arising from our research and development, and have obtained a number of patents in the United States and other countries. No single patent is solely responsible for protecting our products or services. 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 maintain a program to protect our investment in technology by attempting to ensure respect for our intellectual property rights. For instance, in 2011 we entered into an agreement with Dashwire, Inc., now a subsidiary of HTC Corporation, to license certain of our technology. We cannot be certain that others will not develop technologies that are similar or superior to our technology. We enter into confidentiality and invention assignment agreements with our employees and confidentiality agreements with our alliance partners and customers, and we 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 December 31, 2011, we had 970 full-time employees. None of our employees are covered by any collective bargaining agreements.

Executive Officers of the Registrant

The following sets forth certain information regarding our Executive Officers as of January 31, 2012:

Name	Age	Position
Stephen G. Waldis	44	Chairman of the Board of Directors and Chief Executive Officer
Robert Garcia	43	President and Chief Operating Officer
Lawrence R. Irving	55	Executive Vice President, Chief Financial Officer and Treasurer
Ronald J. Prague	48	Executive Vice President, General Counsel and Secretary
Christopher S. Putnam	43	Executive Vice President of Sales
Mark Mendes	49	Executive Vice President of InterconnectNow and Chief Information Officer
Patrick J. Doran	38	Executive Vice President of R&D and Chief Technology Officer
Biju Nair	46	Executive Vice President of Product Management and Chief Strategy Officer
David Berry	46	Executive Vice President and Chief Innovation Officer
Paula J. Hilbert	56	Executive Vice President of Global Operations and Chief Service Officer

Stephen G. Waldis has served as 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. From 2000 until 2011 Mr. Waldis also served as President of Synchronoss. 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.

Robert Garcia has served as President of Synchronoss since December 2011 and Chief Operating Officer since April 2007. Prior to that position, Mr. Garcia served in various positions at Synchronoss, including Executive Vice President of Operations and Service Delivery and General Manager of Synchronoss' western office since joining Synchronoss in 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 degree in logistics and economics from St. John's University in New York.

Lawrence R. Irving has served as Chief Financial Officer and Treasurer of Synchronoss since July 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.

Ronald J. Prague was promoted to Executive Vice President in December 2011. Mr. Prague joined Synchronoss in August 2006 as General Counsel, and has served as Secretary since October 2006. Before joining Synchronoss, Mr. Prague held various senior positions with Intel Corporation from 1998 to 2006, including as Group Counsel for Intel's Communications Infrastructure Group. Prior to joining Intel, Mr. Prague practiced law with the law firms of Haythe & Curley (now Torys LLP) and

Richards & O'Neil (now Bingham McCutchen). Mr. Prague is a graduate of Northwestern University School of Law and earned a degree in business administration and marketing from Cornell University.

Christopher S. Putnam has been with Synchronoss since January 2004 and has served as Executive Vice President of Sales of Synchronoss since April 2005. Prior to joining Synchronoss, from 1999 to 2004, Mr. Putnam served as Director of Sales for Perot Systems' Telecommunications business unit. Mr. Putnam received a degree in communications from Texas Christian University.

Mark Mendes has served as Executive Vice President of InterconnectNow since September 2008 and as Chief Information Officer since December 2010. Mr. Mendes joined Synchronoss in September 2008 in connection with Synchronoss' acquisition of Wisor Telecom Corp., where Mr. Mendes was Chief Executive Officer since 2001. Prior to joining Wisor, from 1997 to 2001, Mr. Mendes was Chief Operating Officer and Chief Technology Officer of NET2000 Communications, Inc. Mr. Mendes received an Engineering degree and MBA Finance/MIS from Syracuse University.

Patrick J. Doran has served as Executive Vice President of Research and Development and Chief Technology Officer since April 2007. Prior to that position, Mr. Doran served in various positions, including Chief Architect and Senior Software Engineer, since joining Synchronoss in 2002. Before joining Synchronoss, Mr. Doran was a Senior Development Engineer at Agility Communications from 2000 to 2002 and a Member of Technical staff at AT&T/Lucent from 1996 to 2000. Mr. Doran received a degree in Computer and Systems engineering from Rensselaer Polytechnic Institute and a masters degree in Industrial Engineering from Purdue University.

Paula J. ("PJ") Hilbert has served as Executive Vice President of Global Operations and Chief Service Officer since she joined Synchronoss in October, 2010. Before joining Synchronoss, Ms. Hilbert was an independent consultant from 2008 to 2010. Prior to that position, Ms. Hilbert served as a Managing Director/Global Client Service and Offshoring at JP Morgan Chase Treasury and Securities Services from 2003 to 2008. Prior to JP Morgan Chase, Ms. Hilbert held senior positions at AT&T from 1979 to 2003, including Vice President—Customer Relationship Management. Ms. Hilbert holds a Bachelor of Science degree in Business Administration from Clarion University.

David E. Berry has served as Executive Vice President and Chief Innovation Officer of Synchronoss since January 2012. Mr. Berry previously was Executive Vice President and Chief Technology Officer of Synchronoss from 2000 to August 2006. Between August 2006 and re-joining the Company, Mr. Berry worked as: an independent consultant; a CTO of a healthcare startup; and a CIO of a digital signage company. Mr. Berry received a Master of Arts in Corporate and Public Communication from Seton Hall University and a Bachelor of Science in Mathematics and Computer Science from Fairfield University.

Biju Nair has served as Executive Vice President of Product Management and Chief Strategy Officer of Synchronoss since the acquisition of Sapience Knowledge Systems, Inc. ("Sapience") in March 2011, where he was Chairman and Chief Executive Officer. Prior to founding Sapience in 2009, Mr. Nair was Senior Vice President & General Manager of the Connectivity and Security Group at Smith Micro Software, Inc. (NASDAQ: SMSI), a position he held since Mobility Solutions Group, a division of PCTEL, Inc., the company where he was Corporate Vice President & General Manager and founder, was acquired by Smith Micro in 2008. Mr. Nair also held senior executive positions at SAFCO Technologies and Agilent Technologies. Mr. Nair holds a Master of Science degree in Electronic and Computer Engineering from Politechnika Warszawska and a Master of Science degree in Computer Science from Illinois Institute of Technology. Mr. Nair serves on the Leadership Council of the Wireless Internet Caucus of CTIA.

ITEM 1A. *RISK FACTORS*

An investment in our common stock involves a high degree of risk. The following are certain risk factors that could affect our business, financial results and results of operations. You should carefully consider the following risk factors in connection with evaluating the forward-looking statements contained in this Annual Report on Form 10-K because these factors could cause the actual results and conditions to differ materially from those projected in forward-looking statements. The risks that we have highlighted here are not the only ones that we face. If any of the risks actually occur, our business, financial condition or results of operation could be negatively affected. In that case, the trading price of our stock could decline, and our stockholders may lose part or all of their investment.

Risks Related to Our Business and Industry

We have Substantial Customer Concentration, with One Customer Accounting for a Substantial Portion of Our 2011 Revenues.

We currently derive a significant portion of our revenues from one customer, AT&T. Our relationship with AT&T dates back to January 2001 when we began providing service to AT&T Wireless, which was subsequently acquired by Cingular Wireless and is now a division of AT&T. For the year ended December 31, 2011, AT&T accountedfor approximately 51% of our revenues, compared to 62% for the year ended December 31, 2010. Our agreement with AT&T was automatically renewed in 2011 through December 2012, and will automatically renew each year unless either party notifies the other of its intention not to renew at least sixty days prior to the end of the then-current term. This agreement defines the work activities, transaction pricing, forecasting process, service level agreements and remedies associated with certain services performed by us for AT&T's ecommerce organization. The agreement provides for AT&T to pay us (i) a monthly hosting fee, (ii) a fee based on the number of transactions processed through our technology platform, (iii) a fee based on manual processing services and (iv) fees for professional services rendered by us. A copy of this agreement has been previously filed with the Securities & Exchange Commission.

Our five largest customers, AT&T, Level 3 Communications, Time Warner Cable, Verizon Wireless, and Vodafone, accounted for approximately 86% of our revenues for the year ended December 31, 2011, compared to 83% of our revenues from our five largest customers, AT&T, Level 3 Communications, Time Warner Cable, Verizon Wireless, and Vonage, for the year ended December 31, 2010. In 2011, both Verizon Wireless and Time Warner Cable represented greater than 10% of our revenue for the year. It is not possible for us to predict the future level of demand for our services that will be generated by these customers or the future demand for the products and services of these customers in the end-user marketplace. In addition, revenues from these larger customers may fluctuate from time to time based on the commencement and completion of projects, the timing of which may be affected by market conditions. Further, some of our contracts with these larger customers permit them to terminate our services at any time (subject to notice and certain other provisions). If any of these customers experience declining or delayed sales due to market, economic or competitive conditions, we could be pressured to reduce the prices we charge for our services or we could lose a major customer, which would affect our margins and would negatively affect our revenues and results of operations.

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 and/or market share. In addition, our present or future service offerings may not satisfy the evolving needs of the industry in which we operate. If we are unable to anticipate or respond adequately to such needs, due to resource, technological or other constraints, our business and results of operations could be harmed.

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.

Our business growth would be impeded if the performance or perception of the Internet was harmed by security problems such as "viruses," "worms" or 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, the growth of our business may be adversely affected.

The Success of Our Business Depends on the Continued Growth in Demand for Connected Devices.

The future success of our business depends upon the continued growth in demand for connected devices. While we believe the market for connected devices will continue to grow for the foreseeable future, we cannot accurately predict the extent to which demand for connected devices will increase, if at all. If the demand for connected devices were to stabilize or decline, our business and results of operations may be adversely affected.

Our Revenue, Earnings and Profitability are Affected by the Length of Our Sales Cycle, and a Longer Sales Cycle could Adversely Affect Our Results of Operations and Financial Condition.

Our business is directly affected by the length of our sales cycle. Our customers' businesses are relatively complex and their purchase of the types of services that we offer generally involve a significant commitment of capital, with attendant delays frequently associated with large capital commitments and procurement procedures within an organization. The purchase of the types of services that we offer typically also requires coordination and agreement across many departments within a potential customer's organization. Delays associated with such timing factors could have a material adverse effect on our results of operations and financial condition. In periods of economic slowdown our typical sales cycle lengthens, which means that the average time between our initial contact with a prospective customer and the signing of a sales contract increases. The lengthening of our sales cycle could reduce growth in our revenue. In addition, the lengthening of our sales cycle contributes to an increased cost of sales, thereby reducing our profitability.

***If We Do Not Meet Our Revenue Forecasts, We May be Unable to Reduce Our Expenses to Avoid or Minimize Harm to Our Results of Operations*.**

Our revenues are difficult to forecast and are likely to fluctuate significantly from period to period. We base our operating expense budgets on expected revenue trends, and many of our expenses, such as office and equipment leases and personnel costs, will be relatively fixed in the short term and will increase over time as we make investments in our business. Our estimates of sales trends may not correlate with actual revenues in a particular quarter or over a longer period of time. Variations in the rate and timing of conversion of our sales prospects into actual revenues could cause us to plan or budget inaccurately and those variations could adversely affect our financial results. In particular, delays, reductions in amount or cancellation of customers' contracts would adversely affect the overall level and timing of our revenues, and our business, results of operations and financial condition could be harmed. Due to the relatively fixed nature of many of our expenses, we may be unable to adjust spending quickly enough to offset any unexpected revenue shortfall.

In the course of our sales to customers, we may encounter difficulty collecting accounts receivable and could be exposed to risks associated with uncollectible accounts receivable. In the event we are unable to collect on our accounts receivable, it could negatively affect our cash flows, operating results and business.

Compromises to Our Privacy Safeguards Could Impact Our Reputation.

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 or potential fines from regulatory authorities. 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. Concerns about the security of online transactions and the privacy of personal information could deter consumers from transacting business with us on the Internet.

Fraudulent Internet Transactions Could Negatively Impact Our Business.

Our business 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 customers currently bear the risk for a fraudulent credit card transaction, in the future we may be forced to share some of that risk and the associated costs with our customers. To the extent that technology upgrades or other expenditures are required to prevent credit card fraud and identity theft, we may be required to bear the costs associated with such expenditures. In addition, to the extent that credit card fraud and/or identity theft cause a decline in business transactions over the Internet generally, both the business of our customers and our business could be adversely affected.

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. Revenues from services performed for customers in the wireless services industry accounted for 60% of our revenues in 2011 and 52% in 2010. A continued slowdown in subscriber growth in the wireless services industry could adversely affect our business growth.

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 service providers and other entities. Should one of our significant customers consolidate or enter into an alliance with an entity or decide to either use a different service provider or to manage its transactions internally, this could have a negative material impact on our business. Any such consolidations, alliances or decisions to manage transactions internally 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 our OEMs and communications services companies' customers. 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, MSOs or OEMs 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 current or 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. In particular, a failure to offset competitive pressures brought about by competitors or in-house solutions developed by AT&T could result in a substantial reduction in or the outright termination of our contract with AT&T, which would have a significant, negative and material impact on our business.

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 we have a disaster recovery facility in our Bridgewater, New Jersey corporate headquarters, 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, among other things:

- 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;
- fire, cyber attack, terrorist attack or other catastrophic event;
- 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 or liabilities 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.

We are Exposed to Risks Associated with the Recent Financial Crisis and Weakening Global Economy.

The recent severe tightening of the credit markets, disruptions in the financial markets and challenging economic conditions have adversely affected the United States and world economies, and in particular, have resulted in reduced consumer spending and reduced spending by businesses. Economic uncertainty exacerbates negative trends in consumer spending and may negatively impact the businesses of certain of our customers, which may cause a reduction in their use of our platforms and therefore a reduction in our revenues. These conditions and uncertainty about future economic conditions make it challenging for us to forecast our operating results, make business decisions, and identify the risks that may affect our business, financial condition and results of operations. It also may result in a more competitive environment, resulting in possible pricing pressure. In addition, we maintain an investment portfolio that is subject to general credit, liquidity, market and interest rate risks that may be exacerbated by deteriorating financial market conditions and, as a result, the value and liquidity of the investment portfolio could be negatively impacted and lead to impairment. If we are not able to timely and appropriately adapt to changes resulting from the difficult macroeconomic environment, our business, financial condition or results of operations may be materially and adversely affected.

We are also subject to the credit risk of our customers and customers with liquidity issues may lead to bad debt expense for us. Most of our sales are on an open credit basis, with typical payment terms of 30 days in the United States and, because of local customs or conditions, longer payment terms in some markets outside the United States. We use various methods to screen potential customers and establish appropriate credit limits, but these methods cannot eliminate all potential bad credit risks and may not prevent us from approving applications that are fraudulently completed. Moreover, businesses that are good credit risks at the time of application may become bad credit risks over time and we may fail to detect this change. We maintain reserves we believe are adequate to cover exposure for doubtful accounts. If we fail to adequately assess and monitor our credit risks, we could experience longer payment cycles, increased collection costs and higher bad debt expense. A decrease in accounts receivable resulting from an increase in bad debt expense could adversely affect our liquidity. Our exposure to credit risks may increase if our customers are adversely affected by the difficult macroeconomic environment, or if there is a continuation or worsening of the economic environment. Although we have programs in place that are designed to monitor and mitigate the associated risk, including monitoring of particular risks in certain geographic areas, there can be no assurance that such programs will be effective in reducing our credit risks or the incurrence of additional losses. Future and additional losses, if incurred, could harm our business and have a material adverse effect on our business operating results and financial condition. Additionally, to the degree that the recent turmoil in the credit markets makes it more difficult for some customers to obtain financing, those customers' ability to pay could be adversely impacted, which in turn could have a material adverse impact on our business, operating results, and financial condition.

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

The telecommunications sector has faced 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 or fines 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 ConvergenceNow®, ConvergenceNow® Plus+™ and InterconnectNow™ platforms. We rely on trade secret, copyright and trademark laws and confidentiality agreements with employees and third parties, all of which offer only limited protection. We also regularly file patent applications to protect inventions arising from our research and development, and have obtained a number of patents in the United States and other countries. 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 materially 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 have made, and in the future intend to make, acquisitions of, and investments in, companies, technologies or products in existing, related or new markets for us which we believe may enhance our market position or strategic strengths. However, we cannot be sure that any acquisition or investment will ultimately enhance our products or strengthen our competitive position. Acquisitions involve numerous risks, including but not limited to: (1) diversion of management's attention from other operational matters; (2) inability to identify acquisition candidates on terms acceptable to us or at all, or inability to complete acquisitions as anticipated or at all; (3) inability to realize anticipated benefits; (4) failure to commercialize purchased technologies; (5) inability to capitalize on characteristics of new markets that may be significantly different from our existing markets; (6) exposure to operational risks, rules and regulations to the extent such activities are located in countries where we have not historically done business; (7) inability to obtain and protect intellectual property rights in key technologies; (8) ineffectiveness of an acquired company's internal controls; (9) impairment of acquired intangible assets as a result of technological advancements or worse-than-expected performance of the acquired company or its product offerings; (10) unknown, underestimated and/or undisclosed commitments or liabilities; (11) excess or underutilized facilities; and (12) ineffective integration of operations, technologies, products or employees of the acquired companies. In addition, acquisitions may disrupt our ongoing operations and increase our expenses and harm our results of operations or financial condition. Future acquisitions could also result in potentially dilutive issuances of equity securities, the incurrence of debt, which may reduce our cash available for operations and other uses, an increase in contingent liabilities or an increase in amortization expense related to identifiable assets acquired, each of which could materially harm our business, financial condition and results of operations.

Our 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 includes 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, varying regional and geopolitical business conditions and demands, and the difficulties associated with managing a large organization spread throughout various countries. As 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.

Our Expansion into International Markets May Expose Us to Risks Associated with Fluctuations in Foreign Currency Exchange Rates That Could Adversely Affect Our Business.

We consider the U.S. dollar to be our functional currency. However, as we expand our operations into international markets a portion of our revenues and/or operating costs may be incurred outside the United States in other currencies. In such event, fluctuations in exchange rates between the currencies in which such revenues and/or costs may occur and the dollar may have a material adverse effect on our results of operations and financial condition. In addition, from time to time following our expansion into international markets we may experience increases in the costs of our operations outside the United States, as expressed in dollars, which could have a material adverse effect on our results of operations and financial condition. Further, the imposition of restrictions on the conversion of foreign currencies could also have a material adverse effect on our business, results of operations and financial condition.

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 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 any members of senior management could materially impair our ability to identify and secure new contracts and otherwise manage our business.

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

We operate as a public company, and will continue to incur significant legal, accounting and other expenses as we comply with the Sarbanes-Oxley Act of 2002, as well as new rules subsequently implemented by the Securities and Exchange Commission and the NASDAQ Global Market, including recent changes under the Dodd-Frank Wall Street Reform and Consumer Protection Act. These rules impose various new requirements on public companies, including requiring changes in corporate governance practices. Our management and other personnel will continue 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.

Section 404 of the Sarbanes-Oxley Act of 2002 requires that we include in our annual report our assessment of the effectiveness of our internal control over financial reporting and our audited financial statements as of the end of each fiscal year. We successfully completed our assessment of our internal control over financial reporting as of December 31, 2011. Our continued compliance with Section 404 will require that we incur substantial 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. In future years, if we fail to timely complete this assessment, there may be a loss of public confidence in our internal control, the market price of our stock could decline and we could be subject to regulatory sanctions or investigations by the NASDAQ Global Market, the Securities and Exchange Commission or other regulatory authorities, which would require additional financial and management resources. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to timely meet our regulatory reporting obligations.

Changes in, or Interpretations of, Accounting Principles Could Result in Unfavorable Accounting Charges.

We prepare our consolidated financial statements in conformity with U.S. generally accepted accounting principles. These principles are subject to interpretation by the SEC and various bodies formed to interpret and create appropriate accounting principles. A change in these principles could have a significant effect on our reported results and may even retroactively affect previously reported results. Our accounting principles that recently have been or may be affected by changes in accounting principles are: (i) accounting for stock-based compensation; (ii) accounting for income taxes; (iii) accounting for business combinations and goodwill; and (iv) accounting for foreign currency translation.

Changes in, or Interpretations of, Tax Rules and Regulations, Could Adversely Affect our Effective Tax Rates.

Unanticipated changes in our tax rates could affect our future results of operations. Our future effective tax rates could be unfavorably affected by changes in tax laws or the interpretation of tax laws or by changes in the valuation of our deferred tax assets and liabilities. It is possible that future requirements, including the recently proposed implementation of International Financial Reporting Standards, or IFRS, could change our current application of U.S. GAAP, resulting in a material adverse impact on our financial position or results of operations. In addition, we are subject to the continued examination of our income tax returns by the IRS and other domestic tax authorities. We regularly assess the likelihood of outcomes resulting from these examinations, if any, to determine the adequacy of our provision for income taxes. We believe such estimates to be reasonable, but there can be no assurance that the final determination of any of these examinations will not have an adverse effect on our operating results and financial position.

Our Stock Price May Continue to Experience Significant Fluctuations.

Our stock price, like that of other technology companies, continues to fluctuate greatly. Our stock price can be affected by many factors such as quarterly increases or decreases in our earnings, speculation in the investment community about our financial condition or results of operations and changes in revenue or earnings estimates, announcement of new services, technological developments, alliances, or acquisitions by us. Additionally, the price of our common stock may continue to fluctuate greatly in the future due to factors that are non-company specific, such as the decline in the United States and/or international economies, acts of terror against the United States, war or due to a variety of company specific factors, including quarter to quarter variations in our operating results, shortfalls in revenue, gross margin or earnings from levels projected by securities analysts and the other factors discussed in these risk factors.

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 currently have research coverage by securities and industry analysts. If one or more of the analysts who covers us downgrades our stock or states a view that our business prospects are reduced, 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.

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. 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.

ITEM 1B. *UNRESOLVED STAFF COMMENTS*

None.

ITEM 2. *PROPERTIES*

In 2011, we entered into a new ten year lease for approximately 80,000 square feet of office space for our corporate headquarters in Bridgewater, New Jersey, effective January 2012. In addition to our principal office space in Bridgewater, New Jersey, we lease facilities and offices in Bethlehem, Pennsylvania, Chicago, Illinois, Tucson, Arizona, Fairpoint, New York, Bellevue, Washington, San Jose, California, Galway, Ireland, Marseille, France, Bucharest, Romania, and Bangalore, India. Our lease for our 61,000 square foot facility in Bethlehem, Pennsylvania expires in 2019, our lease for our 47,000 square foot facility in Tucson, Arizona expires in 2021, and our lease for our 47,462 square foot facility in Bangalore,India expires in 2014. Lease terms for our other locations expire in 2012 to 2016 and 2023. We believe that the facilities we now lease, including our new Bethlehem facility, are sufficient to meet our needs through at least the next 12 months. However, we may require additional office space after that time or if our current business plans change, and we are currently evaluating expansion possibilities.

ITEM 3. *LEGAL PROCEEDINGS*

On September 5, 2008, September 18, 2008, and September 23, 2008, three complaints were filed against us and certain of our officers and directors in the United States District Court for the District of New Jersey purportedly on behalf of a class of shareholders who purchased our common stock between February 4, 2008 and June 9, 2008 (the "Securities Law Actions"). The complaints were consolidated and an amended complaint was filed by the plaintiffs on March 13, 2009. The plaintiffs in each complaint asserted claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. They alleged that certain of our public disclosures regarding our financial prospects during the proposed class period were false and/or misleading. The principal allegation set forth in each complaint was that we issued misleading statements concerning our business prospects relating to the activation of Apple Inc.'s iPhone product. On April 7, 2010, the Court granted our Motion to Dismiss all of the claims against all of the defendants without prejudice. On August 9, 2010, the parties filed a notice of voluntary dismissal with prejudice, noting that the plaintiff was dismissing the case without receiving payment of any kind.

On October 23, 2008 and November 3, 2008, complaints were filed in the state court of New Jersey (the "State Derivative Suit") and the United States District Court for the District of New Jersey (the "Federal Derivative Suit") against certain of our officers and directors, purportedly derivatively on our behalf (collectively, the "Derivative Suits"). The Complaints in the Derivative Suits assert that the named officers and directors breached their fiduciary duties and other obligations in connection with the disclosures that also are the subject of the Securities Law Actions described above. We were also named as a nominal defendant in the Derivative Suits, although the lawsuits are derivative in nature and purportedly asserted on our behalf. On October 20, 2010, the parties to the Federal Derivative Suit filed a notice of voluntary dismissal, dismissing the case in its entirety and with prejudice as to the named plaintiff. On November 17, 2010, the parties to the State Derivative Suit filed a notice of voluntary dismissal, dismissing the case in its entirety with prejudice as to the named plaintiff.

On January 4, 2011, we filed a complaint in the United States District Court for the District of Wisconsin (Civ Act. No. 11-CV-02) against Dashwire, Inc. ("Dashwire"), claiming that Dashwire has infringed, and continues to infringe, several of our patents. We filed an Amended Complaint against Dashwire on April 22, 2011. As a result of these claims, Dashwire filed a complaint against us in the same court asserting that we are infringing two of the Dashwire patents which it recently acquired from Intellectual Venture Partners. On July 29, 2011, we entered into a patent license and settlement agreement with Dashwire whereby Dashwire will take a limited license to certain of our specific cloud management patents. Under the agreement, we received a lump-sum payment and will receive future royalties from Dashwire. In accordance with the terms of the patent license and settlement agreement the parties dismissed the above complaints.

Except for the above claims, we are not currently subject to any legal proceedings that could have a material adverse effect on our operations; however, we may from time to time become a party to various legal proceedings arising in the ordinary course of our business. For instance, On August 26, 2011, we filed a complaint in the United States District Court for the District of New Jersey (Civ Act. No. 11-4947 (FLW/LHG) against NewBay Software, Inc. and Newbay Software, Ltd. (collectively, "Newbay"), claiming that Newbay has infringed, and continues to infringe, several of our patents. On November 28, 2011, Newbay filed an answer to our complaint and asserted certain counterclaims that our patents at issue are invalid. In addition, on October 4, 2011, we filed a complaint in the United States District Court for the District of New Jersey (Civ Act. No. 3:11-cv-05811 FLW-TJB) against Assurion, Inc. ("Assurion"), claiming that Assurion has infringed, and continues to infringe, several of our patents. On February 3, 2012, Assurion filed an answer to our complaint and asserted certain counterclaims that our patents at issue are invalid. We believe that both the Newbay and Assurion claims are without merit, and we intend to defend all of such claims. Due to the inherent uncertainties of litigation, we cannot predict the outcome of the actions at this time.

ITEM 4. *[REMOVED AND RESERVED]*

PART II

ITEM 5. *Market Information*

Our common stock is traded over-the-counter and is listed on the NASDAQ Global Select Market under the symbol "SNCR." We began trading on the NASDAQ National Market on June 19, 2006. The following table sets forth, for each period during the past two years, the high and low sale prices as reported by NASDAQ.

2011	High	Low
First Quarter	$ 35.43	$ 26.04
Second Quarter	$ 35.79	$ 26.28
Third Quarter	$ 35.90	$ 23.27
Fourth Quarter	$ 34.00	$ 22.54

2010	High	Low
First Quarter	$ 20.89	$ 15.65
Second Quarter	$ 22.07	$ 18.20
Third Quarter	$ 20.27	$ 14.63
Fourth Quarter	$ 29.80	$ 17.54

As of February 13, 2012, there were approximately 154 holders of record of our common stock. On February 13, 2012, the last reported sale price of our common stock as reported on the NASDAQ Global Select Market was $34.43 per share.

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 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.

Equity Compensation Plan Information

The following table provides information as of December 31, 2011 with respect to the shares of our common stock that may be issuable under our existing equity compensation plans.

The following information is as of December 31, 2011:

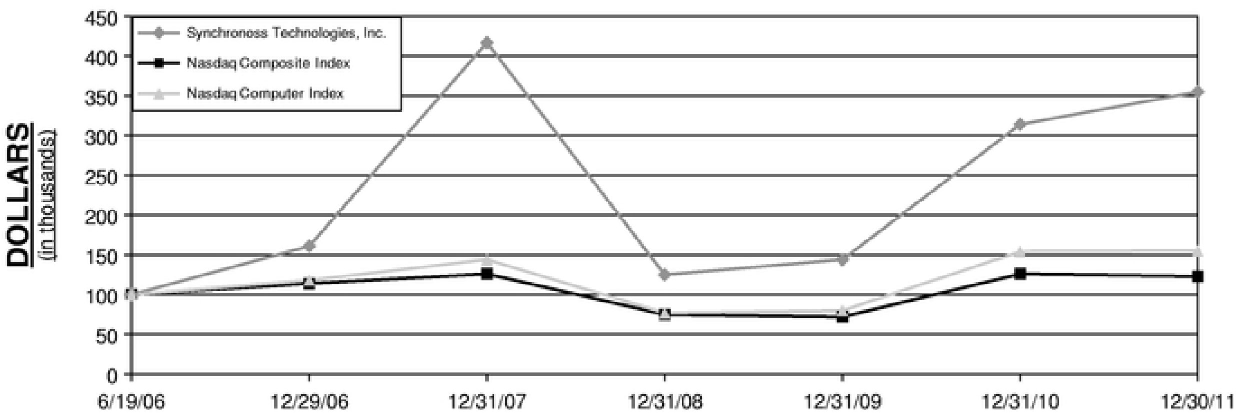
Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options and Rights	(b) Weighted-Average Exercise Price of Outstanding Options and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders	4,210,886	$ 19.36	2,995,425
Equity compensation plans not approved by security holders	86,500	$ 19.32	—
Totals	4,297,386	$ 19.36	2,995,425

On August 3, 2010, our Board of Directors granted equity awards made to one hundred three employees and a newly appointed executive officer. Pursuant to NASDAQ Listing Rule 5635(c)(4), the equity awards were granted under the Synchronoss Technologies, Inc. 2010 New Hire Equity Incentive Plan, which our Board of Directors adopted to facilitate the granting of equity awards as an inducement to new employees to join us. In accordance with NASDAQ rules, these grants were made under a stock incentive plan without stockholder approval.

Stock Performance Graph

The graph set forth below compares the cumulative total stockholder return on our common stock between June 19, 2006 (the date our common stock began trading on NASDAQ and December 31, 2011, with the cumulative total return of (i) the NASDAQ Computer Index and (ii) the NASDAQ Composite Index, over the same period. This graph assumes the investment of $100 on June 19, 2006 in our common stock, the NASDAQ Computer Index and the NASDAQ Composite Index, and assumes the reinvestment of dividends, if any. The graph assumes the initial value of our common stock on June 19, 2006 was the closing sales price of $8.50 per share.

The comparisons shown in the graph below are based upon historical data. We caution that the stock price performance shown in the graph below is not necessarily indicative of, nor is it intended to forecast, the potential future performance of our common stock. Information used in the graph was obtained from NASDAQ, a source believed to be reliable, but we are not responsible for any errors or omissions in such information.



	6/19/06	12/29/06	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11
Synchronoss Technologies, Inc	100	161	417	125	144	314	355
Nasdaq Composite Index	100	114	126	75	72	126	123
Nasdaq Computer Index	100	118	144	77	80	154	155

ITEM 6. ***SELECTED FINANCIAL DATA***

The following selected financial data should be read in conjunction with our consolidated 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 Form 10-K. The selected statements of operations and the selected balance sheet data are derived from our consolidated audited financial statements.

	Year Ended December 31,				
	2011	2010	2009	2008	2007
	(In thousands, except per share data)				
Statements of Operations Data:					
Net revenues	$ 229,084	$ 165,969	$ 128,805	$ 110,982	$ 123,538
Costs and expenses:					
Cost of services*	106,595	83,217	64,455	53,528	55,305
Research and development	41,541	26,008	13,153	11,049	10,629
Selling, general and administrative	44,886	33,743	23,650	21,718	18,531
Net change in contingent consideration obligation	2,954	4,295	—	—	—
Depreciation and amortization	14,739	9,403	8,499	6,656	5,237
Total costs and expenses	210,715	156,666	109,757	92,951	89,702
Income from operations	18,369	9,303	19,048	18,031	33,836
Interest and other income	1,810	1,058	526	2,369	3,974
Interest and other expense	(1,820)	(1,264)	(741)	(96)	(66)
Income before income tax expense	18,359	9,097	18,833	20,304	37,744
Income tax expense	(3,233)	(5,223)	(6,536)	(8,424)	(13,988)
Net income attributable to common stockholders	$ 15,126	$ 3,874	$ 12,297	$ 11,880	$ 23,756
Net income attributable to common stockholders per common share:					
Basic	$ 0.44	$ 0.12	$ 0.40	$ 0.38	$ 0.74
Diluted	$ 0.43	$ 0.12	$ 0.39	$ 0.37	$ 0.71
Weighted-average common shares outstanding:					
Basic	37,372	31,971	30,813	31,619	32,215
Diluted	38,619	33,011	31,145	32,187	33,375

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

	As of December 31,				
	2011	2010	2009	2008	2007
	(In thousands)				
Balance Sheet Data:					
Cash, cash equivalents and marketable securities	$ 152,576	$ 189,635	$ 97,684	$ 78,763	$ 95,857
Working capital	152,886	203,796	108,336	91,248	113,004
Total assets	398,618	340,399	172,559	145,319	139,018
Lease financing obligation—long-term	9,241	9,205	9,150	6,685	—
Contingent consideration obligation—long-term	8,432	16,915	—	—	—
Total stockholders' equity	334,563	288,023	146,464	124,338	126,791

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations.***

This annual report on Form 10-K, particularly Management's Discussion and Analysis of Financial Condition and Results of Operations set forth below, contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties and are based on the beliefs and assumptions of our management as of the date hereof based on information currently available to our management. Use of words such as "believes," "expects," "anticipates," "intends," "plans," "should, "continues," "likely" or similar expressions, indicate a forward-looking statement. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions. Actual results may differ materially from the forward-looking statements we make. We discuss factors that we believe could cause or contribute to these differences below and elsewhere in this Annual Report on Form 10-K, including those set forth under "Risk Factors". We caution investors not to place substantial reliance on the forward-looking statements included in this report on Form 10-K. These statements speak only as of the date of this report (unless another date is indicated), and we undertake no obligation to update or revise the statements in light of future developments.

The following discussion should be read in conjunction with the Consolidated Financial Statements and the related notes that appear elsewhere in this document. All numbers are expressed in thousands unless otherwise stated.

Overview

We are a leading provider of on-demand transaction management solutions. Such transactions include device and service procurement, provisioning, activation, intelligent connectivity management and content synchronization that enable communications service providers (CSPs), cable operators/multi-services operators (MSOs), original equipment manufacturers (OEMs) with embedded connectivity (e.g. smartphones, laptops, tablets and mobile Internet devices, among others), e-Tailers/retailers and other customers to accelerate and monetize their go-to-market strategies for connected devices. This includes automating subscriber activation, order management, upgrades, service provisioning and connectivity and content management from any channel (e.g., e-commerce, telesales, enterprise, indirect and other retail outlets, etc.) to any communication service (e.g., wireless (2G, 3G, (EV-DO and HSPA), 4G, (LTE and WiMAX)), high speed access, local access, IPTV, cable, satellite TV, etc.) across any connected device type and content transfer. Our solutions touch all aspects of connected devices on the mobile Internet.

Our ConvergenceNow®, ConvergenceNow® Plus+TM and InterconnectNowTM platforms provide end-to-end seamless integration between customer-facing channels/applications, communication services, or devices and "back-office" infrastructure-related systems and processes. Our customers rely on our solutions and technology to automate the process of activation and content management for their customer's devices while delivering additional communication services. Our platforms are designed to be flexible and scalable to enable multiple converged communication services to be managed across multiple distribution channels, including e-commerce, m-commerce, telesales, customer stores, indirect and other retail outlets, etc., allowing us to meet the rapidly changing and converging services and connected devices offered by our customers. We enable our customers to acquire, retain and service subscribers quickly, reliably and cost-effectively by simplifying the processes associated with managing the customer experience for procuring, activating, connecting and synchronizing connected devices and services through the use of our platforms. The extensibility, scalability and relevance of our platforms enable new revenue streams for our customers through new subscriber acquisitions, sale of new devices, accessories and new value-added service offerings in the cloud, while optimizing their cost of operations and enhancing customer experience.

We currently have operations in North America, Europe and Asia. We market our solutions and services directly through our sales organizations in North America and Europe.

Our industry-leading customers include tier 1 service providers such as AT&T Inc., Verizon Wireless and Vodafone, tier 1 cable operators/MSOs like Cablevision, Comcast, and Time Warner Cable and large OEMs/e-Tailers such as Apple, Dell, Panasonic, Sony and Nokia. These customers utilize our platforms, technology and services to service both consumer and business customers, including over 300 of the Fortune 500 companies.

Revenues

We generate a substantial portion of our revenues on a per-transaction basis, most of which is derived from contracts that extend up to 60 months from execution. For the years ended December 31, 2011 and 2010, we derived approximately 77% and 79%, respectively, of our revenues from transactions processed and subscription arrangements. The remainder of our revenues was generated by professional services and licenses.

Historically, our revenues have been directly impacted by the number of transactions processed. In recent years, the fourth quarter has had the highest volume of transactions processed due to increased consumer activation activity during the holiday season. The future success of our business depends on the continued growth of consumer and business transactions and, as such, the volume of transactions that we process could fluctuate on a quarterly basis. See "Current Trends Affecting Our Results of Operations" for certain matters regarding future results of operations.

All of our revenues are substantially recorded in the US dollar but as we continue to expand our footprint with international carriers and increase the extent of recording our international activities in local currencies we will become subject to currency translation risk that could affect our future net sales.

We currently derive a significant portion of our revenues from one customer, AT&T. For the year ended December 31, 2011, AT&T accounted for approximately 51% of our revenues, compared to 62% for the year ended December 31, 2010. Our agreement with AT&T was automatically renewed in 2011 through December of 2012 and will automatically renew each year unless either party notifies the other of its intention not to renew at least sixty days prior to the end of the then-current term. This agreement defines the work activities, transaction pricing, forecasting process, service level agreements and remedies associated with certain services performed by us for AT&T's ecommerce organization. The agreement provides for AT&T to pay us (i) a monthly hosting fee, (ii) a fee based on the number of transactions processed through our technology platform, (iii) a fee based on manual processing services and (iv) fees for professional services rendered by us. A copy of this agreement has been previously filed with the Securities & Exchange Commission. In 2011, both Verizon Wireless and Time Warner Cable represented greater than 10% of our revenue for the year.

Our five largest customers, for the year ended December 31, 2011 were AT&T, Level 3 Communications, Time Warner Cable, Verizon Wireless, and Vodafone, which accounted for approximately 86% of our revenues, compared to 83% of our revenues from our five largest customers, AT&T, Level 3 Communications, Time Warner Cable, Verizon Wireless, and Vonage, for the year ended December 31, 2010. See "Risk Factors" for certain matters bearing risks on our future results of operations.

Costs and Expenses

Our costs and expenses consist of cost of services, research and development, selling, general and administrative, depreciation and amortization, change in contingent consideration and interest and other expense.

Cost of services includes all direct materials, direct labor, cost of facilities 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 costs are expensed as incurred unless they meet GAAP criteria for deferral and amortization. Software development costs incurred prior to the establishment of technological feasibility do not meet these criteria, and 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 minor 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, audit, tax and bad debt expense.

Depreciation and amortization relates to our property and equipment and includes our network infrastructure and facilities. Amortization relates to the trademarks, customer lists and technology acquired from Wisor in 2008 and from FusionOne in 2010.

Net change in contingent consideration obligation consists of the changes to the fair value estimate of the obligation to the FusionOne and SKS former equity holders. The estimate was based on the weighted probability achievements of certain financial targets for the period from July 1, 2010 through December 31, 2011. On April 29, 2011 we executed a settlementand amendment agreement with the FusionOne equity holders, including existing employees, which included a determination of the aggregate Earn-out amount and the Earn-out payment dates. As a result of this agreement the Company paid approximately $11.1 million in cash and issued approximately 330 thousand shares of stock (valued at the closing market price at the date of settlement) during 2011. We will also pay approximately $2.3 million during Q1 2012 as a result of this agreement.

Interest and other expense consist of interest on our lease financing obligations, foreign currency transaction losses and other non-operating expenses.

Current Trends Affecting Our Results of Operations

Our on-demand business model enables delivery of our proprietary solutions over the Web as a service and has been driven by market trends such as various forms of device activations, order provisioning, local and mobile number portability, the implementation of new technologies, subscriber growth, competitive churn, network changes, growth of the emerging device market (i.e., smartphones, tablets, connected consumer electronics devices, etc.), need for cloud based content back up and synchronization, and universal connectivity platform for all connected devices and consolidations in the industry. In particular, the emergence of order provisioning of e-commerce transactions for smartphone devices, wireless, VoIP, L/MNP, and other communication services surrounding the convergence of bundled services, as well as the recent cooperative activities between cable MSOs and wireless carriers have increased the need for our services and we believe will continue to be a source of growth for us. New and emerging players looking to offer wireless services also look towards us as a source of knowledge and technology.

To support our expected 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 our exception handling center management as well as routine software maintenance activities. We believe that these opportunities 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. Our cost of services can fluctuate from period to period based upon the level of automation and the on-boarding of new transaction types.

We continue to advance our plans for the expansion of our platforms' footprint with international carriers to support connected devices and multiple networks through our focus on transaction management and cloud based services for back up and synchronization. Our initiatives with AT&T, Verizon Wireless, Vodafone and other CSPs continue to grow along with our account presence with connected device OEM's. We are also exploring additional opportunities through merger and acquisition activities to support our customer, product and geographic diversification strategies.

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 ("GAAP"). The preparation of these financial statements in accordance with 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 expenses during a fiscal period. The Securities and Exchange Commission ("SEC") 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 report on Form 10-K. Although we believe that our judgments and estimates are appropriate, correct and reasonable under the circumstances, 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 and Subscription Service Arrangements: Transaction and subscription revenues represented approximately 77%, 79%, and 83% of our revenues for the years ended December 31, 2011, 2010 and 2009, respectively. Transaction and subscription revenues consist of revenues derived from the processing of transactions through our service platforms, providing enterprise portal management services on a subscription basis and maintenance agreements on software licenses. Transaction service arrangements include services such as equipment orders, new account set-up and activation, number port requests, credit checks and inventory management.

Transaction revenues are principally based on a contractual price per transaction and are recognized based on the number of transactions processed during each reporting period. 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. Subscription revenues are recorded on a straight-line basis over the life of the contract for subscription services and maintenance contracts.

Many of our contracts guarantee minimum volume transactions from the customer. In these instances, if the customer's total transaction volume for the period is less than the contractual amount, we record revenues at the minimum guaranteed amount. At times, transaction revenues may also include billings to customers based on the number of individuals dedicated to processing transactions. 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.

Revenues are presented net of discounts, which are 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.

Professional Service Arrangements: Professional service revenues represented approximately 22%, 17%, and 15% of our revenues for the years ended December 31, 2011, 2010 and 2009, respectively. Professional services, when sold with non-software transactional service arrangements, are accounted for separately when these services have value to the customer on a standalone basis. Professional services, when sold with software 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 the fair value of the professional services. When accounted for separately, professional service revenues are recognized on a monthly basis, as services are performed and all other elements of revenue recognition have been satisfied.

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

If a professional service arrangement were not to qualify for separate accounting, we would recognize the professional service revenues ratably over the remaining term of the transaction contract.

Software License Arrangements: Software license arrangements represented approximately 1%, 4% and 2% of our revenues for the years ended December 31, 2011, 2010 and 2009, respectively and primarily related to our Network Address Book Software, a component part of our ConvergenceNow® Plus^{+TM} platform which we acquired from FusionOne. We recognize revenues when the license is delivered to our customers. When arrangements include multiple elements, we allocate the total arrangement consideration among the various elements using the residual method. Under the residual method, revenue is recognized when vendor-specific objective evidence (VSOE) of fair value exists for all of the undelivered elements of the arrangement, but does not exist for one or more of the delivered elements of the arrangement. Judgment is also involved in determining whether VSOE of fair value for the undelivered elements exists. Such judgments can impact the amount of revenue that we record in a given period.

On January 1, 2011, we prospectively adopted accounting rules that changed the criteria for separating consideration in multiple-deliverable arrangements. The new rules changed the application of the residual method of allocation and require that the arrangement consideration be allocated at the inception of an arrangement to all deliverables using the relative selling price method. The relative selling price method allocates any discount in the arrangement proportionally to each deliverable on the basis of each deliverable's selling price. The selling price used for each deliverable will be based on VSOE if available, third-party evidence ("TPE") if vendor-specific objective evidence is not available, or estimated selling price ("ESP") if neither vendor-specific objective evidence nor third-party evidence is available. The adoption of the amended revenue recognition rules did not change the units of accounting for our revenue transactions. It also did not significantly change how we allocated the arrangement consideration to the various units of accounting or the timing of revenue. The impact of our adoption was not material to our consolidated financial statements for the year ended December 31, 2011.

We determine VSOE for each element based on historical stand-alone sales to third-parties. When we are unable to establish selling prices using VSOE or TPE, we use ESP in our allocation of arrangement consideration. The objective of ESP is to determine the price at which we would transact a sale if the product or service were sold on a stand-alone basis. We determine ESP by considering multiple factors, including, but not limited to, geographies, market conditions, competitive landscape, internal costs, gross margin objectives, and pricing practices. ESP is generally used for offerings that are not typically sold on a stand-alone basis or for new or highly customized offerings.

While we follow specific and detailed rules and guidelines related to revenue recognition, we make and use management judgments and estimates in connection with the revenue recognized in any reporting period, particularly in the areas described above, as well as collectability. If management made different estimates or judgments, differences in the timing of the recognition of revenue could occur.

Deferred Revenue: Deferred revenues primarily represent billings to customers for services in advance of the performance of services, with revenues recognized as the services are rendered, and also include the fair value of deferred revenues recorded as a result of acquisitions.

Service Level Standards

Pursuant to certain contracts, we are subject to service level standards and to corresponding 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 and were not significant for the years ended December 31, 2011, 2010 and 2009.

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts for estimated bad debts 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 or that our reserves will be adequate. If the financial condition of one of our customers were to deteriorate, resulting in its inability to make payments, additional allowances may be required which would result in an additional expense in the period that this determination was made.

Income Taxes

We account for the effects of income taxes that result from our activities during the current and preceding years. Under this method, deferred income tax liabilities and assets are based on the difference between the financial statement carrying amounts and the tax basis of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse or be utilized. The realization of deferred tax assets is contingent upon the generation of future taxable income. 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.

As of December 31, 2011, and 2010 we had total unrecognized tax benefit reserves of $533 thousand and $600 thousand which includes $31 thousand and $55 thousand for accumulated interest related to uncertain positions, respectively. Components of the reserve are classified as either current or long-term in the consolidated balance sheet based on when we expect each of the items to be settled. Accordingly, we recorded a long-term liability for unrecognized tax benefits of $533 thousand on the balance sheet at December 31, 2011 that would reduce the effective tax rate if recognized. We did not have a short term liability on the balance sheet at December 31, 2011. We record interestand penalties accrued in relation to uncertain income tax positions below the operating income line as a component of interest expense. Tax returns for years 2008 and thereafter are subject to future examination by tax authorities.

In 2011, the net decrease in the reserve for unrecognized tax benefits was $43 thousand and the net decrease for interest benefit was $24 thousand. We expect that the amount of unrecognized tax benefits will change during fiscal year 2012; however, we do not expect the change to have a significant impact on our results of operations or financial position.

While we believe we have identified all reasonably identifiable exposures and that the reserve we have established for identifiable exposures is appropriate under the circumstances, it is possible that additional exposures exist and that exposures may be settled at amounts different than the amounts reserved. It is also possible that changes in facts and circumstances could cause us to either materially increase or reduce the carrying amount of our tax reserves.

Stock-Based Compensation

As of December 31, 2011, we maintain three stock-based compensation plans. Compensation cost is recognized for all share-based payments granted and is based on the grant-date fair value estimated using the weighted-average assumption of the Black-Scholes option pricing models. The equity instrument is not considered to be issued until the instrument vests. As a result, compensation cost is recognized over the requisite service period with an offsetting credit to additional paid-in capital. Compensation expense also includes the amortization on a straight-line basis over the remaining vesting period of the intrinsic values of the stock options granted prior to 2006.

For our performance restricted stock awards we estimate the number of shares the recipient is to receive by applying a probability of achieving the performance goals. The actual number of shares the recipient receives is determined at the end of the annual performance period based on the results achieved versus goals based on our annual performance targets, such as operating income. Once the number of awards is determined, the compensation cost is fixed and continues to be recognized using the accelerated attribution recognition over the requisite service period. In addition, certain employees from our acquisition of FusionOne are eligible to receive contingent Earn-out payments. The share portion of the Earn-out is recorded as stock based compensation expense and is recorded over the performance period when it is probable that the performance targets will be achieved. This compensation cost will be fixed at the end of the Earn-out period, and therefore, is subject to volatility based on our stock price.

We classify benefits of tax deductions in excess of the compensation cost recognized (excess tax benefits) as a financing cash inflow with a corresponding operating cash outflow. We included $3.6 million, $2.4 million and $147 thousand of excess tax benefits as a financing cash inflow for the years ended December 31, 2011, 2010 and 2009, respectively.

We utilize the Black-Scholes option pricing model for determining the estimated fair value for stock-based awards. Use of a valuation model requires management to make certain assumptions with respect to selected model inputs. Expected volatility was calculated based on our historical information of our stock. The average expected life was determined using historical stock option exercise activity. The risk-free interest rate is based on U.S. Treasury zero-coupon issues with a remaining term equal to the expected life assumed at the date of grant. We have never declared or paid cash dividends on our common or preferred equity and do not anticipate paying any cash dividends in the foreseeable future. Forfeitures are estimated based on the historical analysis of actual option forfeitures.

The weighted-average assumptions used in the Black-Scholes option pricing model are as follows:

	For the Year Ended December 31,		
	2011	2010	2009
Expected stock price volatility	69%	62%	62%
Risk-free interest rate	1.12%	2.45%	2.81%
Expected life of options (in years)	4.7	4.9	4.9
Expected dividend yield	0%	0%	0%

The weighted-average fair value (as of the date of grant) of the options granted was $17.04, $11.18 and $6.67 per share for the year ended December 31, 2011, 2010 and 2009,respectively. The total stock-based compensation cost related to non-vested equity awards not yet recognized as an expense as of December 31, 2011 was approximately$34.7 million.

During October 2009, the compensation committee of our board of directors approved amendments to stock options held by certain employees to permit transferability of such options to family members. As a result of the amendments, options to purchase an aggregate of 401,962 shares of our common stock no longer qualify as "incentive stock options" under Section 422 of the Internal Revenue Code of 1986, as amended. Accordingly, we treated the amended stock options as if they were non-qualified stock options since inception, which resulted in a deferred tax asset of approximately $1.7 million. Also, there was no incremental compensation cost associated with each amended stock option resulting from the measurement of the excess of the fair value of the stock option immediately following its amendment over the fair value of the stock option immediately prior to its amendment based on the share price and other pertinent factors at that date.

Business Combinations

We account for business combinations in accordance with the acquisition method. The acquisition method of accounting requires that assets acquired and liabilities assumed be recorded at their fair values on the date of a business acquisition. Our consolidated financial statements and results of operations reflect an acquired business from the completion date of an acquisition.

The judgments that we make in determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact net income in periods following a business combination. We generally use either the income, cost or market approach to aid in our conclusions of such fair values and asset lives. The income approach presumes that the value of an asset can be estimated by the net economic benefit to be received over the life of the asset, discounted to present value. The cost approach presumes that an investor would pay no more for an asset than its replacement or reproduction cost. The market approach estimates value based on what other participants in the market have paid for reasonably similar assets. Although each valuation approach is considered in valuing the assets acquired, the approach ultimately selected is based on the characteristics of the asset and the availability of information.

For acquisitions completed after January 1, 2009, we record contingent consideration resulting from a business combination at its fair value on the acquisition date. Each reporting period thereafter, we revalue these obligations and record increases or decreases in their fair value as an adjustment to net change in contingent consideration obligation within the consolidated statement of income. Changes in the fair value of the contingent consideration obligation can result from updates in the achievement of financial targets and changes to the weighted probability of achieving those future financial targets.

Significant judgment is employed in determining the appropriateness of these assumptions as of the acquisition date and for each subsequent period. Accordingly, any change in the assumptions described above could have a material impact on the amount of the net change in contingent consideration obligation that we record in any given period.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of assets acquired, including other definite-lived intangible assets. Goodwill is not amortized, but reviewed annually for impairment or upon the occurrence of events or changes in circumstances that would more likely than not reduce the fair value of the reporting unit below its carrying amount. We performed our annual impairment test noting no impairment, and we do not believe we are at risk for impairment.

The change in the carrying amount of goodwill for the year ended December 31, 2011 is as follows:

Balance at December 31, 2010	$ 19,063
Acquired goodwill	37,191
Reclassifications, adjustments and other	(1,637)
Balance at December 31, 2011	$ 54,617

The reclassifications, adjustment and other of $1.6 million is primarily related to adjustments to our deferred taxes as a result of changes in the apportionment used related to our state effective tax rate.

Results of Operations

Year ended December 31, 2011, compared to the Year ended December 31, 2010

The following table presents an overview of our results of operations for the years ended December 31, 2011 and 2010.

	Year Ended December 31,				2011 vs 2010	
	2011		2010			
	$	% of Revenue	$	% of Revenue	$ Change	% Change
	(in thousands)					
Net revenue	$229,084	100.0%	$165,969	100.0%	$63,115	38.0%
Cost of services*	106,595	46.5%	83,217	50.1%	23,378	28.1%
Research and development	41,541	18.1%	26,008	15.7%	15,533	59.7%
Selling, general and administrative	44,886	19.6%	33,743	20.3%	11,143	33.0%
Net change in contingent consideration obligation	2,954	1.3%	4,295	2.6%	(1,341)	(31.2)%
Depreciation and amortization	14,739	6.4%	9,403	5.7%	5,336	56.7%
	210,715	92.0%	156,666	94.4%	54,049	34.5%
Income from operations	$ 18,369	8.0%	$ 9,303	5.6%	$ 9,066	97.5%

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

Net Revenues. Net revenues increased by $63.1 million to $229.1 million in 2011, compared to 2010. This increase wasprimarily due to increased transaction volumes and expansion into new programs from our top five customer relationships. Transaction and subscription revenues recognized

for the years ended December 31, 2011 and 2010 represented 77.0% or $176.4 million and 78.5% or $130.4 million of net revenues, respectively. Net revenues related to AT&T increased $14.3 million to $116.7 million for 2011, compared to 2010. AT&T represented 50.9% and 61.7% of our revenues for 2011 and 2010, respectively. Net revenues outside of AT&Tincreased by $48.8 million to $112.4 million for 2011, compared to 2010. Net revenues outside of AT&T represented 49.1% and 38.3% of our revenues in 2011 and 2010, respectively.Professional service revenues as a percentage of sales were 22.1% or $50.5 million in 2011, compared to 17.3% or $28.7 million in 2010. The increase in professional services revenue isprimarily due to the expansion of services due to new projects with existing customers. License revenues decreased $4.7 million to $2.2 million or 1.0% of net revenues for 2011, ascompared to 2010. The decrease in license revenues is primarily due to an offerings shift to subscription pricing related to our Network Address Book Software, a component part of our ConvergenceNow® Plus+TM platform which we acquired from FusionOne.

Expense

Cost of Services. Cost of services increased $23.4 million to $106.6 million in 2011, compared to 2010, due primarily to an increase of $10.6 million for outside consultants related to growth in existing and new programs with our customers. There was an increase of $8.4 million in our personnel and related costs and an increase of $912 thousand in stock-based compensation in 2011, compared to 2010. The increase in personnel and related costs and stock-based compensation was due primarily to an increase in headcount as a result of our continued growth in existing and new programs with our current customers. In addition, there was an increase of $3.4 million in telecommunication and facility costs related to the increased call volume and capacity associated with our existing and new Arizona data facilities. Cost of services as a percentage of net revenues decreased to 46.5% for 2011, as compared to 50.1% for 2010 as a result of increases in technology based revenues which have higher margins.

Research and Development. Research and development expense increased approximately $15.5 million to $41.5 million in 2011,compared to 2010, due to headcount increases. Personnel and related costs increased $9.2 million and stock-based compensation increased $2.4 million. The increase in personnel and related costs and stock-based compensation was due primarily to an increase in headcount through acquisitions and our continued expansion as we further expand the capabilities of our offerings, as well as investing in several early-stage customer deployments that we believe have the potential to scale. In addition, there was an increase of $3.8 million in outside consultants expense related to growth in existing and new programs with our customers and an increase of $220 thousand in telecommunication and facility costs related to the increase in headcount and the utilization of our expanded resources. Research and development expense as a percentage of net revenues increased to 18.1% for 2011, compared to 15.7% in 2010.

Selling, General and Administrative. Selling, general and administrative expenses increased $11.1 million to $44.9 million in 2011, compared to 2010, primarily due to increased headcount. Personnel and related costs increased by $5.5 million and stock-based compensation expense increased by $5.1 million. The increase in personnel and related costs and stock-based compensation was due primarily to an increase in headcount as a result of our acquisitions and continued growth and the increase in the fair value of our stock awards which was due to the increase of our stock price. Also included in the increase in personnel and related costs and in stock-based compensation costs were costs of $2.4 million related to the vesting of the FusionOne employee Earn-out during 2011. Additionally, we had an increase of $699 thousand in professional fees associated with increased legal activity related to the FusionOne Earn-out settlement and patent related services, and an increase of $168 thousand for outside consultants related to our expanded marketing efforts offset by a decrease of $497 thousand in acquisition related costs. Selling, general and administrative expense as a percentage of net revenues increased to 19.6% for 2011, as compared to 20.3%for 2010.

Depreciation and amortization. Depreciation and amortization expense increased $5.3 million to $14.7 million in 2011, compared to 2010, primarily related to the amortization of our newly acquired intangible assets of FusionOne and the continued expansion of our platforms. This increase was offset by the completion of the depreciation of certain assets which, for accounting purposes, have reached the end of their respective useful lives. Depreciation and amortization expense as a percentage of net revenues increased to 6.4% for 2011, as compared to 5.7% for 2010.

Net change in contingent consideration obligation. The fair value change in the contingent consideration liability related to the equity-holders' Earn-out resulted in additional expense of $3.0 million for the year ended December 31, 2011. Changes in the contingent consideration obligation are driven by the fair value estimates related to our acquisitions of FusionOne and SKS. The change in the estimate of the fair value of the contingent consideration obligation related to the FusionOne Earn-out is primarily due to the changes in our stock price prior to the amendment and settlement of the FusionOne Earn-out. The change in the estimate of the fair value of the contingent consideration obligation related to the SKS Earn-out is due to changes to the weighted probability of achieving product milestones and operational efficiencies for the SKS Earn-out.

Income from Operations. Income from operations increased $9.1 million to $18.4 million in 2011, compared to 2010. This increase was due primarily to increased revenues that resulted from increased transaction volumes and expansion into new programs with our largest customers. Income from operations as a percentage of net revenues increased to 8.0% for 2011, as compared to 5.6% for 2010.

Interest and other income. Interest and other income increased $752 thousand to $1.8 million in 2011, compared to 2010. Interest and other income increased primarily due to increased interest income from increased cash balances and rates on our investments and increased gains on foreign currency transactions.

Interest and other expense. Interest expense increased $556 thousand to $1.8 million in 2011, compared to 2010. Interest and other expense increased primarily due to foreign currency fluctuations losses on increased foreign denominated monetary assets.

Income Tax. During 2011 and 2010, we recognized approximately $3.2 million and $5.2 million in income tax expense, respectively. Our effective tax rate was approximately 17.6% and 57.4% during 2011 and 2010, respectively. In 2011, our effective tax rate was lower than our US federal statutory rate primarily due to the favorable tax impact of the utilization of our federal NOL's resulting from the additional consideration paid to the FusionOne equity holders during 2011, the favorable impact of R&D tax credits, and the impact of income in foreign jurisdictions, which have lower tax rates than the US offset by the unfavorable tax impact of the fair market value adjustment for the contingent consideration obligations related to the Earn-outs.

We expect to be exposed to fluctuations in our effective rate during the Earn-out period for our contingent consideration liabilities. Due to the nature of these transactions we may experience significant adjustments to fair value of the contingent consideration obligation depending on the outcome of the target achievements.

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A reconciliation of the beginning and ending amounts of unrecognized tax benefits for the twelve months ended December 31, 2011 is as follows:

Unrecognized tax benefit at December 31, 2010	$ 600
Additions for tax positions of prior periods	35
Decreases for tax positions of prior periods	(78)
Additions for tax positions of current periods	187
Reductions related to the expiration of statutes of limitations	(211)
Unrecognized tax benefit at December 31, 2011	$ 533

Year ended December 31, 2010, compared to the Year ended December 31, 2009

The following table presents an overview of our results of operations for the years ended December 31, 2010 and 2009.

	Year Ended December 31,				2010 vs 2009	
	2010		2009			
	$	% of Revenue	$	% of Revenue	$ Change	% Change
	(in thousands)					
Net revenue	$165,969	100.0%	$128,805	100.0%	$37,164	28.9%
Cost of services*	83,217	50.1%	64,455	50.0%	18,762	29.1%
Research and development	26,008	15.7%	13,153	10.2%	12,855	97.7%
Selling, general and administrative	33,743	20.3%	23,650	18.4%	10,093	42.7%
Net change in contingent consideration obligation	4,295	2.6%	—	—	4,295	100.0%
Depreciation and amortization	9,403	5.7%	8,499	6.6%	904	10.6%
	156,666	94.4%	109,757	85.2%	46,909	42.7%
Income from operations	$ 9,303	5.6%	$ 19,048	14.8%	$ (9,745)	(51.2)%

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

Net Revenues. Net revenues increased by $37.2 million to $166.0 million in 2010, compared to 2009. This increase was primarily due to increased transaction volumes and expansion into new programs from our AT&T and Time Warner Cable relationships and due to our FusionOne acquisition which contributed additional license and subscription revenues in 2010. Net revenues related to AT&T increased $18.7 million to $102.4 million for 2010, compared to 2009. AT&T represented 61.7% and 64.9% of our revenues for 2010 and 2009, respectively. Net revenues outside of AT&T increased by $17.8 million in 2010 compared to 2009. Net revenues outside of AT&T represented 38.3% and 35.1% of our revenues in 2010 and 2009, respectively. Transaction and subscription revenues recognized for the years ended December 31, 2010 and 2009 represented 78.5% or $130.4 million and 83.4% or $107.4 million of net revenues, respectively. Professional service revenues as a percentage of sales were 17.3% or $28.7 million in 2010, compared to 15.2% or $19.6 million in 2009. As a result of the FusionOne acquisition, license revenues increased $5.1 million to $6.9 million or 4.2% of net revenues for 2010 as compared to 2009.

Expense

Cost of Services. Cost of services increased $18.8 million to $83.2 million in 2010, compared to 2009, due primarily to an increase of $7.3 million for outside consultants related to growth in existing and new programs with our customers. There was an increase of $6.3 million in our personnel and

related costs and an increase of $1.9 million in stock-based compensation in 2010, compared to 2009. The increase in personnel and related costs and stock-based compensation was due primarily to an increase in headcount as a result of the FusionOne acquisition and our continued global expansion. In addition, there was an increase of $3.5 million in telecommunication and facility costs related to the increased call volume and capacity associated with our data facilities and our expansions related to the FusionOne acquisition offset by a decrease of $382 thousand in license fees related to our 2009 ATG license purchase. Cost of services as a percentage of net revenues increased to 50.1% for 2010, as compared to 50.0% for 2009.

Research and Development. Research and development expense increased approximately $12.9 million to $26.0 million in 2010, compared to 2009, due primarily to the acquisition of FusionOne. Personnel and related costs increased $6.4 million and stock-based compensation increased $1.4 million in 2010, compared to 2009, due to an increase in headcount and our continued global expansion. Also included in the increase in personnel and related costs and in stock-based compensation costs was $606 thousand related to the FusionOne employee Earn-out achieved during the year ended December 31, 2010. In addition there was an increase of $3.4 million in professional services as a result of augmentations of our staff related to the development of new technologies, an increase of $1.1 million in telecommunication and facility costs related to the increase in headcount and the utilization of our expanded resources, and acquisition related fees of $211 thousand related to our acquisition of FusionOne. Research and development expense as a percentage of net revenues increased to 15.7% for 2010, compared to 10.2% in 2009.

Selling, General and Administrative. Selling, general and administrative expenses increased $10.1 million to $33.7 million in 2010, compared to 2009, primarily due to the acquisition of FusionOne including acquisition related fees of $2.9 million for investment banking and professional services. Personnel and related costs increased by $4.4 million, stock-based compensation expense increased by $2.0 million, consulting costs increased by $576 thousand and marketing costs increased by $338 thousand in 2010, compared to 2009. Additionally, franchise taxes and other taxes increased by $380 thousand in 2010, compared to 2009. The increase in personnel and related and stock-based compensation costs was primarily due to an increase in headcount as a result of our continued growth. Also included in the increase in personnel and related costs and in stock-based compensation costs were costs of $477 thousand related to the FusionOne employee Earn-out achieving some of the quarterly targets during the year ended December 31, 2010 in addition to updates to the FusionOne 2011 forecast and the weighted probability of achieving future quarterly targets. The increase in consulting and marketing costs relate to our expanded business development and marketing activities. These expenses were offset by decreases in professional services of $292 thousand and bad debt expense of $318 thousand. Lastly, during 2010, there were integration, restructuring and exit activity costs of $207 thousand related to our consolidation of FusionOne. Selling, general and administrative expense as a percentage of net revenues increased to 20.3% for 2010, as compared to 18.4% for 2009.

Depreciation and amortization. Depreciation and amortization expense increased $904 thousand to $9.4 million in 2010, compared to 2009, primarily related to the amortization of our newly acquired intangible assets of FusionOne. This increase was offset by the completion of the depreciation of certain assets which, for accounting purposes, have reached the end of their respective lives. Depreciation and amortization expense as a percentage of net revenues decreased to 5.7% for 2010, as compared to 6.6% for 2009.

Net change in contingent consideration obligation. The fair value change in the contingent consideration liability related to the Earn-out for the FusionOne equity holders resulted in additional expense of $4.3 million for the year ended December 31, 2010. The increase in the estimate of the fair value of the contingent consideration obligation is due to FusionOne business achieving some of the quarterly targets in addition to updates to the FusionOne 2011 forecast and the weighted probability of achieving certain future quarterly targets.

Income from Operations. Income from operations decreased $9.7 million to $9.3 million in 2010, compared to 2009. This decrease was due primarily to the change in contingent consideration obligation and related costs associated with the acquisition of FusionOne and increased investments in our research and development staff and related costs. Income from operations as a percentage of net revenues decreased to 5.6% for 2010, as compared to 14.8% for 2009.

Interest and other income. Interest and other income increased $532 thousand to $1.1 million in 2010, compared to 2009. Interest and other income increased primarily due to proceeds from an insurance claim for damaged equipment offset by decreased interest income due to lower yields and effective interest rates on our investments.

Interest and other expense. Interest expense increased $523 thousand to $1.3 million in 2010, compared to 2009. Interest and other expense increased primarily due to the lease financing obligation related to our Pennsylvania facility that began in April 2009. During the years ended December 31, 2010 and 2009 we recognized approximately $913 thousand and $674 thousand, respectively, of interest expense related to the facility lease. The remaining increase was due to fixed asset disposals and foreign currency losses.

Income Tax. During 2010 and 2009, we recognized approximately $5.2 million and $6.5 million in income tax expense, respectively. Our effective tax rate was approximately 57.4% and 34.7% during 2010 and 2009, respectively. We review the expected annual effective income tax rate and make changes on a quarterly basis as necessary based on certain factors such as changes in forecasted annual operating income, changes to the actual and forecasted permanent book-to-tax differences, or changes resulting from the impact of a tax law change. In 2010, our effective tax rate was higher than our US federal statutory rate primarily due to the unfavorable tax impact of the fair market value adjustment for the contingent consideration obligation related to the Earn-out for the FusionOne equity holders, the nondeductible transaction costs related to the FusionOne acquisition, and other nondeductible items including GAAP compensation expense for incentive stock options. In addition, the tax rate increase from the prior year is also impacted by the expiration of the tax holiday in India and increased state taxes due to more contracts being performed in those locations.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits for the twelve months ended December 31, 2010 is as follows:

Unrecognized tax benefit at December 31, 2009	$ 994
Additions for tax positions of prior periods	57
Decreases for tax positions of prior periods	(44)
Additions for tax positions of current periods	153
Reductions related to the expiration of statutes of limitations	(560)
Unrecognized tax benefit at December 31, 2010	$ 600

Unaudited Quarterly Results of Operations

	Quarter Ended			
	March 31	June 30	September 30	December 31
	(In thousands, except per share data)			
2011				
Net revenues	$ 52,878	$ 54,817	$ 59,238	$ 62,151
Gross profit(2)	28,267	28,939	31,457	33,826
Net income(3)	139	3,204	3,575	8,208
Basic net income per common share(1)	0.04	0.07	0.10	0.22
Diluted net income per common share(1)	0.04	0.06	0.09	0.21

	Quarter Ended			
	March 31	June 30	September 30	December 31
	(In thousands, except per share data)			
2010				
Net revenues	$ 35,063	$ 37,218	$ 44,456	$ 49,232
Gross profit(2)	17,421	18,205	21,473	25,653
Net income	2,733	2,953	2,141	(3,954)
Basic net income per common share(1)	0.09	0.09	0.05	(0.09)
Diluted net income per common share(1)	0.09	0.09	0.05	(0.09)

(1) Per common share amounts for the quarters and full year 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 issuing shares of our common stock and options during the year.

(2) Gross profit is defined as net revenues less cost of services and excludes depreciation and amortization expense.

(3) Net income for the quarters ended September 31, 2010, December 31, 2010, March 31, 2011, June 30, 2011, September 30, 2011, and December 31, 2011 included a change in contingent consideration obligation of ($2.0) million, $6.3 million, $2.9 million, ($85) thousand, $480 thousand, and ($357) thousand, respectively.

Liquidity and Capital Resources

In 2011, our principal source of liquidity was cash provided by operations. Our cash, cash equivalents and marketable securities balance was $152.6 million at December 31, 2011, a decrease of $37.1 million as compared to the end of 2010. This decrease was primarily due to $55.8 million in cash used for acquisitions offset by cash provided by operations. We anticipate that our principal uses of cash in the future will be to fund the expansion of our business through both organic growth as well as possible acquisition activities and the expansion of our customer base internationally. Uses of cash will also include facility expansion, capital expenditures and working capital.

We believe that our existing cash and cash equivalents and our cash flow from operations will be sufficient to fund our operations and our capital expenditures for at least the next 12 months based on our current business plan. Our future capital requirements will depend on many factors, including our rate of revenue growth, the expansion of our sales and marketing activities, the timing and extent of spending to support product development efforts and expansion into new territories, the timing of introductions of new products and enhancements to existing products and the continuing market acceptance of our products and services. We may from time to time enter into agreements, arrangements or letters of intent regarding potential investments in, or acquisitions of, complementary businesses, applications or technologies, which could require us to seek additional equity or debt financing. Additional funds may not be available on terms favorable to us or at all.

Discussion of Cash Flows

Year ended December 31, 2011, compared to the Year ended December 31, 2010

Cash flows from operations. Net cash provided by operating activities for the year ended December 31, 2011 was $42.6 million, as compared to $21.7 million for the year ended December 31, 2010. Our primary uses of cash from operating activities are for personnel related expenditures and outside consultants. We also make cash payments related to taxes and leased facilities. The increase in net cash provided by operating activities for the year ended December 31, 2011 of $20.8 million as compared to 2010 is primarily due to from an increase in adjusted net income of $25.0 million, offset by increased levels of net working capital of $4.2 million.

Cash flows from investing. Net cash used in investing activities for the year ended December 31, 2011 was $145.1 million, ascompared to $47.2 million for the year ended December 31, 2010. The primary use of cash was $55.8 million used in the current year acquisitions net of cash acquired. In addition, there was $12.8 million used to purchase property and equipment and $1.9 million to develop technology and patents. The purchases of property and equipment were primarily related to our continued investments in global information technology and business system infrastructure. We also used $82.1 million related to the purchase of our marketable securities available for sale. The increase in marketable securities was primarily to utilize our accumulated cash by increasing our investments in municipal bonds and money markets.

Cash flows from financing. Net cash used in financing activities for the year ended December 31, 2011 was $8.2 million, as compared to cash provided by financing activities of $116.1 million for the year ended December 31, 2010. The decrease was primarily due to the $106.6 million of proceeds from secondary public offering in the year ended December 31, 2010 and there were no public offerings in year ended December 31, 2011. In addition, in the year ended December 31, 2011, there was $20.0 million used to repurchase our common stock, $8.5 million in payments related to the Earn-out for the FusionOne equity holders, and $945 thousand in payments on our capital obligation related to our data facility, offset by $17.7 million in proceeds from the exercise of stock options and a $3.6 million tax benefit from the exercise of stock options.

We believe that our existing cash and cash equivalents and cash generated from our operations will be sufficient to fund our operations for the next twelve months.

Year ended December 31, 2010, compared to the year ended December 31, 2009

Cash flows from operations. Net cash provided by operating activities for the year ended December 31, 2010 was $21.7 million,compared to $29.7 million for the year ended December 31, 2009. Our primary uses of cash from operating activities are for personnel related expenditures and outside consultants. We also make cash payments related to taxes and leased facilities. During the year ended December 31, 2010 we also made payments of approximately $3.1 million related to our FusionOne related acquisition transaction costs. The decrease in net cash provided by operating activities for the year ended December 31, 2010 of $8.0 million as compared to 2009 is primarily due to the change in working capital which included a $8.1 million increase in our accounts receivable balance as our collection of customer accounts only partially offset the increase of $37.2 million in customer sales and a $4.6 million increase in our accounts payable and accrued expenses. The accounts payable and accrued expenses accounts grew partially due to increased expenses necessary to support higher revenues as well as the up-front costs associated with the design, business process flow and planning related to the on-boarding of new business channels within our existing customers. Deferred revenue increased primarily due to maintenance fees associated with the FusionOne customer contracts.

Cash flows from investing. Net cash used in investing activities for the year ended December 31, 2010 was $47.2 million,compared to cash used in investing activities of $13.3 million for the year ended December 31, 2009. The primary use of cash was $30.8 million used in the acquisition of FusionOne net of cash acquired. In addition, there was $15.4 million used to purchase property and equipment primarily related to our continued investments in global information technology and business system infrastructure. We also used $1.5 million related to the purchase and maturity of our marketable securities available for sale.

Cash flows from financing. Net cash provided by financing activities for the year ended December 31, 2010 was $116.1 millioncompared to cash provided by financing activities of $1.3 million for the year ended December 31, 2009. The increase was due to the net proceeds of $106.6 million from the secondary stock offering, $8.1 million from the exercise of stock options, and $2.4 million from an increase in the tax benefit from the exercise of stock options, offset by $949 thousand of payments made during 2010 on our capital obligation related to our data facility.

Effect of Inflation

Although 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 2011, 2010 and 2009.

Contractual Obligations

Our commitments consist of obligations under leases for office space, automobiles, computer equipment and furniture and fixtures. The following table summarizes our long-term contractual obligations as of December 31, 2011 (in thousands).

	Payments Due by Period				
	Total	Less Than 1 Year	1 - 3 Years	4 - 5 Years	More Than 5 Years
Long-term lease obligations(1)	$ 9,867	$ 1,358	$ 2,788	$ 2,444	$ 3,277
Contingent consideration obligation(2)	13,167	4,735	8,432	—	—
Operating lease obligations	35,784	3,409	7,524	6,242	18,609
Captial lease obligations	265	261	4	—	—
Other long-term liabilities(3)	533	—	533	—	—
Total	$ 59,616	$ 9,763	$ 19,281	$ 8,686	$ 21,886

(1) Amount represents obligation associated with the Pennsylvania facility lease.

(2) Amount represents the fair value of the contingent consideration obligations of our FusionOne, SKS, and Miyowa acquisitions and is based on actual and estimated achievements of financial targets and milestones as of December 31, 2011. When settled at the end of the Earn-out period the amount is subject to change due to the actual achievements of financial targets and our stock price.

(3) Amount represents unrecognized tax positions recorded in our balance sheet. Although the timing of the settlement is uncertain, we believe this amount will be settled within 3 years.

Impact of Recently Issued Accounting Standards

In May 2011, the FASB issued amendments to disclosure requirements for common fair value measurement. These amendments, effective for the interim and annual periods beginning on or after December 15, 2011 (early adoption is prohibited), result in common definition of fair value and common requirements for measurement of and disclosure requirements between U.S. GAAP and IFRS. Consequently, the amendments change some fair value measurement principles and disclosure requirements. The implementation of this amended accounting guidance is not expected to have a material impact on our consolidated financial statements or disclosures.

In June 2011, the FASB issued amendments to disclosure requirements for presentation of comprehensive income. This guidance, effective retrospectively for the interim and annual periods beginning on or after December 15, 2011 (early adoption is permitted), requires presentation of total comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The implementation of this amended accounting guidance is not expected to have a material impact on our consolidated financial statements or disclosures, therefore, we have elected not to early adopt.

In September 2011, the FASB issued amendments to simplify how entities test goodwill for impairment. These amendments, effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011, (early adoption is permitted), permits an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. The implementation of this amended accounting guidance is not expected to have a material impact on our consolidated financial statements or disclosures, therefore, we have elected not to early adopt.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements as of December 31, 2011 and December 31, 2010.

ITEM 7A. ***QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK***

Market Risk

The following discussion about market risk disclosures involves forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. We deposit our excess cash in high-quality financial instruments, primarily money market funds and certificates of deposit and, we may be exposed to market risks related to changes in interest rates. We do not actively manage the risk of interest rate fluctuations on our marketable securities; however, such risk is mitigated by the relatively short-term nature of these investments. We do not expect the current rate of inflation to have a material impact on our business. These investments are denominated in United States dollars.

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- and long-term investments in a variety of securities, which could include commercial paper, money market funds and corporate debt securities. Our cash, cash equivalents and marketable securities at December 31, 2011 and 2010 were invested in liquid money market accounts and certificates of deposit. All market-risk sensitive instruments were entered into for non-trading purposes.

Foreign Currency Exchange Risk

We conduct business outside the U.S. in several currencies including the British Pound Sterling, Euro, and Indian Rupee. The financial statements of these foreign subsidiaries are translated into U.S. dollars using period-end rates of exchange for assets and liabilities and average rates for the period for revenues and expenses.

We do not hold any derivative instruments and do not engage in any hedging activities. Although our reporting currency is the U.S. dollar, we may conduct business and incur costs in the local currencies of other countries in which we may operate, make sales and buy materials. As a result, we are subject to currency translation risk. Further, changes in exchange rates between foreign currencies and the U.S. dollar could affect our future net sales and cost of sales and could result in exchange losses.

We cannot accurately predict future exchange rates or the overall impact of future exchange rate fluctuations on our business, results of operations and financial condition. To the extent that our international activities recorded in local currencies increase in the future, our exposure to fluctuations in currency exchange rates will correspondingly increase and hedging activities may be considered if appropriate.

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ITEM 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA***

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
Synchronoss Technologies, Inc.

We have audited the accompanying consolidated balance sheets of Synchronoss Technologies, Inc. as of December 31, 2011 and 2010, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2011. Our audits also included the financial statement schedule listed in the index at Item 15(a)(2). 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Synchronoss Technologies, Inc. at December 31, 2011 and 2010, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2011, 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.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Synchronoss Technologies, Inc.'s internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2012 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

MetroPark, New Jersey
February 27, 2012

SYNCHRONOSS TECHNOLOGIES, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)

	December 31, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 69,430	$ 180,367
Marketable securities	51,504	1,766
Accounts receivable, net of allowance for doubtful accounts of $356 and $558 at December 31, 2011 and 2010, respectively	57,387	34,940
Prepaid expenses and other assets	16,061	8,606
Deferred tax assets	3,938	3,272
Total current assets	198,320	228,951
Marketable securities	31,642	7,502
Property and equipment, net	34,969	32,622
Goodwill	54,617	19,063
Intangible assets, net	63,969	33,231
Deferred tax assets	12,606	16,432
Other assets	2,495	2,598
Total assets	$ 398,618	$ 340,399
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 7,712	$ 7,013
Accrued expenses	24,153	12,999
Deferred revenues	8,834	5,143
Contingent consideration obligation	4,735	—
Total current liabilities	45,434	25,155
Lease financing obligation—long-term	9,241	9,205
Contingent consideration obligation—long-term	8,432	16,915
Other liabilities	948	1,101
Stockholders' equity:		
Preferred stock, $0.0001 par value; 10,000 shares authorized, 0 shares issued and outstanding at December 31, 2011 and 2010,respectively	—	—
Common stock, $0.0001 par value; 100,000 shares authorized, 41,063 and 38,863 shares issued; 38,394 and 36,863 outstanding at December 31, 2011 and 2010, respectively	4	4
Treasury stock, at cost (2,669 and 2,000 shares at December 31, 2011 and 2010, respectively)	(43,712)	(23,713)
Additional paid-in capital	307,586	255,656
Accumulated other comprehensive loss	(699)	(182)
Retained earnings	71,384	56,258
Total stockholders' equity	334,563	288,023
Total liabilities and stockholders' equity	$ 398,618	$ 340,399

See accompanying consolidated notes.

SYNCHRONOSS TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

	Year Ended December 31,		
	2011	2010	2009
Net revenues	$ 229,084	$ 165,969	$ 128,805
Costs and expenses:			
Cost of services*	106,595	83,217	64,455
Research and development	41,541	26,008	13,153
Selling, general and administrative	44,886	33,743	23,650
Net change in contingent consideration obligation	2,954	4,295	—
Depreciation and amortization	14,739	9,403	8,499
Total costs and expenses	210,715	156,666	109,757
Income from operations	18,369	9,303	19,048
Interest and other income	1,810	1,058	526
Interest expense	(1,820)	(1,264)	(741)
Income before income tax expense	18,359	9,097	18,833
Income tax expense	(3,233)	(5,223)	(6,536)
Net income attributable to common stockholders	$ 15,126	$ 3,874	$ 12,297
Net income attributable to common stockholders per Common share:			
Basic†	$ 0.44	$ 0.12	$ 0.40
Diluted†	$ 0.43	$ 0.12	$ 0.39
Weighted-average common shares outstanding:			
Basic†	37,372	31,971	30,813
Diluted†	38,619	33,011	31,145

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

† See notes to financial statement footnote 2.

See accompanying consolidated notes.

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SYNCHRONOSS TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2008	32,878	$ 3	(2,000)	$(23,713)	$107,895	$ 66	$40,087	$ 124,338
Stock based compensation	—	—	—	—	7,165	—	—	7,165
Issuance of restricted stock	4	—	—	—	1,091	—	—	1,091
Issuance of common stock on exercise of options	222	—	—	—	1,499	—	—	1,499
Comprehensive income:								
Net income	—	—	—	—	—	—	12,297	12,297
Foreign currency translation	—	—	—	—	—	(91)	—	(91)
Unrealized gain on investments in marketable securities, net of taxes of $31	—	—	—	—	—	18	—	18
Total comprehensive income	—	—	—	—	—	—	—	12,224
Tax benefit from stock option exercise	—	—	—	—	147	—	—	147
Balance at December 31, 2009	33,104	$ 3	(2,000)	$(23,713)	$117,797	$ (7)	$52,384	$ 146,464
Stock based compensation	—	—	—	—	11,167	—	—	11,167
Issuance of restricted stock	132	—	—	—	1,804	—	—	1,804
Issuance of common stock on exercise of options	731	—	—	—	8,090	—	—	8,090
Issuance of common stock related to acquisition	398	—	—	—	7,136	—	—	7,136
Issuance of common stock								

from secondary offering	4,414	1	—	—	106,637	—	—	106,638
Earn-out shares issuable	84	—	—	—	664	—	—	664
Comprehensive income:								
Net income	—	—	—	—	—	—	3,874	3,874
Foreign currency translation	—	—	—	—	—	(192)	—	(192)
Unrealized gain on investments in marketable securities, net of taxes of $41	—	—	—	—	—	17	—	17
Total comprehensive income	—	—	—	—	—	—	—	3,699
Tax benefit from stock option exercise	—	—	—	—	2,361	—	—	2,361
Balance at December 31, 2010	38,863	$ 4	(2,000)	$(23,713)	$255,656	$ (182)	$56,258	$ 288,023
Stock based compensation	—	—	—	—	10,637	—	—	10,637
Issuance of restricted stock	510	—	—	—	10,090	—	—	10,090
Issuance of common stock on exercise of options	1,444	—	—	—	17,707	—	—	17,707
Earn-out shares issuable	(84)	—	—	—	(664)	—	—	(664)
Issuance of Earn-Out shares	330	—	—	—	10,585	—	—	10,585
Repurchase of treasury stock	—	—	(669)	(19,999)	—	—	—	(19,999)
Comprehensive income:								
Net income	—	—	—	—	—	—	15,126	15,126
Foreign currency translation	—	—	—	—	—	(310)	—	(310)
Unrealized loss on investments in marketable securities, net of tax benefits of $93	—	—	—	—	—	(207)	—	(207)
Total comprehensive income	—	—	—	—	—	—	—	14,609
Tax benefit from stock option exercise	—	—	—	—	3,575	—	—	3,575
Balance at								

December 31, 2011	41,063	$ 4	(2,669)	$(43,712)	$307,586	$ (699)	$71,384	$ 334,563

See accompanying consolidated notes.

SYNCHRONOSS TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands, except per share data)

	Year Ended December 31,		
	2011	2010	2009
Operating activities:			
Net income	$ 15,126	$ 3,874	$ 12,297
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	14,739	9,403	8,499
Loss on disposal of fixed assets	—	94	18
Amortization of bond premium	622	—	—
Proceeds from insurance claim	(199)	(418)	—
Deferred income taxes	(642)	69	(884)
Non-cash interest on leased facility	918	913	674
Stock-based compensation	22,051	13,637	8,256
Changes in operating assets and liabilities:			
Accounts receivable, net of allowance for doubtful accounts	(19,409)	(8,740)	(643)
Prepaid expenses and other current assets	597	(1,927)	(585)
Other assets	(349)	(1,695)	(409)
Accounts payable and accrued expenses	7,695	5,678	1,043
Contingent consideration obligation	2,188	4,795	—
Excess tax benefit from the exercise of stock options	(3,575)	(2,361)	(147)
Other liabilities	(183)	(228)	(37)
Deferred revenues	3,006	(1,352)	1,643
Net cash provided by operating activities	42,585	21,742	29,725
Investing activities:			
Purchases of fixed assets	(14,732)	(15,423)	(12,089)
Proceeds from the sale of fixed assets	—	55	30
Proceeds from insurance claim	199	418	—
Purchases of marketable securities available-for-sale	(82,098)	(4,723)	(4,103)
Maturities of marketable securities available-for-sale	7,259	3,230	2,893
Business acquired, net of cash	(55,752)	(30,779)	(49)
Net cash used in investing activities	(145,124)	(47,222)	(13,318)
Financing activities:			
Proceeds from the exercise of stock options	17,707	8,090	1,499
Payments on contingent consideration	(8,533)	—	—
Proceeds from secondary public offering, net of offering costs	—	106,637	—
Excess tax benefit from the exercise of stock option	3,576	2,361	147
Repurchase of common stock	(19,999)	—	—
Repayments of capital obligations	(945)	(949)	(332)
Net cash (used in) provided by financing activities	(8,194)	116,139	1,314
Effect of exchange rate changes on cash	(204)	(216)	—
Net (decrease) increase in cash and cash equivalents	(110,937)	90,443	17,721
Cash and cash equivalents at beginning of year	180,367	89,924	72,203
Cash and cash equivalents at end of period	$ 69,430	$180,367	$ 89,924
Supplemental disclosures of cash flow information:			
Cash paid for interest	$ —	$ 2	$ 5
Cash paid for income taxes	3,600	6,225	7,271

Supplemental disclosure of non-cash investing and financing activities:

Non-cash increase in lease financing obligation and construction-in-progress	$ —	$ —	$ 2,123
Issuance of common stock in connection with the acquisition	—	7,136	—
Issuance of common stock in connection with the settlement of contingent consideration	8,597	—	—

See accompanying consolidated notes.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except per share data)

1. Description of Business

Synchronoss Technologies, Inc. (the "Company" or "Synchronoss") is a leading provider of on-demand transaction management solutions. Such transactions include device and service procurement, provisioning, activation, intelligent connectivity management and content synchronization that enable communications service providers (CSPs), cable operators/multi-services operators (MSOs), original equipment manufacturers (OEMs) with embedded connectivity (e.g. smartphones, laptops, tablets and mobile Internet devices, among others), e-Tailers/retailers and other customers to accelerate and monetize their go-to-market strategies for connected devices. This includes automating subscriber activation, order management, upgrades, service provisioning and connectivity and content management from any channel (e.g., e-commerce, telesales, enterprise, indirect and other retail outlets, etc.) to any communication service (e.g., wireless (2G, 3G, (EV-DO and HSPA), 4G, (LTE and WiMAX)), high speed access, local access, IPTV, cable, satellite TV, etc.) across any connected device type and content transfer. The Company's solutions touch all aspects of connected devices on the mobile Internet.

The Company's ConvergenceNow®, ConvergenceNow® Plus+™ and InterconnectNow™ platforms provide end-to-end seamless integration between customer-facing channels/applications, communication services, or devices and "back-office" infrastructure-related systems and processes. The Company's customers rely on its solutions and technology to automate the process of activation and content management for their customer's devices while delivering additional communication services. The Company's platforms are designed to be flexible and scalable to enable multiple converged communication services to be managed across multiple distribution channels, including e-commerce, m-commerce, telesales, customer stores, indirect and other retail outlets, etc., allowing it to meet the rapidly changing and converging services and connected devices offered by its customers. The Company enables its customers to acquire, retain and service subscribers quickly, reliably and cost-effectively by simplifying the processes associated with managing the customer experience for procuring, activating, connecting and synchronizing connected devices and services through the use of its platforms. The extensibility, scalability and relevance of its platforms enable new revenue streams for its customers through new subscriber acquisitions, sale of new devices, accessories and new value-added service offerings in the cloud, while optimizing their cost of operations and enhancing customer experience.

The Company currently operates in North America, Europe and Asia and markets its solutions and services directly through its sales organizations in North America and Europe.

The Company's industry-leading customers include tier 1 service providers such as AT&T Inc., Verizon Wireless and Vodafone, tier 1 cable operators/MSOs like Cablevision, Comcast, and Time Warner Cable and large OEMs/e-Tailers such as Apple, Dell, Panasonic, Sony and Nokia. These customers utilize its platforms, technology and services to service both consumer and business customers, including over 300 of the Fortune 500 companies.

2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All material intercompany transactions and accounts have been eliminated in consolidation.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

2. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") 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 and Subscription Service Arrangements: Transaction and subscription revenues represent approximately 77%, 79%, and 83% of revenues for the years ended December 31, 2011, 2010, and 2009, respectively. Transaction and subscription revenues consist of revenues derived from the processing of transactions through the Company's service platforms, providing enterprise portal management services on a subscription bases and maintenance agreements on software licenses. Transaction service arrangements include services such as processing equipment orders, new account set-up and activation, number port requests, credit checks and inventory management.

Transaction revenues are principally based on a contractual price per transaction and are recognized based on the number of transactions processed during each reporting period. 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. Subscription revenues are recorded on a straight-line basis over the life of the contract for subscription services and maintenance contracts.

Many of the Company's contracts guarantee minimum volume transactions from the customer. In these instances, if the customer's total transaction volume for the period is less than the contractual amount, the Company records revenues at the minimum guaranteed amount. At times, transaction revenues may also include billings to customers that reimburse the Company based on the number of individuals dedicated to processing transactions. 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. Revenues are presented net of discounts, which are 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.

Professional Service Arrangements: Professional services represented approximately 22%, 17% and 15% of net revenues for the years ended December 31, 2011, 2010 and 2009, respectively. Professional services include process and workflow consulting services and development services. Professional services, when sold with non-software transactional service arrangements, are accounted for separately when the professional services have value to the customer on a standalone basis. Professional services when sold with software transaction arrangements are accounted for separately when the professional services have value to the customer on a standalone basis and there is objective and reliable evidence of fair value of the professional services. When accounted for separately, professional service revenues

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

2. Summary of Significant Accounting Policies (Continued)

are recognized on a monthly basis, as services are performed and all other elements of revenue recognition have been satisfied.

In addition, in determining whether professional service revenues can be accounted for separately from transaction service revenues, the Company considers the following factors for each professional services agreement: availability of the professional services from other vendors, whether objective and reliable evidence of fair value exists for these services and the undelivered transaction revenues, the nature of the professional services, the timing of when the professional contract was signed in comparison to the transaction service start date and the contractual independence of the transactional service from the professional services.

If a professional service arrangement were not to qualify for separate accounting, the Company would recognize the professional service revenues ratably over the remaining term of the transaction contract.

Software License Arrangements: Software license arrangements represented approximately 1%, 4% and 2% of the Company's revenues for the years ended December 31, 2011, 2010 & 2009, respectively and is primarily related to its Network Address Book Software, a component part of its ConvergenceNow Plus^{+TM} platform which the Company acquired from FusionOne. The Company recognizes revenue when the license is delivered to its customers. When arrangements include multiple elements, the Company allocates the total arrangement consideration among the various elements using the residual method. Under the residual method, revenue is recognized when vendor-specific objective evidence (VSOE) of fair value exists for all of the undelivered elements of the arrangement, but does not exist for one or more of the delivered elements of the arrangement. Judgment is also involved in determining whether VSOE of fair value for the undelivered elements exists. Such judgments can impact the amount of revenue that the Company records in a given period.

On January 1, 2011, the Company prospectively adopted accounting rules that changed the criteria for separating consideration in multiple-deliverable arrangements. The new rules changed the application of the residual method of allocation and require that the arrangement consideration be allocated at the inception of an arrangement to all deliverables using the relative selling price method. The relative selling price method allocates any discount in the arrangement proportionally to each deliverable on the basis of each deliverable's selling price. The selling price used for each deliverable will be based on VSOE if available, third-party evidence ("TPE") if vendor-specific objective evidence is not available, or estimated selling price ("ESP") if neither vendor-specific objective evidence nor third-party evidence is available. The adoption of the amended revenue recognition rules did not change the units of accounting for its revenue transactions. It also did not significantly change how the Company allocated the arrangement consideration to the various units of accounting or the timing of revenue. The impact of the Company's adoption was not material to its consolidated financial statements for the year ended December 31, 2011.

The Company determines VSOE for each element based on historical stand-alone sales to third-parties. When the Company is unable to establish selling prices using VSOE or TPE, it uses ESP in its allocation of arrangement consideration. The objective of ESP is to determine the price at which the Company would transact a sale if the product or service were sold on a stand-alone basis. The Company determines ESP by considering multiple factors, including, but not limited to, geographies,

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

2. Summary of Significant Accounting Policies (Continued)

market conditions, competitive landscape, internal costs, gross margin objectives, and pricing practices. ESP is generally used for offerings that are not typically sold on a stand-alone basis or for new or highly customized offerings.

While the Company follows specific and detailed rules and guidelines related to revenue recognition, it makes and uses management judgments and estimates in connection with the revenue recognized in any reporting period, particularly in the areas described above, as well as collectability. If management made different estimates or judgments, differences in the timing of the recognition of revenue could occur.

Deferred Revenue: Deferred revenues primarily represent billings to customers for services in advance of the performance of the services, with revenues recognized as the services are rendered, and also includes the fair value of deferred revenues recorded as a result of the acquisitions.

Service Level Standards

Pursuant to certain contracts, the Company is subject to service level standards and to corresponding penalties for failure to meet those standards. All performance-related penalties are reflected as a corresponding reduction of the Company's revenues. These penalties, if applicable, are recorded in the month incurred and were insignificant for the years ended December 31, 2011, 2010 and 2009, respectively.

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 at several institutions. The Federal Deposit Insurance Corporation fully insures non-interest bearing bank accounts and interest bearing accounts up to $250 thousand. Although the Company's interest bearing balances exceed $250 thousand, the Company has not experienced any realized losses in such accounts and believes it is not exposed to any significant credit risk related to cash, cash equivalents and securities. The Company's cash equivalents and short-term marketable securities consist primarily of money market funds, certificates of deposit, and municipal and corporate bonds. Concentration of credit risk with respect to accounts receivable is limited because of the creditworthiness of the Company's major customers.

The Company's top five customers accounted for 86%, 83% and 84% of net revenues for 2011, 2010 and 2009, respectively. The Company's top five customers accounted for 80% and 77% of accounts receivable at December 31, 2011 and 2010, respectively. The Company is the primary provider of e-commerce transaction management solutions to the e-commerce channel of AT&T Inc. ("AT&T"), the Company's largest customer, under an agreement which was amended in 2011 to provide that it auto-renews for a twelve month period from January through December of 2012. For the year ended December 31, 2011, AT&T accounted for approximately 51% of the Company's revenues, compared to 62% for the year ended December 31, 2010. The loss of AT&T as a customer would have a material negative impact on the Company. The Company believes that if AT&T terminated its relationship with Synchronoss, AT&T would encounter substantial costs in replacing Synchronoss' transaction

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

2. Summary of Significant Accounting Policies (Continued)

management solution. In 2011, both Verizon Wireless and Time Warner Cable represented greater than 10% of the Company's revenue for the year.

Fair Value of Financial Instruments and Liabilities

The Company includes disclosures of fair value information about financial instruments and liabilities, 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, marketable securities, accounts receivable and accounts payable.

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.

Marketable Securities

Marketable securities consist of fixed income investments with a maturity of greater than three months and enhanced money market funds. 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 12 months or more as long term. Unrealized holding gains and losses are reported within accumulated other comprehensive loss as a separate component of stockholders' equity. 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. The Company has recorded temporary changes in fair value of the marketable securities but has not recorded other-than-temporary charges for the periods presented herein.

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, the 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. Depreciation is computed using the straight-line method over 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. Amortization of property and equipment recorded under a capital lease is included with depreciation expense. Expenditures for routine maintenance and repairs are charged against operations. Major replacements, improvements and additions are capitalized.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

2. Summary of Significant Accounting Policies (Continued)

Business Combinations

The Company accounts for business combinations in accordance with the acquisition method. The acquisition method of accounting requires that assets acquired and liabilities assumed be recorded at their fair values on the date of a business acquisition. The Company's consolidated financial statements and results of operations reflect an acquired business from the completion date of an acquisition.

The judgments that the Company makes in determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact net income in periods following a business combination. The Company generally uses either the income, cost or market approach to aid in its conclusions of such fair values and asset lives. The income approach presumes that the value of an asset can be estimated by the net economic benefit to be received over the life of the asset, discounted to present value. The cost approach presumes that an investor would pay no more for an asset than its replacement or reproduction cost. The market approach estimates value based on what other participants in the market have paid for reasonably similar assets. Although each valuation approach is considered in valuing the assets acquired, the approach ultimately selected is based on the characteristics of the asset and the availability of information.

For acquisitions completed after January 1, 2009, the Company records contingent consideration resulting from a business combination at its fair value on the acquisition date. Each reporting period thereafter, the Company revalues these obligations and records increases or decreases in their fair value as an adjustment to net change in contingent consideration obligation within the consolidated statement of income. Changes in the fair value of the contingent consideration obligation can result from updates in the achievement of financial targets and changes to the weighted probability of achieving those future financial targets. Significant judgment is employed in determining the appropriateness of these assumptions as of the acquisition date and for each subsequent period. Accordingly, any change in the assumptions described above, could have a material impact on the amount of the net change in contingent consideration obligation that the Company records in any given period.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of assets acquired, including other definite-lived intangible assets. Goodwill is not amortized, but reviewed annually for impairment or upon the occurrence of events or changes in circumstances that would more likely than not reduce the fair value of the reporting unit below its carrying amount. There were no impairment charges recognized during the years ended December 31, 2011, 2010 and 2009.

Impairment of Long-Lived Assets

A review of long-lived assets for impairment is performed when events or changes in circumstances indicate that 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 the asset's 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 amount by which the asset's carrying amount exceeds its fair value. The fair value is determined based on valuation techniques such

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

2. Summary of Significant Accounting Policies (Continued)

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, 2011, 2010 and 2009.

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, unless they meet GAAP criteria for deferral and amortization. Software development costs incurred prior to the establishment of technological feasibility do not meet these criteria, and are expensed as incurred. Amortization of software development costs is computed using the straight-line method over the estimated useful lives of the assets, 3 and 5 years. As of December 31, 2011, the Company had $3.1 million of unamortized software development costs and $567 of amortization expense were recognized during the year 2011. As of December 31, 2010, the Company had $1.8 million of unamortized software development costs and $185 of amortization expense were recognized during the year 2010. 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. The Company also expenses costs relating to developing modifications and minor enhancements of its existing technology and services.

Income Taxes

The Company accounts for the effects of income taxes that result from its activities during the current and preceding years. Under this method, deferred income tax liabilities and assets are based on the difference between the financial statement carrying amounts and the tax basis of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse or be utilized. The realization of deferred tax assets is contingent upon the generation of future taxable income. 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.

As of December 31, 2011, and 2010 the Company had total unrecognized tax benefit reserves of $533 and $600 which includes $31 and $55 for interest related to uncertain positions, respectively. Components of the reserve are classified as either current or long-term in the consolidated balance sheet based on when it is expected that each of the items will be settled. Accordingly, the Company recorded a long-term liability for unrecognized tax benefits of $533 on the balance sheet at December 31, 2011 that would reduce the effective tax rate if recognized. The Company did not have a short term liability on the balance sheet at December 31, 2011. The Company records interest and penalties accrued in relation to uncertain income tax positions below the operating income line as a component of interest expense. Tax returns for years 2008 and thereafter are subject to future examination by tax authorities.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

2. Summary of Significant Accounting Policies (Continued)

In 2011, the net decrease in the reserve for unrecognized tax benefits was $43 and the net decrease for interest benefit was $24. The Company expects that the amount of unrecognized tax benefits will change during fiscal year 2012; however, the Company does not expect the change to have a significant impact on its results of operations or financial position.

While the Company believes it has identified all reasonably identifiable exposures and that the reserves it has established for identifiable exposures are appropriate under the circumstances, it is possible that additional exposures exist and that exposures may be settled at amounts different than the amounts reserved. It is also possible that changes in facts and circumstances could cause the Company to either materially increase or reduce the carrying amount of its tax reserves.

Foreign Currency

Assets and liabilities of consolidated foreign subsidiaries, whose functional currency is the local currency, are translated to U.S. dollars at year end exchange rates. Income statement items are translated to U.S. dollars at the average rates of exchange prevailing during the fiscal year. The adjustment resulting from translating the financial statements of such foreign subsidiaries to U.S. dollars is reflected as a cumulative translation adjustment and reported as a component of other comprehensive income.

Transactions denominated in currencies other than the functional currency are recorded based on exchange rates at the time such transactions arise. Subsequent changes in exchange rates result in transaction gains or losses, which are reflected within interest and other income and interest and other expense, respectively, in the consolidated statement of income and were not significant for all years presented.

Comprehensive Income

Reporting on comprehensive income requires components of other comprehensive income, including unrealized gains or losses on available-for-sale securities, to be included as part of total comprehensive income. Comprehensive income is comprised of net income, translation adjustments and unrealized gains on available-for-sale securities. The components of comprehensive income are included in the statements of stockholders' equity.

Basic and Diluted Net Income Attributable to Common Stockholders per Common Share

The Company calculates basic and diluted per share amounts based on net earnings adjusted for the effects to earnings that would result if contingently issuable shares related to contingent consideration settleable in the Company's stock were reported as equity for the periods presented. To calculate basic earnings per share, the Company uses the weighted average number of common shares outstanding during the period adjusted for the weighted average number of contingently issuable shares. The weighted average numbers of shares contingently issuable are calculated as if they were outstanding as of the last day of the period. The diluted earnings per share calculation is based on the weighted average number of shares of common stock outstanding adjusted for the number of additional shares that would have been outstanding had all potentially dilutive common shares been issued. Potentially dilutive shares of common stock include stock options, non-vested share awards and

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

2. Summary of Significant Accounting Policies (Continued)

contingently issuable shares related to contingent consideration settleable in stock. The dilutive effects of stock options and restricted stock awards are based on the treasury stock method. The dilutive effects of the contingent consideration settleable in stock are calculated as if the contingently issuable shares were outstanding as of the beginning of the period. The following table provides a reconciliation of the numerator and denominator used in computing basic and diluted net income attributable to common stockholders per common share. Stock options that are anti-dilutive and excluded from the following table totaled 947, 1,918, and 2,608 for the years ended December 31, 2011, 2010 and 2009, respectively.

	Year Ended December 31,		
	2011	2010	2009
Numerator:			
Net income attributable to common stockholders	$ 15,126	$ 3,874	$ 12,297
Income effect for equity mark-to-market on contingent consideration obligation, net of tax	1,466	(10)	—
Net income applicable to shares of common stock for earnings per share	$ 16,592	$ 3,864	$ 12,297
Denominator:			
Weighted average common shares outstanding—basic	37,372	31,971	30,813
Dilutive effect of:			
Net issuable common share equivalents	—	42	—
Options and unvested restricted shares	1,247	998	332
Weighted average common shares outstanding—diluted	38,619	33,011	31,145

Stock-Based Compensation

As of December 31, 2011, the Company maintains three stock-based compensation plans. Compensation cost is recognized for all share-based payments granted and is based on the grant-date fair value estimated using the weighted-average assumption of the Black-Scholes option pricing models. The equity instrument is not considered to be issued until the instrument vests. As a result, compensation cost is recognized over the requisite service period with an offsetting credit to additional paid-in capital. During the year ended 2009 compensation expense also included the amortization on a straight-line basis over the remaining vesting period of the intrinsic values of the stock options granted prior to 2006.

For the Company's performance restricted stock awards the Company estimates the number of shares by applying a probability of achieving the performance goals. The actual number of shares the recipient receives is determined at the end of the annual performance period based on the results achieved versus goals based on its annual performance measures, such as operating income. Once the number of awards is determined, the compensation cost is fixed and continues to be recognized on a straight line basis over the requisite service period for each vesting tranche. In addition, certain employees from the Company's acquisition of FusionOne are eligible to receive contingent Earn-out payments. The share portion of the Earn-out is recorded as stock based compensation expense and is recorded over the performance period when it is probable that the performance targets will be achieved. This compensation cost was $1.3 million during 2011.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

2. Summary of Significant Accounting Policies (Continued)

The Company classifies benefits of tax deductions in excess of the compensation cost recognized (excess tax benefits) as a financing cash inflow with a corresponding operating cash outflow. The Company included $3.6 million, $2.4 million, and $147 of excess tax benefits as a financing cash inflow for the years ended December 31, 2011, 2010 and 2009,respectively.

Impact of Recently Issued Accounting Standards

In May 2011, the FASB issued amendments to disclosure requirements for common fair value measurement. These amendments, effective for the interim and annual periods beginning on or after December 15, 2011 (early adoption is prohibited), result in common definition of fair value and common requirements for measurement of and disclosure requirements between U.S. GAAP and IFRS. Consequently, the amendments change some fair value measurement principles and disclosure requirements. The implementation of this amended accounting guidance is not expected to have a material impact on the Company's consolidated financial statements or disclosures.

In June 2011, the FASB issued amendments to disclosure requirements for presentation of comprehensive income. This guidance, effective retrospectively for the interim and annual periods beginning on or after December 15, 2011 (early adoption is permitted), requires presentation of total comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The implementation of this amended accounting guidance is not expected to have a material impact on the Company's consolidated financial statements or disclosures, therefore, the Company has elected not to early adopt.

In September 2011, the FASB issued amendments to simplify how entities test goodwill for impairment. These amendments, effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011, (early adoption is permitted), permits an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. The implementation of this amended accounting guidance is not expected to have a material impact on the Company's consolidated financial statements or disclosures, therefore, the Company has elected not to early adopt.

Segment and Geographic Information

The Company currently operates in one business segment providing critical technology services to providers of communication devices and associated subscriber services. 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 separate lines of business or separate business entities with respect to its services. Accordingly, the Company does not accumulate a complete set of discrete financial information with respect to separate service lines and does not have separately reportable segments. Although, the Company operates in North America, Europe and Asia substantially all of the Company's revenue and long lived assets are in the US.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

3. Acquisition

***Miyowa S.A.* ("Miyowa")**

On December 30, 2011 the Company acquired 100% of the capital stock of Miyowa, a French company, for cash consideration of $50.1 million. Additionally, the Company potentially may make payments ("Miyowa Earn-Out") totaling up to approximately $13.4 million based on the achievement of certain financial targets and contract milestones for the year ending December 31, 2012. The maximum that could be paid to existing employees of Miyowa is $2.9 million and actual amounts will be recorded as compensation expense over the service period.

The Company accounted for this business combination by applying the acquisition method, and accordingly, the purchase price was allocated to the tangible assets acquired and liabilities assumed based upon their fair values at the acquisition date. The excess of the purchase price over the net tangible assets and liabilities, approximately $26.9 million was recorded as goodwill, which is not tax deductible. The Company is in the process of finalizing the purchase allocation, thus the provisional measures of deferred revenue, deferred income taxes, intangibles and goodwill are subject to change. The Company expects the purchase price allocation will be finalized in 2012.

Allocation of Consideration Transferred

Total purchase price is summarized as follows:

	December 30, 2011
Cash consideration	$ 50,091
Estimated fair value of the Earn-out payments	8,432
Total purchase price	$ 58,523

(In thousands, except per share data)

3. Acquisition (Continued)

The following table summarizes the preliminary estimated fair values of the assets and liabilities assumed at the acquisition date:

	December 30, 2011
Cash and cash equivalents	$ 2,235
Accounts receivable	2,781
Prepaid expenses and other assets	4,477
Property and equipment	204
Deferred tax assets, net	8
Intangible assets	32,414
Other assets, non-current	113
Total identifiable assets acquired	42,232
Accounts payable and accrued liabilities	(3,964)
Deferred tax liability	(5,887)
Deferred revenue	(685)
Other liabilities, non-current	(29)
Total liabilities assumed	(10,565)
Net identifiable assets acquired	31,667
Goodwill	26,856
Net assets acquired	$ 58,523

The Company believes that the acquisition of Miyowa augments and expands the Company's cloud computing offerings. In addition, the acquisition will help to expand the existing European penetration strategy and other high growth markets through cross channel marketing into Miyowa's customer accounts.

Sapience Knowledge Systems, Inc. ("SKS")

On March 16, 2011 the Company acquired 100% of the capital stock of SKS for cash consideration of $5.8 million. The Company made an initial cash payment of $2.9 million in March 2011 and the second cash installment in May 2011. During the year ended 2011, the Company made additional payments ("SKS Earn-Out") of $500 related to certain product milestones achieved and potentially may make payments totaling up to $3.5 million for certain product milestones and operational efficiencies achieved.

The Company accounted for this business combination by applying the acquisition method, and accordingly, the purchase price was allocated to the tangible assets acquired and liabilities assumed based upon their fair values at the acquisition date. The excess of the purchase price over the net tangible assets and liabilities, $8.2 million, was recorded as goodwill which is not tax deductible. The results of SKS's operations have been included in the consolidated financial statements since the acquisition date.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

3. Acquisition (Continued)

The Company believes that SKS will help to accelerate its time to market with its new mobility management solution for the benefit of both enterprises and consumers by enhancing the Company's technological expertise, eliminating redundancies, reducing costs and streamlining faster product introductions.

Strumsoft

On June 29, 2011 the Company acquired certain assets and workforce from Strumsoft, Inc. for the total purchase price of $2.1 million.

The Company accounted for this business combination by applying the acquisition method, and accordingly, the purchase price of $2.1 million was recorded as goodwill, which is tax deductible.

The Company believes that the assets and workforce acquired from Strumsoft will help to expand the Company's expertise and development in the back office management systems of the Company's customers.

FusionOne Inc.

On July 19, 2010, the Company acquired 100% of FusionOne, Inc., a leader in mobile content transfer and synchronization software. The acquisition of FusionOne accelerates the Company's overall connected device growth strategy and customer diversification efforts. Pursuant to the Agreement and Plan of Merger and Reorganization dated July 6, 2010 (the "Merger Agreement"), the Company paid approximately $32 million in cash and issued approximately 400 common shares of the Company's Common Stock valued at approximately $7.1 million based on the Company's July 19, 2010 closing stock price per share. On April 29, 2011 the Company executed a settlement and amendment agreement with the FusionOne equity holders, including existing employees, which includes a determination of the aggregate Earn-out amount and the Earn-out payment dates. Refer to Footnote 4. *Fair Value Measurements of Assets and Liabilities* for additional details of the payments made associated with this settlement.

Allocation of Consideration Transferred

Total purchase price is summarized as follows:

	July 19, 2010
Cash consideration	$ 32,172
Value of Synchronoss common stock issued	7,136
Estimated fair value of the Earn-out payments	12,120
Working Capital Deficiency	(107)
Total purchase price	$ 51,321

The Company accounted for this business combination by applying the acquisition method, and accordingly, the estimated purchase price was allocated to the tangible assets and identifiable intangible assets acquired and liabilities assumed based upon their relative fair values. The excess of the purchase price over the net tangible and identifiable intangible assets and liabilities was recorded as goodwill.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

3. Acquisition (Continued)

Goodwill associated with the acquisition of FusionOne is not tax deductible. The results of FusionOne's operations have been included in the consolidated financial statements since the acquisition date.

The following table summarizes the estimated fair values of the assets and liabilities assumed at the acquisition date:

	July 19, 2010
Cash and cash equivalents	$ 1,286
Accounts receivable	261
Prepaid expenses and other assets	297
Property and equipment	609
Deferred tax assets, net	10,956
Intangible assets	32,700
Total identifiable assets acquired	46,109
Accounts payable and accrued liabilities	(1,750)
Capital lease	(153)
Deferred revenue	(3,400)
Total liabilities assumed	(5,303)
Net identifiable assets acquired	40,806
Goodwill	10,515
Net assets acquired	$ 51,321

Deferred Revenues

In connection with the purchase price allocation, the Company estimated the fair value of the service obligations assumed from FusionOne as a consequence of the acquisition. The estimated fair value of the service obligations was determined using a cost build-up approach. The cost build-up approach determines fair value by estimating the costs relating to fulfilling the obligations plus a normal profit margin of a market participant. The estimated costs to fulfill the service obligations were based on the historical direct costs and indirect costs related to FusionOne's service agreements with its customers. The Company recorded $3.4 million of deferred revenue to reflect the estimate of the fair value of FusionOne's service obligations assumed.

4. Fair Value Measurements of Assets and Liabilities

The Company classifies marketable securities as available-for-sale. The fair value hierarchy established in the guidance adopted by the Company prioritizes the inputs used in valuation techniques into three levels as follows:

- Level 1—Observable inputs—quoted prices in active markets for identical assets and liabilities;

- Level 2—Observable inputs other than the quoted prices in active markets for identical assets and liabilities—includes quoted prices for similar instruments, quoted prices for identical or

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

4. Fair Value Measurements of Assets and Liabilities (Continued)

similar instruments in inactive markets, and amounts derived from valuation models where all significant inputs are observable in active markets; and

- Level 3—Unobservable inputs—includes amounts derived from valuation models where one or more significant inputs are unobservable and require the Company to develop relevant assumptions.

The following is a summary of assets and liabilities held by the Company and their related classifications under the fair value hierarchy:

	December 31, 2011	December 31, 2010
Level 1(A)	$ 99,315	$ 180,367
Level 2(B)	53,261	9,268
Level 3(C)	(13,167)	(16,915)
Total	$ 139,409	$ 172,720

(A) Level 1 assets include money market funds which are classified as cash equivalents and marketable securities.

(B) Level 2 assets include certificates of deposit, municipal bonds and corporate bonds which are classified as marketable securities.

(C) Level 3 liabilities include the contingent consideration obligation.

The Company utilizes the market approach to measure fair value for its financial assets. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. The Company's marketable securities investments classified as Level 2 primarily utilize broker quotes in a non-active market for valuation of these securities. No transfers of assets between Level 1 and Level 2 of the fair value measurement hierarchy occurred during the year ended December 31, 2011.

The aggregate fair value of available for sale securities and aggregate amount of unrealized gains and losses for available for sale securities at December 31, 2011 were asfollows:

	Aggregate Fair Value	Aggregate Amount of Unrealized Gains	Losses
Due in one year or less	$ 51,504	$ 59	$ (315)
Due after one year, less than five years	31,642	76	(48)
	$ 83,146	$ 135	$ (363)

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

4. Fair Value Measurements of Assets and Liabilities (Continued)

The aggregate fair value of available for sale securities and aggregate amount of unrealized gains and losses for available for sale securities at December 31, 2010 were asfollows:

	Aggregate Fair Value	Aggregate Amount of Unrealized Gains	Aggregate Amount of Unrealized Losses
Due in one year or less	$ 1,766	$ 26	$ —
Due after one year, less than five years	7,502	93	(7)
	$ 9,268	$ 119	$ (7)

Unrealized gains and losses are reported as a component of accumulated other comprehensive loss in stockholders' equity. The net unrealized (loss) gain net of tax was $(207) and $17 as of December 31, 2011 and 2010, respectively. The cost of securities sold is based on specific identification method. The Company evaluates investments with unrealized losses to determine if the losses are other than temporary. The Company has determined that the gross unrealized losses at December 31, 2011 and 2010 are temporary. In making this determination, the Company considered the financial condition, credit ratings and near-term prospects of the issuers, the underlying collateral of the investments, and the magnitude of the losses as compared to the cost and the length of time the investments have been in an unrealized loss position. Additionally, while the Company classifies the securities as available for sale, the Company does not currently intend to sell such investments and it is more likely than not to recover the carrying value prior to being required to sell such investments.

The Company determined the fair value of the contingent consideration obligation based on a probability-weighted income approach derived from quarterly revenue estimates and a probability assessment with respect to the likelihood of achieving the various performance criteria. The fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement. No changes in valuation techniques occurred during the year ended December 31, 2011. The compensation due to the employees is recognized over the service period for the year ending December 31, 2011. On April 29, 2011 the Company executed a settlement and amendmentagreement with the FusionOne equity holders, including existing employees, which includes a determination of the aggregate Earn-out amount and the Earn-out payment dates. As a result of this agreement the Company paid approximately $11.1 million in cash and issued approximately 330 shares of stock (valued at the closing market price at the date of settlement) during 2011. The Company will pay approximately $2.3 million during Q1 2012. The decrease in the contingent consideration obligation was offset by the addition of the contingent considerations for the Sapience Knowledge Systems, Inc. ("SKS") Earn-out and the Miyowa Earn-out.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

4. Fair Value Measurements of Assets and Liabilities (Continued)

The changes in fair value of the Company's Level 3 contingent consideration obligation during the year ended December 31, 2011 were as follows:

	Level 3
Balance at December 31, 2010	$ 16,915
Fair value adjustment to contingent consideration included in net income	2,954
FusionOne Earn-out payment	(19,656)
Earn-out compensation due to employees	2,259
Addition of SKS Earn-out	2,763
SKS Earn-out payment	(500)
Addition of Miyowa Earn-out	8,432
Balance at December 31, 2011	$ 13,167

5. Property and Equipment

Property and equipment consist of the following:

	December 31,	
	2011	2010
Computer hardware	$ 37,012	$ 22,393
Computer software	19,846	18,526
Construction in-progress	483	5,886
Furniture and fixtures	1,614	1,302
Building	8,808	8,808
Leasehold improvements	7,940	6,141
	75,703	63,056
Less: Accumulated depreciation	(40,734)	(30,434)
	$ 34,969	$ 32,622

Depreciation expense was approximately $10.5 million, $7.0 million, and $7.6 million for 2011, 2010, and 2009, respectively. Amortization of property and equipment recorded under a capital lease is included with depreciation expense.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

6. Accrued Expenses

Accrued expenses consist of the following:

	December 31, 2011	December 31, 2010
Accrued compensation and benefits	$ 13,520	$ 8,742
Accrued third party processing fees	1,369	1,052
Accrued accounting fees	692	729
Accrued other	7,672	1,900
Accrued income tax payable	900	576
	$ 24,153	$ 12,999

The increases in accrued other are primarily related to the accrued acquisition costs and the addition of the liabilities acquired through the acquisition of Miyowa.

7. Capital Structure

As of December 31, 2011, the Company's authorized capital stock was 110,000 shares of stock with a par value of $0.0001, of which 100,000 shares were designated common stock and 10,000 shares were designated preferred stock.

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 Company's board of directors. No dividends have ever been declared or paid by the Company. As of December 31, 2011, there were 38,394 shares of common stock issued, 5,097 shares of common stock reserved for issuance under the Company's 2000 Stock Plan (the "2000 Plan"), 10,000 shares of common stock reserved for issuance under the Company's 2006 Equity Incentive Plan (the "2006 Plan"), and 0 shares of common stock reserved for issuance under the Company's 2010 New Hire Equity Incentive Plan (the "2010 Plan").

Preferred Stock

There are no shares of preferred stock outstanding as of December 31, 2011 or 2010. The board of directors is authorized to issue preferred shares and has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences of preferred stock.

Registration Rights

Holders of shares of common stock which were issued upon conversion of the Company's Series A preferred stock are entitled to have their shares registered under the Securities Act of 1933, as amended (the "Securities Act"). Under the terms of an agreement between the Company and the holders of these registrable securities, if the Company proposes to register any of its securities under the Securities Act, either for its own account or for the account of others, these stockholders are entitled to notice of such registration and are entitled to include their shares in such registration.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

8. Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss are as follows:

	Year Ended December 31,		
	2011	2010	2009
Translation adjustments	$ (563)	$ (253)	$ (61)
Unrealized gain (loss) on securities, (net of tax)	(136)	71	54
Accumulated Other Comprehensive (Loss) Income	$ (699)	$ (182)	$ (7)

9. Stock Plans

As of December 31, 2011, the Company maintains three stock incentive plans, the 2000 Plan, the 2006 Plan and the 2010 Plan. The Company's board of directors administers the 2000 Plan, the 2006 Plan, and the 2010 Plan and is responsible for determining the individuals to be granted options or shares, the number of options or shares each individual will receive, the price per share and the exercise period of each option.

Under the 2000 Plan, the Company has the ability 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. Under the 2006 Plan and 2010 Plan, the Company may grant to its employees, outside directors and consultants awards in the form of incentive stock options, non-qualified stock options, shares of restricted stock and stock units or stock appreciation rights. During the year ended December 31, 2011, options to purchase 630 shares of common stock were granted under the 2006 Plan. Under the Company's Plans, 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 under the Company's 2000 and 2006 Plans generally vest 25% on the first year anniversary of the date of grant plus an additional $^{1}/_{48}$ for each month of continuous service thereafter. Options under the Company's 2010 plan generally vest the first 50% on the second year anniversary from July 19, 2010 and an additional $^{1}/_{48}$th for each month of continuous service thereafter.

During 2011, the Company issued approximately 118 shares of restricted stock related to the 2009 performance share grant and reserved for grant an additional 104 shares of restricted stock. The actual number of shares to be issued, which could range from 0 to 587, is dependent upon the Company's revenue and operating income. The additional shares, if any, will be issued in early 2011 and 2012. As of December 31, 2011, there were 2,995 shares available for grant or award under the Company's Plans.

On August 3, 2010, the Company's board of directors granted equity awards made to one hundred three newly hired employees and one newly appointed executive officer of the Company. Pursuant to NASDAQ Listing Rule 5635(c)(4), the equity awards were granted under the 2010 Plan, which the board of directors adopted to facilitate the granting of equity awards as an inducement to new employees to join Synchronoss. In accordance with NASDAQ rules, these grants were made under a stock incentive plan without stockholder approval.

(In thousands, except per share data)

9. Stock Plans (Continued)

The Company utilizes the Black-Scholes option pricing model for determining the estimated fair value for stock option awards. Use of a valuation model requires management to make certain assumptions with respect to selected model inputs. Expected volatility was calculated based on a weighted-average of the Company's historical stock information. The average expected life was determined using the Companies historical data. The risk-free interest rate is based on U.S. Treasury zero-coupon issues with a remaining term equal to the expected life assumed at the date of grant. The Company has never declared or paid cash dividends on its common or preferred equity and does not anticipate paying any cash dividends in the foreseeable future. Forfeitures are estimated based on voluntary termination behavior, as well as a historical analysis of actual option forfeitures. The weighted-average assumptions used in the Black-Scholes option pricing model are as follows:

	For the Year Ended December 31,		
	2011	2010	2009
Expected stock price volatility	69%	62%	62%
Risk-free interest rate	1.12%	2.45%	2.81%
Expected life of options (in years)	4.7	4.9	4.9
Expected dividend yield	0%	0%	0%

The weighted-average fair value (as of the date of grant) of the options granted during the year ended December 31, 2011, 2010 and 2009 was $17.04, $11.18 and $6.67, respectivelyDuring the years ended December 31, 2011, 2010 and 2009, the Company recorded total pre-tax stock-based compensation expense of $22.1 million ($14.1 million after tax or $0.37 per diluted share), $13.6 million ($6.9 million after tax or $0.21 per diluted share), and $8.3 million ($6.1 million after tax or $0.20 per diluted share), respectively, which includes the fair value for equity awards issued after January 1, 2006. The total stock-based compensation cost related to non-vested equity awards not yet recognized as an expense as of December 31, 2011 was approximately $34.7 million. That cost is expected to be recognized over a weighted-average period of approximately 2.85 years.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

9. Stock Plans (Continued)

Stock Options

The following table summarizes information about shares available for grant and stock options outstanding.

		Options Outstanding		
	Shares Available for Grant	Number of Shares	Option Exercise Price per Share Range	Weighted-Average Exercise Price
Balance at December 31, 2008	1,654	3,683	$ 0.29 - 38.62	$ 13.60
Options granted	(1,376)	1,376	$ 8.67 - 14.00	$ 12.55
Options exercised	—	(222)	$ 0.29 - 12.68	$ 6.74
Options forfeited	214	(214)	$ 6.95 - 38.62	$ 17.20
Net Restricted stock granted and forfeited	(4)	—	—	$ —
Restricted stock reserved for grant	(178)	—	—	$ —
Balance at December 31, 2009	310	4,623	$ 0.29 - 38.62	$ 13.44
Options granted	(1,852)	1,852	$ 15.89 - 27.55	$ 21.69
Options exercised	—	(731)	$ 0.29 - 28.59	$ 11.07
Options forfeited	103	(183)	$ 10.27 - 38.62	$ 17.52
Expansion of pool	3,428	—	—	—
Net Restricted stock granted and forfeited	(172)	—	—	$ —
Restricted stock reserved for grant	(600)	—	—	$ —
Balance at December 31, 2010	1,217	5,561	$ 0.29 - 38.62	$ 16.36
Options granted	(630)	630	$ 26.83 - 30.50	$ 30.17
Options exercised	—	(1,444)	$ 0.29 - 28.59	$ 12.26
Options forfeited	248	(449)	$ 8.99 - 38.62	$ 20.21
Expansion of pool	3,000	—	—	—
Net restricted stock granted and forfeited	(736)	—	—	—
Restricted stock reserved for grant	(104)	—	—	—
Balance at December 31, 2011	2,995	4,298	$ 0.29 - 38.62	$ 19.36
Expected to vest at December 31, 2011		1,933	$ 6.04 - 30.50	$ 21.31
Vested and exercisable at December 31, 2011		2,086		

As of December 31, 2011 and 2010, the weighted-average remaining contractual life of outstanding options was approximately 5.0 and 5.7 years, respectively. As of December 31, 2011 and 2010, the weighted-average remaining contractual life of exercisable options was approximately 4.4 and 5.2 years, respectively. Options vested as of December 31, 2011 have an aggregate intrinsic value of approximately $28.9 million. Options outstanding as of December 31, 2011 have an aggregate intrinsic value of approximately $48.5 million. The total intrinsic value (the excess of the market price over the exercise price) for stock options exercised in 2011 was approximately $28.4 million and $9.2 million for 2010 and $1.4 million for 2009. The amount of cash received from the exercise of stock options was approximately $17.7 million in 2011. For the years ended December 31, 2011 and 2010, the total fair

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

9. Stock Plans (Continued)

value of vested options was approximately $11.1 million and $19.2 million, respectively. As of December 31, 2011 and 2010 the weighted-average fair value (as of the date of grant) of the non-vested options was $11.52 and $9.40, respectively. During the year ended December 31, 2011 the weighted-average fair value (as of the date of grant) of options granted, vested and forfeited was $17.04, $9.37 and $9.86, respectively.

The following table summarizes stock options outstanding and exercisable at December 31, 2011:

	Outstanding			Exercisable	
Range of Exercise Price	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)	Number of Options	Weighted Average Exercise Price
$0.29 - $5.50	14	$ 0.48	2.62	14	$ 0.48
$5.51 - $11.00	877	$ 8.95	4.04	680	$ 8.88
$11.01 - $16.50	1,172	$ 13.09	4.65	641	$ 13.06
$16.51 - $22.00	732	$ 20.40	5.48	187	$ 20.55
$22.01 - $27.50	163	$ 24.61	5.22	119	$ 23.76
$27.51 - $33.00	1,061	$ 29.16	6.29	166	$ 27.71
$33.01 - $38.50	249	$ 36.13	3.04	249	$ 36.13
$38.51 - $44.00	30	$ 38.62	5.84	30	$ 38.62
	4,298			2,086	

A summary of the Company's non-vested restricted stock at December 31, 2011, and changes during the year ended December 31, 2011, is presented below:

Non-Vested Restricted Stock	Number of Awards	Weighted-Average Grant Date Fair Value
Non-vested at January 1, 2010	187	$ 20.01
Granted	530	$ 27.48
Vested	(186)	$ 20.66
Forfeited	(20)	$ 28.50
Non-vested at December 31, 2011	511	$ 27.72

Treasury Stock

On May 2, 2011, the Company's board of directors authorized a stock repurchase program to purchase up to $20 million of the Company's outstanding common stock. The duration of the repurchase program is twelve months. Under the program, the Company may purchase shares of its common stock in the open market, through block trades or otherwise at prices deemed appropriate by the Company. The timing and amount of repurchase transactions under the program will depend on market conditions and corporate and regulatory considerations. The purchases will be funded from available working capital. As of December 31, 2011, the Company completed the stock repurchase program and a total of 669 shares were repurchased for an aggregate purchase price of $20.0 million. The Company classifies common stock repurchased as treasury stock on its balance sheet.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

10. 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 $1.1 million, $782, and $580 for the years ended December 31, 2011, 2010 and 2009, respectively, in Plan match contributions.

11. Income Taxes

The Company's effective tax rate was approximately 17.6%, 57.4% and 34.7% during 2011, 2010 and 2009, respectively.

A reconciliation of the statutory tax rates and the effective tax rates for the years ended December 31, 2011, 2010 and 2009 are as follows:

	Year Ended December 31,		
	2011	2010	2009
Statutory rate	34%	35%	35%
State taxes, net of federal benefit	—	7%	2%
Effect of Rates Different than Statutory	(6)%	(2)%	(2)%
Non-deductible stock based compensation	(1)%	6%	4%
Other permanent adjustments	1%	1%	(3)%
Fair market value adjustment on FusionOne Earn-out	5%	18%	—
Research and development credit	(8)%	(5)%	(1)%
Federal net operating losses	(9)%	—	—
Other	2%	(3)%	—
Net	18%	57%	35%

The increase in the research and development credit was primarily due the expansion of the Company's research and development costs and qualified activities through acquisition and internal growth.

Income tax expense consisted of the following components:

	Year Ended December 31,		
	2011	2010	2009
Current:			
Federal	(2,328)	(2,672)	(6,898)
State	(718)	(1,733)	(725)
Foreign	(829)	(742)	(88)
Deferred:	—	—	
Federal	29	(713)	1,052
State	562	510	123
Foreign	51	127	—
Income tax expense	(3,233)	(5,223)	(6,536)

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

11. Income Taxes (Continued)

The geographic components of income from operations before income taxes are as follows:

	For the year ended December 31,		
	2011	2010	2009
United States	$ 11,584	$ 7,198	$ 17,731
India	1,722	1,002	677
Ireland	4,932	1,228	—
United Kingdom	152	59	425
Estonia	(44)	(390)	—
Germany	13	—	—
Total	$ 18,359	$ 9,097	$ 18,833

For the years ended December 31, 2011, 2010 and 2009 the taxable income attributed to its foreign entities was primarily derived from intercompany transfer pricing agreements.

At December 31, 2011, the Company had approximately $66.9 million of federal net operating losses and approximately $73.4 million of state net operating losses. These net operating loss carryforwards will begin to expire in 2012 and are subject to certain limitations under Internal Revenue Code Section 382 due to the changes in ownership of the acquired companies. In addition, the Company had approximately $14.7 million of foreign net operating losses which do not expire.

During 2010, the Income Tax Department of India began income tax examinations for the Company's wholly owned subsidiary, Wisor Telecom India, for the fiscal year 2009. The Company believes the result of these current or any prospective audits will not have a material effect on its financial position or results of operations.

During 2011, the Internal Revenue Service began a tax examination of the Company's 2009 federal tax return. The Company believes that the result of this exam will not have a material effect on its financial position or results of operations.

The Company has not provided taxes for undistributed earnings of its foreign subsidiaries except to the extent that the Company does not plan to reinvest such earnings indefinitely outside the United States. If the cumulative foreign earnings exceed the amount the Company intends to reinvest in foreign countries in the future, the Company would provide for taxes on such excess amount. The undistributed earnings of the foreign subsidiaries which the Company plans to reinvest indefinitely outside the United States is approximately $10.6 million.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

11. Income Taxes (Continued)

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 assets are as follows:

	December 31, 2011	December 31, 2010
Deferred tax assets:		
Accrued liabilities	$ 507	$ 204
Deferred revenue	303	401
Bad debts reserve	142	265
State net operating loss carry forwards	3,585	2,819
Deferred compensation	11,196	7,200
Federal net operating loss carry forwards	23,404	24,339
Foreign net operating loss carry forwards	4,908	—
Deferred rent	127	226
Other	211	—
Total deferred tax assets	$ 44,383	$ 35,454
Deferred tax liabilities:		
Intangible assets	$ (21,395)	$ (13,007)
Fixed assets	(6,191)	(2,376)
Other	—	(88)
Total deferred tax liabilities	(27,586)	(15,471)
Valuation allowance	(253)	(279)
Net Deferred Income Tax Assets	$ 16,544	$ 19,704

The following table indicates where net deferred income taxes have been classified in the Balance Sheet:

	December 31, 2011	December 31, 2010
Current deferred tax assets	$ 3,959	$ 3,295
Less: Valuation allowance	(21)	(23)
Net current deferred tax assets	3,938	3,272
Non-current deferred tax assets	12,837	16,688
Less: Valuation allowance	(231)	(256)
Net non-current deferred tax assets	12,606	16,432
Net Deferred Tax Assets	$ 16,544	$ 19,704

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

11. Income Taxes (Continued)

A reconciliation of the beginning and ending amount of unrecognized tax benefits excluding interest is as follows:

	December 31,	
	2011	2010
Unrecognized tax benefit (beginning balance)	$ 546	$ 875
Increases for tax positions taken during prior year	17	22
Decreases for tax positions taken during prior year	(78)	(44)
Reduction due to lapse of applicable statue of limitations	(169)	(460)
Increases for tax positions of current period	187	153
Unrecognized tax benefits (ending balance)	$ 503	$ 546

The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. The liability for unrecognized tax benefits includes accrued interest of $31 and $55 at December 31, 2011 and 2010, respectively.

12. Commitments and Contingencies

Leases

The Company leases office space, automobiles and office equipment under non-cancellable lease agreements, which expire through April 2023. Aggregate annual future minimum lease payments under these non-cancellable leases are as follows:

Period ended December 31:	
2012	5,029
2013	5,277
2014	5,039
2015	4,518
2016 and thereafter	26,053
	$ 45,916

Rent expense for the years ended December 31, 2011, 2010 and 2009 was $2.9 million, $2.2 million, and $2.2 million, respectively.

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

13. Goodwill and Intangibles

Goodwill

Goodwill changed during 2011 and 2010 as follows:

Balance at December 31, 2010	$ 19,063
Acquired goodwill	37,191
Reclassifications, adjustments and other	(1,637)
Balance at December 31, 2011	$ 54,617
Balance at December 31, 2009	$ 6,911
Acquired goodwill	12,152
Balance at December 31, 2010	$ 19,063

The reclassifications, adjustment and other of $1.6 million for the year 2011 is primarily related to the Company's deferred taxes as a result of changes to the apportionment used related to its state effective tax rate.

The Company performs an impairment study of the Company's goodwill annually. There were no impairment charges recognized during the years ended December 31, 2011 and 2010.

Other Intangible Assets

Our intangible assets with definite lives consist primarily of trade names, technology, and customer lists and relationships. These intangible assets are being amortized on the straight-line method over the estimated useful lives of the assets ranging from 4-16 years. Amortization expense related to currently existing intangible assets for the years ended December 31, 2011, 2010 and 2009 was $3.6 million,$2.2 million, and $853, respectively.

Table of Contents

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

13. Goodwill and Intangibles (Continued)

The Company's intangible assets consist of the following:

	December 31, 2011
Intangible assets:	
Trade name	$ 591
Accumulated amortization	(90)
Trade name, net	501
Technology	30,858
Accumulated amortization	(2,835)
Technology, net	28,023
Customer lists and relationships	37,714
Accumulated amortization	(4,243)
Customer lists and relationships, net	33,471
Capitalized software and patents	1,974
Accumulated amortization	—
Capitalized software and patents, net	1,974
Intangibles assets, net	$ 63,969

	December 31, 2010
Intangible assets:	
Trade name	$ 500
Accumulated amortization	(28)
Trade name, net	472
Technology	15,800
Accumulated amortization	(1,134)
Technology, net	14,666
Customer lists and relationships	20,449
Accumulated amortization	(2,356)
Customer lists and relationships, net	18,093
Intangibles assets, net3	$ 33,231

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

13. Goodwill and Intangibles (Continued)

Estimated annual amortization expense of its intangible assets for the next five years is as follows:

Period ended December 31:	
2012	$ 6,601
2013	$ 5,898
2014	$ 5,898
2015	$ 5,868
2016	$ 5,868

14. Legal Matters

On September 5, 2008, September 18, 2008, and September 23, 2008, three complaints were filed against the Company and certain of its officers and directors in the United States District Court for the District of New Jersey purportedly on behalf of a class of shareholders who purchased the Company's common stock between February 4, 2008 and June 9, 2008 (the "Securities Law Actions"). The complaints were consolidated and an amended complaint was filed by the plaintiffs on March 13, 2009. The plaintiffs in each complaint asserted claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. They alleged that certain of the Company's public disclosures regarding its financial prospects during the proposed class period were false and/or misleading. The principal allegation set forth in each complaint was that the Company issued misleading statements concerning its business prospects relating to the activation of Apple Inc.'s iPhone product. On April 7, 2010, the Court granted the Company's Motion to Dismiss all of the claims against all of the defendants without prejudice. On August 9, 2010, the parties filed a notice of voluntary dismissal with prejudice, noting that the plaintiff was dismissing the case without receiving payment of any kind.

On October 23, 2008 and November 3, 2008, complaints were filed in the state court of New Jersey (the "State Derivative Suit") and the United States District Court for the District of New Jersey (the "Federal Derivative Suit") against certain of the Company's officers and directors, purportedly derivatively on behalf of the Company (collectively, the "Derivative Suits"). The Complaints in the Derivative Suits assert that the named officers and directors breached their fiduciary duties and other obligations in connection with the disclosures that also are the subject of the Securities Law Actions described above. The Company is also named as a nominal defendant in the Derivative Suits, although the lawsuits are derivative in nature and purportedly asserted on the Company's behalf. On October 20, 2010, the parties to the Federal Derivative Suit filed a notice of voluntary dismissal, dismissing the case in its entirety and with prejudice as to the named plaintiff. On November 17, 2010, the parties to the State Derivative Suit filed a notice of voluntary dismissal, dismissing the case in its entirety with prejudice as to the named plaintiff.

On January 4, 2011, the Company filed a complaint in the United States District Court for the District of Wisconsin (Civ Act. No. 11-CV-02) against Dashwire, Inc. ("Dashwire"), claiming that Dashwire has infringed, and continues to infringe, several of the Company's patents. The Company filed an Amended Complaint against Dashwire on April 22, 2011. As a result of these claims, Dashwire filed a complaint against the Company in the same court asserting that the Company is infringing two of the Dashwire patents which it recently acquired from Intellectual Venture Partners. On July 29, 2011, the Company and Dashwire entered into a patent license and settlement agreement whereby

SYNCHRONOSS TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(In thousands, except per share data)

14. Legal Matters (Continued)

Dashwire will take a limited license to specific Synchronoss cloud management patents. Under the agreement, Synchronoss will receive a lump-sum payment and future royalties from Dashwire and the parties will each move the court to dismiss the above complaints.

Except for the above claims, the Company is not currently subject to any legal proceedings that could have a material adverse effect on its operations; however, it may from time to time become a party to various legal proceedings arising in the ordinary course of its business. For instance, On August 26, 2011, the Company filed a complaint in the United States District Court for the District of New Jersey (Civ Act. No. 11-4947 (FLW/LHG) against NewBay Software, Inc. and Newbay Software, Ltd. (collectively, "Newbay"), claiming that Newbayhas infringed, and continues to infringe, several of the Company's patents. On November 28, 2011, Newbay filed an answer to the Company's complaint and asserted certain counterclaims that the Company's patents at issue are invalid. In addition, on October 4, 2011, the Company filed a complaint in the United States District Court for the District of New Jersey (Civ Act. No. 3:11-cv-05811 FLW-TJB) against Assurion, Inc. ("Assurion"), claiming that Assurion has infringed, and continues to infringe, several of the Company's patents. On February 3, 2012, Assurion filed an answer to the Company's complaint and asserted certain counterclaims that the Company's patents at issue are invalid. The Company believes that both the Newbay and Assurion claims are without merit, and the Company intends to defend all of such claims. Due to the inherent uncertainties of litigation, the Company cannot predict the outcome of the actions at this time.

15. Subsequent Events Review

The Company has evaluated all subsequent events and transactions through the filing date.

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

Not applicable.

ITEM 9A. ***CONTROLS AND PROCEDURES***

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, the Company evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of December 31, 2011. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that its disclosure controls and procedures were effective as of December 31, 2011, to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, are recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer, as appropriate to allow timely decisions regarding required disclosures.

Management's Annual Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

To assist management, the Company has established procedures to verify and monitor its internal controls. Because of its inherent limitations, however, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of its internal control over financial reporting as of December 31, 2011. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework*.

Based on the Company's assessment, management concluded that, as of December 31, 2011, its internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2011 has been audited by Ernst & Young LLP, its independent registered public accounting firm, as stated in their report which is included in Item 9 of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rule 13a-15 that was conducted during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

The Company's management, including its Chief Executive Officer and Chief Financial Officer, does not expect that its disclosure controls or its internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company's operations have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
Synchronoss Technologies, Inc.

We have audited Synchronoss Technologies, Inc.'s internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Synchronoss Technologies, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

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

In our opinion, Synchronoss Technologies, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based onthe COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Synchronoss Technologies, Inc. as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2011 of Synchronoss Technologies, Inc. and our report dated February 27, 2012 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

MetroPark, New Jersey
February 27, 2012

ITEM 9B. ***OTHER INFORMATION***

None.

PART III

ITEM 10. ***DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT***

(a) Identification of Directors. Information concerning the directors of Synchronoss is set forth under the heading "Election of Directors" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference.

(b) Audit Committee Financial Expert. Information concerning Synchronoss' audit committee financial expert is set forth under the heading "Audit Committee" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference.

(c) Identification of the Audit Committee. Information concerning the audit committee of Synchronoss is set forth under the heading "Audit Committee" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference.

(d) Section 16(a) Beneficial Ownership Reporting Compliance. Information concerning compliance with beneficial ownership reporting requirements is set forth under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference.

(e) Code of Ethics. Information concerning the Synchronoss Code of Business Conduct is set forth under the caption "Code of Business Conduct" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference. The Code of Business Conduct can also be found on our website, www.synchronoss.com.

ITEM 11. ***EXECUTIVE COMPENSATION***

Information concerning executive compensation is set forth under the headings "Compensation of Executive Officers" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference.

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

Information concerning shares of Synchronoss equity securities beneficially owned by certain beneficial owners and by management is set forth under the heading "Equity Security Ownership of Certain Beneficial Owners and Management" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 13. ***CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS***

Information concerning certain relationships and related transactions is set forth under the heading "Certain Related Party Transactions" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 14. ***PRINCIPAL ACCOUNTANT FEES AND SERVICES***

Information concerning fees and services of the Company's principal accountants is set forth under the heading "Report of the Audit Committee" and "Independent Registered Public Accounting Firm's Fees" in the Synchronoss Proxy Statement for the 2012 Annual Meeting of Stockholders and is incorporated herein by reference.

PART IV

ITEM 15. *EXHIBITS AND FINANCIAL STATEMENT SCHEDULES*

(a) (1) Financial Statements:

(a) (2) Schedule for the years ended December 31, 2011, 2010, 2009:

II—Valuation and Qualifying Accounts

All other Schedules have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(a) (3) Exhibits:

Exhibit No.	Description
3.1*	Restated Certificate of Incorporation of the Registrant.
3.2*	Amended and Restated Bylaws of the Registrant.
4.1	Reference is made to Exhibits 3.1 and 3.2.
4.2*	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.
4.3*	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.
4.4*	Registration Rights Agreement, dated November 13, 2000, by and among the Registrant and the investors listed on the signature pages thereto.
4.5*	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.
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*	Amendment No. 1 to Synchronoss Technologies, Inc. 2000 Stock Plan.
10.4****	2006 Equity Incentive Plan, as amended and restated.
10.4.1*****	2010 New Hire Equity Incentive Plan.

10.5	Employee Stock Purchase Plan.
10.6*	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.

Exhibit No.	Description
10.7*	First Amendment dated December 23, 2003 to the 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.
10.8**	Second Amendment dated August 21, 2006 to the 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.
10.9*	Lease Agreement between the Registrant and Triple Net Investments XXV, L.P. for the premises located at Lehigh Valley Industrial Park VII, Bethlehem, Pennsylvania, dated as of May 16, 2008, as amended.
10.10	Lease Agreement between the Registrant and Wells Reit—Bridgewater NJ, LLC for the premises located at 200 Crossing Boulevard, Bridgewater, New Jersey, dated as of October 27, 2011.
10.11*	Loan & Security Agreement between the Registrant and Silicon Valley Bank, dated as of May 21, 2001.
10.12***	Cingular Master Services Agreement, effective September 1, 2005 by and between the Registrant and Cingular Wireless LLC.
10.13†	Employment Agreement dated as of December 31, 2011 between the Registrant and Stephen G. Waldis.
10.14†	Employment Agreement dated as of December 31, 2011 between the Registrant and Lawrence R. Irving.
10.15†	Employment Agreement dated as of December 31, 2011 between the Registrant and Robert Garcia.
10.16†	Employment Agreement dated as of December 31, 2011 between the Registrant and Chris Putnam.
10.17†	Employment Agreement dated as of December 31, 2011 between the Registrant and Biju Nair.
21.1	List of subsidiaries.
23.1	Consent of Ernst & Young, LLP, Independent Registered Public Accounting Firm.
24	Power of Attorney (see page 79).
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and section 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and section 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit No.	Description
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Labels Linkbase Document
101.PRE	XBRL Presentation Linkbase Document

† Compensation Arrangement.

* Incorporated by reference to Registrant's Registration Statement on Form S-1 (Commission File No. 333-132080).

** Incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 2007.

*** Incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 2008.

**** Incorporated by reference to Registrant's Schedule 14A dated April 8, 2010.

***** Incorporated by reference to Registrant's Registration Statement on Form S-8 (Commission File No. 333-168745).

XBRL (Extensible Business Reporting Language) information is furnished and not filed herewith, is not a part of a registration statement or Prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

‡ 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) Exhibits.

See (a)(3) above.

(c) Financial Statement Schedule.

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS
December 31, 2011, 2010, and 2009

	Beginning Balance	Additions	Reductions	Ending Balance
	(In thousands)			
Allowance for doubtful receivables				
2011	$ 558	$ (202)	$ —	$ 356
2010	$ 830	$ 324	$ (596)	$ 558
2009	$ 193	$ 640	$ (3)	$ 830

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

SYNCHRONOSS TECHNOLOGIES, INC.
(Registrant)

By /s/ STEPHEN G. WALDIS

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

February 27, 2012

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Ronald J. Prague or Lawrence R. Irving, or either of them, each with the power of substitution, their attorney-in-fact, to sign any amendments to this Form 10-K (including post-effective amendments), and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below 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	Chief Executive Officer and Director (Principal Executive Officer)	February 27, 2012
/s/ LAWRENCE R. IRVING Lawrence R. Irving	Chief Financial Officer (Principal Financial Officer)	February 27, 2012
/s/ KAREN L. ROSENBERGER Karen L. Rosenberger	Chief Accounting Officer (Principal Accounting Officer)	February 27, 2012
/s/ WILLIAM J. CADOGAN William J. Cadogan	Director	February 27, 2012

Signature	Title	Date
/s/ CHARLES E. HOFFMAN Charles E. Hoffman	Director	February 27, 2012
/s/ THOMAS J. HOPKINS Thomas J. Hopkins	Director	February 27, 2012
/s/ JAMES M. MCCORMICK James M. McCormick	Director	February 27, 2012
/s/ DONNIE M. MOORE Donnie M. Moore	Director	February 27, 2012

Exhibit 10.5

SYNCHRONOSS TECHNOLOGIES, INC.

EMPLOYEE STOCK PURCHASE PLAN

(AMENDED AND RESTATED AS OF FEBRUARY 1, 2012)

SYNCHRONOSS TECHNOLOGIES, INC.
EMPLOYEE STOCK PURCHASE PLAN

SECTION 1. PURPOSE OF THE PLAN.

The purpose of the Plan is to provide Eligible Employees with an opportunity to increase their proprietary interest in the success of the Company by purchasing Stock from the Company on favorable terms and to pay for such purchases through payroll deductions.

SECTION 2. ADMINISTRATION OF THE PLAN.

(a) **Committee Composition**. The Committee shall administer the Plan. The Committee shall consist exclusively of one or more members of the Board, who shall be appointed by the Board.

(b) **Committee Responsibilities**. The Committee shall interpret the Plan and make all other policy decisions relating to the operation of the Plan. The Committee may adopt such rules, guidelines and forms as it deems appropriate to implement the Plan. The Committee's determinations under the Plan shall be final and binding on all persons.

SECTION 3. STOCK OFFERED UNDER THE PLAN.

(a) **Authorized Shares**. The number of shares of Stock available for purchase under the Plan shall be 500,000 shares of the Company's Common Stock (subject to adjustment pursuant to Subsection (b) below). Shares of Stock issued pursuant to the Plan may be authorized but unissued shares or treasury shares.

(b) **Anti-Dilution Adjustments**. In the event that any dividend or other distribution (whether in the form of cash, Stock or other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Stock or other securities of the Company, or other similar change in the corporate structure of the Company affecting the Stock and effected without receipt or payment of consideration by the Company occurs, then in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, there will be a proportionate adjustment of the number and class of Stock that may be delivered under the Plan, the Purchase Price per share and the number of shares of Stock covered by each option under the Plan which has not yet been exercised, and the numerical limits of Sections 3(a) and 9(c).

(c) **Reorganizations**. Any other provision of the Plan notwithstanding, in the event of a Corporate Reorganization, the Plan may be continued or assumed by the surviving corporation or its parent corporation. If such acquirer refuses to continue or assume the Plan, then, immediately prior to the effective time of the Corporate Reorganization, any Offering Period then in progress shall terminate, and a new Purchase Date for each such Offering Period will be set, which shall be a date prior to the effective time of the Corporate Reorganization, and the amounts in each Participant's Plan Account shall be applied to the purchase of Stock. In the event a new Purchase Date is set under this Section 3(c), Participants will be given notice of the new Purchase Date. The Plan shall in no event be construed to restrict in any way the Company's right to undertake a dissolution, liquidation, merger, consolidation or other reorganization.

SECTION 4. ENROLLMENT AND PARTICIPATION.

(a) **Offering Periods and Purchase Periods**.

(i) **Base Offering Periods**. The Committee may establish Offering Periods of such frequency and duration as it may from time to time determine as appropriate (the "***Base Offering Periods***"); provided that a Base Offering Period shall in no event be longer than 24 months (or such other period as may be imposed under applicable tax law). The Base Offering Periods are intended to qualify under Code Section 423. Unless changed by the Committee, the Plan shall operate such that two Base Offering Periods, each of six months' duration and each including a single six-month Purchase Period, will commence on February 16 and August 16 of each year. The Committee may determine that the first Base Offering Period applicable to the Eligible Employees of a new Participating Company shall commence on any date specified by the Committee. The Committee shall determine when the subsequent Base Offering Period will commence.

(ii) **Additional Offering Periods**. At the discretion of the Committee, additional Offering Periods may be conducted under the Plan (the "***Additional Offering Periods***"). Such Additional Offering Periods may, but need not, qualify under Code Section 423. The Committee shall determine the commencement and duration of each Additional Offering Period, and Additional Offering Periods may be consecutive or overlapping. The other terms and conditions of each Additional Offering Period shall be those set forth in this Plan document, with such changes or additional features as the Committee determines necessary to comply with local law.

(iii) **Separate Offerings**. Each Base Offering Period and Additional Offering Period conducted under the Plan is intended to constitute a separate "offering" for purposes of Code Section 423.

(iv) **Equal Rights and Privileges**. To the extent an Offering Period is intended to qualify under Code Section 423, all participants in such Offering Period shall have the same rights and privileges with respect to their participation in such Offering Period in accordance with Code Section 423 and the regulations thereunder except for differences that may be mandated by local law and are consistent with the requirements of Code Section 423(b)(5).

(b) **Enrollment.** In the case of any individual who qualifies as an Eligible Employee on the first day of any Offering Period, he or she may elect to become a Participant on such day by electing to participate with the Stock Plan Administrator prior to the commencement of the Offering Period.

(c) **Duration of Participation**. Once enrolled in the Plan, a Participant shall continue to participate in the Plan until he or she:

(i) Reaches the end of the Offering Period or Purchase Period, as applicable, in which his or her employee contributions were discontinued under Section 5(c) or 9(b);

(ii) Withdraws from the Plan under Section 6(a); or

(iii) Ceases to be an Eligible Employee.

A Participant whose employee contributions were discontinued automatically under Section 9(b) shall automatically resume participation at the beginning of the earliest Offering Period ending in a later calendar year, if he or she then is an Eligible Employee. In all other cases, a former Participant may again become a Participant, if he or she then is an Eligible Employee, by following the procedure described in Subsection (b) above.

SECTION 5. EMPLOYEE CONTRIBUTIONS.

(a) **Commencement of Payroll Deductions**. A Participant may purchase shares of Stock under the Plan solely by means of payroll deductions. Payroll deductions shall commence as soon as reasonably practicable after the Stock Plan Administrator has received the prescribed enrollment form.

(b) **Amount of Payroll Deductions**. An Eligible Employee shall designate on the prescribed enrollment form the portion of his or her Compensation that he or she elects to have withheld for the purchase of Stock. Such portion shall be either (i) a dollar amount of up to 10% of the Eligible Employee's Compensation or (ii) a whole percentage of the Eligible Employee's Compensation, but not less than 1% nor more than 10%.

(c) **Reducing Withholding Rate or Discontinuing Payroll Deductions**. If a Participant wishes to reduce his or her rate of payroll withholding, such Participant may do so by making the reductions with the Stock Plan Administrator at any time. The new withholding rate shall be effective as soon as reasonably practicable after the Participant has entered the changes in their account with the Stock Plan Administrator. The new withholding rate may be a new dollar amount or 0% or any whole percentage of the Participant's Compensation, but not more than his or her old withholding rate. No Participant shall make more than one election under this Subsection (c) during any Purchase Period except that a Participant may make a second election to elect 0% as the percentage of Compensation to be withheld. (In addition, employee contributions may be discontinued automatically pursuant to Section 9(b).)

(d) **Increasing Withholding Rate**. If a Participant wishes to increase his or her rate of payroll withholding, such Participant may do so by filing a new enrollment form with the Stock Plan Administrator. The new withholding rate may be effective on the first day of the next-upcoming Offering Period in which the Participant participates. The new withholding rate may be a new dollar amount or any whole percentage of the Participant's Compensation, but not less than 1% nor more than 10%. An increase in a Participant's rate of payroll withholding may not take effect during an Offering Period.

SECTION 6. WITHDRAWAL FROM THE PLAN.

(a) **Withdrawal**. A Participant may elect to withdraw from the Plan (or, if applicable, from an Offering Period) by electing out with the Stock Plan Administrator at any time before a Purchase Date. As soon as reasonably practicable thereafter, payroll deductions shall cease and the entire amount credited to the Participant's Plan Account with respect to such Offering Period shall be refunded to him or her in cash, without interest. No partial withdrawals from an Offering Period shall be permitted.

(b) **Re-Enrollment After Withdrawal**. A former Participant who has withdrawn from the Plan shall not be a Participant until he or she re-enrolls in the Plan under Section 4(b). Re-enrollment may be effective only at the commencement of an Offering Period.

SECTION 7. CHANGE IN EMPLOYMENT STATUS.

(a) **Termination of Employment**. Termination of employment as an Eligible Employee for any reason, including death, shall be treated as an automatic withdrawal from the Plan under Section 6(a). (A transfer from one Participating Company to another shall not be treated as a termination of employment provided that each Participating Company is then participating in the same Offering Period.)

(b) **Leave of Absence**. For purposes of the Plan, employment shall not be deemed to terminate when the Participant goes on a military leave, a sick leave or another *bona fide* leave of absence, if the leave was approved by the Company in writing. Employment, however, shall be deemed to terminate on the first day three months following the date the Participant goes on a leave, unless a contract or statute guarantees his or her right to return to work. Employment shall be deemed to terminate in any event when the approved leave ends, unless the Participant immediately returns to work.

(c) **Death**. In the event of the Participant's death, the amount credited to his or her Plan Account shall be paid to a beneficiary designated by him or her for this purpose on the prescribed form or, if none, to the Participant's estate. Such form shall be valid only if it was filed with the Company at the prescribed location before the Participant's death.

SECTION 8. PLAN ACCOUNTS AND PURCHASE OF SHARES .

(a) **Plan Accounts**. The Company shall maintain a Plan Account on its books in the name of each Participant. Whenever an amount is deducted from the Participant's Compensation under the Plan, such amount shall be credited to the Participant's Plan Account. Amounts credited to Plan Accounts shall not be trust funds and may be commingled with the Company's general assets and applied to general corporate purposes. No interest shall be credited to Plan Accounts.

(b) **Purchase Price**. The Purchase Price for each share of Stock purchased on a Purchase Date shall be the lower of:

(i) 85% of the Fair Market Value of such share on the first day of such Offering Period; or

(ii) 85% of the Fair Market Value of such share on the Purchase Date.

(c) **Number of Shares Purchased**. On each Purchase Date, each Participant shall be deemed to have elected to purchase the number of shares of Stock calculated in accordance with this Subsection (c), unless the Participant has previously elected to withdraw from the Offering Period in accordance with Section 6(a). The amount then in the Participant's Plan Account shall be divided by the Purchase Price, and the number of shares that results (rounded down to the next lower whole share) shall be purchased from the Company with the funds in the Participant's Plan Account. The foregoing number of shares of Stock purchasable by a Participant are subject to the limitations set forth in Section 9. No fractional shares will be purchased. Contributions left over as a result of such fractional shares will be rolled over to the next Offering Period.

(d) **Available Shares Insufficient**. In the event that the aggregate number of shares that all Participants elect to purchase with respect to a particular Purchase Period exceeds (i) the number of shares of Stock that were available under Section 3 above for sale under the Plan on the first day of the applicable Offering Period, or (ii) the number of shares that were available under Section 3 above for sale under the Plan on the applicable Purchase Date, then the number of shares to which each Participant is entitled shall be determined by multiplying the number of shares available for issuance by a fraction. The numerator of such fraction is the number of shares that such Participant has elected to purchase, and the denominator of such fraction is the number of shares that all Participants have elected to purchase. The Company may make a pro rata allocation of the shares available on the first day of an applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional shares for issuance under the Plan by the Company's stockholders subsequent to such date. In the event of a pro-rata allocation under this Section (d), the Committee may determine in its discretion to continue all Offering Periods then in effect or terminate all Offering Periods then in effect pursuant to Section 14.

(e) **Issuance of Stock**. The shares of Stock purchased by a Participant under the Plan may be registered in the name of such Participant. The Company may permit or require that shares be deposited directly with a broker designated by the Company or to a designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that shares be retained with such broker or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such shares. (The two preceding sentences shall apply whether or not the Participant is required to pay income tax in the United States.)

(f) **Tax Withholding**. To the extent required by applicable federal, state, local or foreign law, a Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise in connection with the Plan. The Company shall not be required to issue any shares of Stock under the Plan until such obligations, if any, are satisfied.

(g) **Unused Cash Balances**. Subject to the final sentence of Section 8(c), an amount remaining in the Participant's Plan Account that represents the Purchase Price for any fractional share shall be carried over in the Participant's Plan Account to the next Purchase

Period. Any amount remaining in the Participant's Plan Account that represents the Purchase Price for whole shares that could not be purchased by reason of Subsection (d) above or Section 9(b) shall be refunded to the Participant in cash, without interest.

SECTION 9 PLAN LIMITATIONS.

(a) Five Percent Limit. Any other provision of the Plan notwithstanding, no Participant shall be granted a right to purchase Stock under the Plan if such Participant, immediately after his or her election to purchase such Stock, would own stock possessing more than 5% of the total combined voting power or value of all classes of stock of the Company or any parent or Subsidiary of the Company, determined in accordance with applicable tax law.

(b) **Dollar Limit**. Any other provision of the Plan notwithstanding, no Participant shall purchase Stock with a Fair Market Value in excess of the following limit:

(i) In the case of Stock purchased during an Offering Period that commenced in the current calendar year, the limit shall be equal to (A) $25,000 minus (B) the Fair Market Value of the Stock that the Participant previously purchased under the Plan in the current calendar year.

(ii) In the case of Stock purchased during an Offering Period that commenced in the immediately preceding calendar year, the limit shall be equal to (A) $50,000 minus (B) the Fair Market Value of the Stock that the Participant previously purchased under the Plan in the current calendar year and in the immediately preceding calendar year.

(iii) In the case of Stock purchased during an Offering Period that commenced in the second calendar year before the current calendar year, the limit shall be equal to (A) $75,000 minus (B) the Fair Market Value of the Stock that the Participant previously purchased under the Plan in the current calendar year and in the immediately preceding two calendar years.

For all purposes under this Subsection (b), (A) the Fair Market Value of Stock shall be determined as of the beginning of the Offering Period in which such Stock is purchased; and (B) this Plan shall be aggregated with any other employee stock purchase plans of the Company (or any parent or Subsidiary of the Company) described in Code Section 423. If a Participant is precluded by this Subsection (b) from purchasing additional Stock under the Plan, then his or her employee contributions shall automatically be discontinued and shall automatically resume at the beginning of the next Offering Period with a scheduled Purchase Date in the next calendar year, provided that he or she is an Eligible Employee at the beginning of such Offering Period.

(c) **Purchase Period Share Purchase Limit**. Any other provision of the Plan notwithstanding, no Participant shall purchase more than 1,000 shares of Stock with respect to any Purchase Period; provided that the Committee may, for future Offering Periods, increase or decrease in its absolute discretion, the maximum number of shares of Stock that a Participant may purchase during each Purchase Period.

SECTION 10 RIGHTS NOT TRANSFERABLE.

The rights of any Participant under the Plan, or any Participant's interest in any Stock or moneys to which he or she may be entitled under the Plan, shall not be transferable by voluntary or involuntary assignment or by operation of law, or in any other manner other than by beneficiary designation or the laws of descent and distribution. If a Participant in any manner attempts to transfer, assign or otherwise encumber his or her rights or interest under the Plan, other than by beneficiary designation or the laws of descent and distribution, then such act shall be treated as an election by the Participant to withdraw from the Plan under Section 6(a).

SECTION 11 NO RIGHTS AS AN EMPLOYEE .

Nothing in the Plan or in any right granted under the Plan shall confer upon the Participant any right to continue in the employ of a Participating Company for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Participating Companies or of the Participant, which rights are hereby expressly reserved by each, to terminate his or her employment at any time and for any reason, with or without cause.

SECTION 12 NO RIGHTS AS A STOCKHOLDER .

A Participant shall have no rights as a stockholder with respect to any shares of Stock that he or she may have a right to purchase under the Plan until such shares have been purchased on the applicable Purchase Date.

SECTION 13 SECURITIES LAW REQUIREMENTS.

Shares of Stock shall not be issued, and the Company shall have no liability for failure to issue shares of Stock, 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 14 AMENDMENT OR DISCONTINUANCE .

(a) General Rule. The Committee, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Committee, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Stock on the next Purchase Date, or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 3(b) or (c)). If the Offering Periods are terminated prior to expiration, all amounts then credited to Participants' accounts which have not been used to purchase shares of Common Stock will be returned to the Participants (without interest thereon, except as otherwise required under local laws) as soon as administratively practicable.

(b) **Committee's Discretion**. Without stockholder consent and without limiting Section 14(a), the Committee will be entitled to change the Offering Periods, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Stock for each Participant properly correspond with amounts withheld from the Participant's Compensation, and establish such other limitations or procedures as it determines in its sole discretion advisable which are consistent with the Plan.

(c) **Accounting Consideration**. In the event the Committee determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Committee may, in its discretion and, to the extent necessary or desirable, modify, amend or terminate the Plan to reduce or eliminate such accounting consequence including, but not limited to:

(i) Amending the Plan to conform with the safe harbor definition under Financial Accounting Standards Board Accounting Standards Codification Topic 718, including with respect to an Offering Period underway at the time;

(ii) Altering the Purchase Price for any Offering Period including an Offering Period underway at the time of the change in Purchase Price;

(iii) Shortening any Offering Period by setting a new Purchase Date, including an Offering Period underway at the time of the Committee's action;

(iv) Reducing the maximum percentage of Compensation a Participant may elect to set aside as payroll deductions; and

(v) Reducing the maximum number of shares of Stock a Participant may purchase during any Purchase Period.

Such modifications or amendments will not require stockholder approval or the consent of any Plan Participants.

. Except as provided in Section 3, any increase in the aggregate number of shares of Stock that may be issued under the Plan shall be subject to the approval of the Company's stockholders. In addition, any other amendment of the Plan shall be subject to the approval of the Company's stockholders to the extent required under Section 14(e) or by any applicable law or regulation.

. The Plan shall terminate automatically 20 years after its adoption by the Board, unless (i) the Plan is extended by the Board and (ii) the extension is approved within 12 months by a vote of the stockholders of the Company.

SECTION 15 PLAN HISTORY.

The Board adopted the Plan on April 22, 2008. The Company's stockholders approved the basic terms of the Plan at the 2008 Annual Meeting of Stockholders on May 15, 2008.

SECTION 16 DEFINITIONS.

(a) "**Board**" means the Board of Directors of the Company, as constituted from time to time.

(b) "**Code**" means the Internal Revenue Code of 1986, as amended.

(c) "**Committee**" means a committee of the Board, as described in Section 2.

(d) "**Company**" means Synchronoss Technologies, Inc., a Delaware corporation.

(e) "**Compensation**" means (i) the total compensation paid in cash to a Participant by a Participating Company, including salaries, wages, bonuses, incentive compensation, commissions, overtime pay and shift premiums, plus (ii) any pre-tax contributions made by the Participant under Code Sections 401(k) or 125. "Compensation" shall exclude all non-cash items, moving or relocation allowances, cost-of-living equalization payments, car allowances, tuition reimbursements, imputed income attributable to cars or life insurance, severance pay, fringe benefits, contributions or benefits received under employee benefit plans, income attributable to equity compensation awards of the Company, and similar items. The Committee shall determine whether a particular item is included in Compensation.

(f) "**Corporate Reorganization**" means:

(i) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization; or

(ii) The sale, transfer or other disposition of all or substantially all of the Company's assets or the complete liquidation or dissolution of the Company.

(g) "**Eligible Employee**" means a common law employee of a Participating Company who is customarily employed for more than five months per calendar year and at least 20 hours per week. The foregoing notwithstanding, an individual shall not be considered an Eligible Employee if his or her participation in the Plan is prohibited by the law of any country that has jurisdiction over him or her. In addition, the Committee may determine prior to the commencement of an Offering Period not to exclude part-time employees or exclude employees whose customary employment is for fewer hours per week or fewer months in a calendar year; provided that such terms are applied in an identical manner to all employees of every Participating Company in such Offering Period.

(h) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(i) “**Fair Market Value**” means the price at which Stock was last sold in the principal U.S. market for the Stock on the applicable date or, if the applicable date was not a trading day, on the last trading day prior to the applicable date. If Stock is no longer traded on a public U.S. securities market, the Fair Market Value shall be determined by the Committee in good faith on such basis as it deems appropriate. The Committee’s determination shall be conclusive and binding on all persons.

(j) “**Offering Period**” means any period, including Base Offering Periods and Additional Offering Periods, with respect to which the right to purchase Stock may be granted under the Plan, as determined pursuant to Section 4(a).

(k) “**Participant**” means an Eligible Employee who participates in the Plan, as provided in Section 4.

(l) “**Participating Company**” means (i) the Company and (ii) each present or future Subsidiary designated by the Committee as a Participating Company.

(m) “**Plan**” means this Synchronoss Technologies, Inc. Employee Stock Purchase Plan, as it may be amended from time to time.

(n) “**Plan Account**” means the account established for each Participant pursuant to Section 8(a).

(o) “**Purchase Date**”means the last trading day of a Purchase Period.

(p) “**Purchase Period”**means a period within an Offering Period (which for an Offering Period with only a single Purchase Period would be coterminous with the Offering Period) during which contributions may be made toward the purchase of Stock under the Plan, as determined pursuant to Section 4(a).

(q) “**Purchase Price**” means the price at which Participants may purchase Stock under the Plan, as determined pursuant to Section 8(b).

(r) “**Stock**” means the Common Stock of the Company.

(s) “**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.

(t) “**Stock Plan Administrator**” means the Company’s provider aiding in the management of the Company’s stock plans.

Exhibit 10.10

<u>OFFICE LEASE AGREEMENT</u>

BY AND BETWEEN

WELLS REIT — BRIDGEWATER NJ, LLC

AND

SYNCHRONOSS TECHNOLOGIES, INC.

Bridgewater Crossing
200 Crossing Boulevard
Bridgewater, New Jersey

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OFFICE LEASE AGREEMENT

THIS OFFICE LEASE AGREEMENT (this “Lease”) is dated as of the 27th day of October, 2011, by and between WELLS REIT — BRIDGEWATER NJ, LLC, a Delaware limited liability company (“Landlord”), and SYNCHRONOSS TECHNOLOGIES, INC., a Delaware corporation (“Tenant”).

ARTICLE I
SPECIAL DEFINITIONS

1.1 **Base Rent**: the annual amount payable as set forth in the following table (net of electric):

Months	Base Rent Per RSF*	Monthly Installment	Annual Installment*
Lease Commencement Date to 4/30/12	$ 27.50	N/A	N/A
5.1.12 — 12.31.12	$ 27.50	$ 135,283.96**	$ 1,623,407.50**
1.1.13 — 4.30.13	$ 27.50	$ 180,081.46	$ 2,160,977.50
5.1.13 — 4.30.14	$ 28.00	$ 183,355.67	$ 2,200,268.00
5.1.14 — 4.30.15	$ 28.50	$ 186,629.88	$ 2,239,558.50
5.1.15 — 4.30.16	$ 29.00	$ 189,904.08	$ 2,278,849.00
5.1.16 — 4.30.17	$ 29.50	$ 193,178.29	$ 2,318,139.50
5.1.17 — 4.30.18	$ 30.00	$ 196,452.50	$ 2,357,430.00
5.1.18 — 4.30.19	$ 30.50	$ 199,726.71	$ 2,396,720.50
5.1.19 — 4.30.20	$ 31.00	$ 203,000.92	$ 2,436,011.00
5.1.20 — 4.30.21	$ 31.50	$ 206,275.13	$ 2,475,301.50
5.1.21 — 4.30.22	$ 32.00	$ 209,549.33	$ 2,514,592.00
5.1.22 — 4.30.23	$ 32.50	$ 212,823.54	$ 2,553,882.50

*Calculated on twelve (12) full calendar months.
**Calculated on 59,033 square feet of rentable area and reflects an abatement based on 19,548 square feet of rentable area, provided Tenant is not in monetary default hereunder.

1.2 **Base Rent Annual Escalation**: $0.50 per RSF per annum, commencing with the seventeenth (17th) month of the Lease Term.

1.3 **Broker(s)**: CB Richard Ellis, Inc. (“Landlord’s Broker”); and UGL Equis (“Tenant’s Broker”).

1.4 **Building**: an eight (8) story building containing approximately two hundred ninety-seven thousand three hundred seventy-nine (297,379) square feet of total Rentable Area (“Total Area”) per the BOMA Method (as hereinafter defined), located at 200 Crossing Boulevard, Bridgewater, New Jersey and known as Bridgewater Crossing.

1.5 **Building Hours**: 8:00 a.m. to 6:00 p.m. Monday through Friday (excluding Holidays) and 9:00 a.m. to 1:00 p.m. on Saturday (excluding Holidays). In addition, Tenant will have 24/7 electronic access to the Building.

1.6 **Expiration Date**: 11:59 p.m. (local time at the Building) on the last day of the one hundred thirty-second (132nd) month following the Rent Commencement Date.

1.7 **Guarantor:** Not applicable.

1.8 **Holidays:** New Year’s Day, President’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

1.9 **Improvements Allowance**: the product of Thirty-Six and 00/100 Dollars ($36.00) multiplied by the rentable area of the Premises.

1.10 **Landlord Notice Address**: c/o Piedmont Office Realty Trust, Inc., 11695 Johns Creek Parkway, Suite 350, Johns Creek, GA 30097 Attention: Asset Manager — East Region.

1.11 **Landlord Payment Address**: WELLS REIT — BRIDGEWATER NJ, LLC, Morgan Stanley/Wells Multistate Portfolio, 2129 Paysphere Circle, Chicago, IL 60674**.** At Landlord's option upon at least thirty (30) days written notice, Tenant shall make all payments by means of electronic transfer of funds.

1.12 **Lease Commencement Date**: Upon Substantial Completion of the Premises, which is anticipated to be on or about February 1, 2012.

1.13 **Lease Term**: Approximately one hundred thirty-five (135) months, subject to Section 3.1.

1.14 **Operating Charges Base Year**: calendar year 2012.

1.15 **Permit Allotment**: Two hundred seventy-five (275) monthly parking permits (based on three and one-half (3.5) permits for each one thousand (1,000) square feet of Rentable Area in the Premises).

1.16 **Premises**: containing approximately seventy-eight thousand five hundred eighty-one (78,581) square feet of rentable area consisting of the entire seventh (7th) and eighth (8th) floors of the Building, as more particularly designated on Exhibit A, as measured in accordance with the provisions of ANSI/BOMA 2010, Standard Method for Measuring Floor Area in Office Buildings (the "BOMA Method").

1.17 **Real Estate Taxes Base Year: calendar year 2012.**

1.18 **Rent Commencement Date**: May 1, 2012.

1.19 **Security Deposit Amount**: Three Hundred Sixty Thousand One Hundred Sixty-two and 92/100 Dollars ($360,162.92).

1.20 **Tenant Notice Address**: 750 Route Ten, Suite 600, Bridgewater, NJ 08807, Attn: General Counsel, until Tenant has commenced beneficial use of the Premises; and 200 Crossing Boulevard, Bridgewater, New Jersey 08807, Attn: General Counsel, after Tenant has commenced beneficial use of the Premises.

1.21 **Tenant's Proportionate Share**: 26.42% for Operating Charges and 26.42% for Real Estate Taxes.

ARTICLE II
PREMISES

2.1 Tenant leases the Premises from Landlord for the term and upon the conditions and covenants set forth in this Lease. Except as may otherwise be expressly provided in this Lease, the lease of the Premises does not include the right to use the roof, mechanical rooms, electrical closets, janitorial closets, telephone rooms, parking areas or non-common or non-public areas of any portion of the Building, whether or not any such areas are located within the Premises. However, Tenant shall have the non-exclusive right to use: (1) the plenums, risers, electrical closets, telephone rooms, ducts or pipes on or serving the floor on which the Premises are located (other than those installed for another tenant's exclusive use and provided Tenant shall have such utilization in no greater proportion than the ratio by which the square feet of rentable area in the Premises compares to the square feet of rentable area in the Building) in accordance with plans and specifications to be approved by Landlord in its sole discretion; (2) the Parking Facility in accordance with Article XXIV; and (3) any mechanical rooms, electrical closets and telephone rooms located within the Premises, for the purpose for which they were intended, but only with Landlord's prior consent, not to be unreasonably withheld, conditioned or delayed (except to the extent that such rooms and closets contain no system, wiring or other item related to either the Building Structure and Systems or to a structure or system of any tenant or occupant other than Tenant, in which case no such prior consent of Landlord shall be required for use by Tenant's on-site, properly licensed and trained technicians) and strictly in accordance with Landlord's rules, regulations and requirements in connection therewith.

ARTICLE III
TERM

3.1 Except as otherwise expressly provided herein, all of the provisions of this Lease shall be in full force and effect from and after the date first above written. The Lease Term shall commence on the Lease Commencement Date and expire at 11:59 P.M. on the Lease Expiration Date. The Lease Term shall also include any properly exercised renewal or extension of the term of this Lease.

3.2 Promptly after the Lease Commencement Date, Landlord and Tenant shall execute the certificate attached to this Lease as Exhibit D. Failure to execute said certificate shall not affect the commencement or expiration of the Lease Term.

3.3 It is presently anticipated that the Premises will be delivered to Tenant on or about the Lease Commencement Date; provided, however, that if Landlord does not deliver possession of the Premises by such date, Landlord shall not have any liability whatsoever except as expressly provided in this Section 3.3, this Lease shall not be rendered void or voidable as a result thereof. Notwithstanding anything to the contrary contained herein, in the event Landlord is unable to substantially complete the Premises on or before (a) April 1, 2012 (unless such delay is attributable to Tenant delays as outlined in Section 7(b) of Exhibit B, or the delay is properly excluded pursuant to the force majeure provisions of Section 25.20), then, from and after the actual date on which Landlord delivers the Premises to Tenant, Tenant shall receive an abatement of its Base Rent in an amount equal to one (1) day of such Base Rent obligation for each additional day of delay that occurs after April 1, 2012 until the actual delivery date; and (b) November 1, 2012 (or February 1, 2013, without being subject to the force majeure provisions of Section 25.20), unless such delay is attributable to Tenant delays as outlined in Section 7(b) of Exhibit B, Tenant shall have the right to terminate this Lease, by providing written notice to Landlord of its intention to terminate the Lease within fifteen (15) days after Landlord's receipt of such notice; provided, however, that, in the event the actual delivery date occurs within such fifteen (15) day period, Tenant's notice shall be null and void and the Lease shall remain in full force and effect.

ARTICLE IV
BASE RENT

4.1 From and after the Rent Commencement Date, Tenant shall pay the Base Rent in equal monthly installments in advance on the first day of each month during a Lease Year.

4.2 Concurrently with Tenant's execution of this Lease, Tenant shall pay an amount equal to one (1) monthly installment of the Base Rent payable during the first Lease Year, which amount shall be credited toward the monthly installment of Base Rent payable for the first (1st) full calendar month of the Lease Term following the Rent Commencement Date.

4.3 All sums payable by Tenant under this Lease shall be paid to Landlord in legal tender of the United States, without setoff, deduction or demand, at the Landlord Payment Address, or to such other party or such other address as Landlord may designate in writing. Landlord's acceptance of rent after it shall have become due and payable shall not excuse a delay upon any subsequent occasion or constitute a waiver of any of Landlord's rights hereunder. If any sum payable by Tenant under this Lease is paid by check which is returned due to insufficient funds, stop payment order, or otherwise, then: (a) such event shall be treated as a failure to pay such sum when due; and (b) in addition to all other rights and remedies of Landlord hereunder, Landlord shall be entitled (i) to impose a returned check charge of Fifty Dollars ($50.00) to cover Landlord's administrative expenses and overhead for processing, and (ii) to require that all future payments be remitted by wire transfer, money order, or cashier's or certified check.

4.4 Landlord and Tenant agree that no rental or other payment for the use or occupancy of the Premises is or shall be based in whole or in part on the net income or profits derived by any person or entity from the Building or the Premises. Tenant will not enter into any sublease, license, concession or other agreement for any use or occupancy of the Premises which provides for a rental or other payment for such use or occupancy based in whole or in part on the net income or profits derived by any person or entity from the Premises so leased, used or occupied. Nothing in the foregoing sentence, however, shall be construed as permitting or constituting Landlord's approval of any sublease, license, concession, or other use or occupancy agreement not otherwise approved by Landlord in accordance with the provisions of Article VII.

ARTICLE V
OPERATING CHARGES AND REAL ESTATE TAXES

5.1 For purposes of this Article V, the term "Building" shall be deemed to include the Land, the roof of the Building and any physical extensions therefrom, any driveways, sidewalks, landscaping, alleys and parking facilities in the Building or on the Land, and all other areas, facilities, improvements and appurtenances relating to any of the foregoing. If the Building is operated as part of a complex of buildings or in conjunction with other buildings or parcels of land, Landlord shall prorate the common expenses and costs with respect to each such building or parcel of land in its sole but reasonable judgment.

5.2 (a) From and after January 1, 2013, Tenant shall pay as additional rent Tenant's Proportionate Share of the amount by which Operating Charges for each calendar year falling entirely or partly within the Lease Term exceed the Operating Charges Base Amount. Tenant's Proportionate Share with respect to Operating Charges set forth in Article I has been calculated to be that percentage which is

equal to a fraction, the numerator of which is the number of square feet of rentable area in the Premises as set forth in Section 1.16, and the denominator of which is the number of square feet of Total Area in the Building.

(b) If the average occupancy rate for the Building during any calendar year (including the Operating Charges Base Year) is less than ninety-five percent (95%), or if any tenant is separately paying for (or does not require) electricity, janitorial or other utilities or services furnished to its premises, then Landlord shall include in Operating Charges for such year (including the Operating Charges Base Year) all additional expenses, as reasonably estimated by Landlord, which would have been incurred during such year if such average occupancy rate had been ninety-five percent (95%) and if Landlord paid for such utilities or services furnished to such premises.

(c) Tenant shall make estimated monthly payments to Landlord on account of the amount by which Operating Charges that are expected to be incurred during each calendar year (or portion thereof) would exceed the Operating Charges Base Amount. At the beginning of each calendar year after the Lease Commencement Date, Landlord shall submit a reasonably detailed written statement setting forth Landlord's reasonable estimate of such excess and Tenant's Proportionate Share thereof. Tenant shall pay to Landlord on the first day of each month following receipt of such statement, until Tenant's receipt of the succeeding annual statement, an amount equal to one-twelfth (1/12) of each such share (estimated on an annual basis without proration pursuant to Section 5.4). Not more than twice during any calendar year, Landlord may revise Landlord's estimate and adjust Tenant's monthly payments to reflect Landlord's revised estimate. Within one hundred twenty (120) days after the end of each calendar year, or as soon thereafter as is feasible, Landlord shall submit a Reconciliation Statement for Operating Charges. If such Reconciliation Statement indicates that the aggregate amount of such estimated payments exceeds Tenant's actual liability, then Landlord shall credit the net overpayment toward Tenant's next installment(s) of rent due under this Lease, or, if the Lease Term has expired or will expire before such credit can be fully applied, or if Tenant is not otherwise liable to Landlord for further payment, Landlord shall reimburse Tenant for the amount of such overpayment within thirty (30) days. If such statement indicates that Tenant's actual liability exceeds the aggregate amount of such estimated payments, then Tenant shall pay the amount of such excess as additional rent.

5.3 (a) From and after January 1, 2013, Tenant shall pay as additional rent Tenant's Proportionate Share of the amount by which Real Estate Taxes exceed the Real Estate Taxes Base Amount. Tenant's Proportionate Share with respect to Real Estate Taxes set forth in Article I has been calculated to be that percentage which is equal to a fraction, the numerator of which is the number of square feet of rentable area in the Premises as set forth in Section 1.17, and the denominator of which is the number of square feet of Total Area in the Building. Tenant shall not initiate or participate in any contest of Real Estate Taxes without Landlord's prior written consent.

(b) Tenant shall make estimated monthly payments to Landlord on account of the amount by which Real Estate Taxes that are expected to be incurred during each calendar year would exceed the Real Estate Taxes Base Amount. At the beginning of each calendar year after the Lease Commencement Date, Landlord shall submit a reasonably detailed written statement setting forth Landlord's reasonable estimate of such amount and Tenant's Proportionate Share thereof. Tenant shall pay to Landlord on the first day of each month following receipt of such statement, until Tenant's receipt of the succeeding annual statement, an amount equal to one-twelfth (1/12) of such share (estimated on an annual basis without proration pursuant to Section 5.4). Not more than twice during any calendar year, Landlord may revise Landlord's estimate and adjust Tenant's monthly payments to reflect Landlord's revised estimate. Within one hundred twenty (120) days after the end of each calendar year, or as soon thereafter as is feasible, Landlord shall submit a Reconciliation Statement for Real Estate Taxes showing (1) Tenant's Proportionate Share of the amount by which Real Estate Taxes incurred during the preceding calendar year exceeded the Real Estate Taxes Base Amount, and (2) the aggregate amount of Tenant's estimated payments made during such year. If such Reconciliation Statement indicates that the aggregate amount of such estimated payments exceeds Tenant's actual liability, then Landlord shall credit the net overpayment toward Tenant's next installment(s) of rent due under this Lease, or, if the Lease Term hereof has expired or will expire before such credit can be fully applied, of if Tenant is not otherwise liable for further payment, Landlord shall reimburse Tenant for the amount of such overpayment within thirty (30) days. If such statement indicates that Tenant's actual liability exceeds the aggregate amount of such estimated payments, then Tenant shall pay the amount of such excess as additional rent.

5.4 If the Lease Term commences or expires on a day other than the first day or the last day of a calendar year, respectively, then Tenant's liabilities pursuant to this Article for such calendar year shall be apportioned by multiplying the respective amount of Tenant's Proportionate Share thereof for the full calendar year by a fraction, the numerator of which is the number of days during such calendar year falling within the Lease Term, and the denominator of which is three hundred sixty-five (365).

5.5 Tenant shall have the right to audit Landlord's books and records as follows:

(a) Tenant shall be entitled at any reasonable time during regular business hours, after giving at least ten (10) days prior written notice, to inspect Landlord's books and records (at the site of their location) relating to Tenant's Proportionate Share of Operating Charges, and to obtain an audit thereof by its own staff auditor or independent auditor selected by Tenant (who may not be charging Tenant on a contingent fee basis) to determine the accuracy of such amounts billed to Tenant by Landlord for the immediately preceding calendar year for which such notice is given. In addition, Tenant shall have the right to audit the accuracy of the Operating Charges Base Year at any time during the 2013 calendar year. Landlord shall provide copies of such books and records if requested by Tenant at Tenant's cost. Any information obtained during the course of such audit shall be maintained as confidential by Tenant and its auditors.

(b) If any such audit discloses a liability of Landlord for Tenant's Proportionate Share of Operating Charges which is less than the amount which Landlord billed to Tenant, Landlord shall promptly refund to Tenant all amounts in excess of the amount for which Tenant is actually liable ("Refund Amount") as disclosed by the audit.

(c) All costs of such audit shall be borne by Tenant. However, if the refund amount is greater than five percent (5%) of the amount for which Tenant is actually liable (as disclosed by the audit), all reasonable costs of the audit shall be borne by Landlord, provided, however, that in no event shall such costs exceed $5,000.00.

ARTICLE VI
USE OF PREMISES

6.1 Tenant shall use and occupy the Premises solely for general (non-medical and non-governmental) office purposes compatible with first class office buildings in the Building's submarket, and for no other use or purpose. Tenant shall not use or occupy the Premises for any unlawful purpose, or in any manner that will violate the certificate of occupancy for the Premises or the Building, or that will constitute waste, nuisance or unreasonable annoyance to Landlord or any other tenant or use of the Building. Landlord represents that the use of the Premises for the Permitted Use will not violate the certificate of occupancy for the Premises or the Building. Landlord at its expense (subject to reimbursement pursuant to Article V, if and to the extent permitted thereby) shall comply with all Laws to the extent the same apply directly to the Building Structure and Systems and Common Areas as a whole, including compliance with the Americans with Disabilities Act ("ADA"). Tenant shall comply with all Laws concerning the use, occupancy and condition of the Premises and all machinery, equipment, furnishings, fixtures and improvements therein, all in a timely manner at Tenant's sole expense. If any Law requires an occupancy or use permit or license for the Premises or the operation of the business conducted therein, then Tenant shall obtain and keep current such permit or license at Tenant's expense and shall promptly deliver a copy thereof to Landlord; provided, however that Tenant's obligation for any occupancy or use permit or license shall only extend to its particular use of the Premises which is apart from a general office use. Without limiting the generality of any of the foregoing, Landlord, at its expense shall install and maintain all fire extinguishers and other fire protection and life safety devises as may be required by any applicable state or local fire codes for general office purposes, to the extent such codes require Building-wide compliance; otherwise, any such compliance within the Premises shall be performed by Tenant at it expense. Landlord represents and warrants that the Premises will comply with the ADA as of the Commencement Date of this Lease. Tenant at its sole cost and expense shall be solely responsible for taking any and all measures which are required to comply with changes or additions to the ADA concerning the Premises (including suite entry doors and related items) (provided such changes take effect subsequent to the Commencement Date) and the business conducted therein. Any Alterations made or constructed by or for Tenant for the purpose of complying with the ADA or which otherwise require compliance with the ADA shall be done in accordance with this Lease; provided, that Landlord's consent to such Alterations shall not constitute either Landlord's assumption, in whole or in part, of Tenant's responsibility for compliance with the ADA, or representation or confirmation by Landlord that such Alterations comply with the provisions of the ADA. Use of the Premises is subject to all covenants, conditions and restrictions of record. Tenant shall not use any space in the Building or the Land for the sale of goods to the public at large or for the sale at auction of goods or property of any kind. Tenant shall not conduct any operations, sales, promotions, advertising or special events outside the Premises, in the Building or on the Land.

6.2 Tenant shall pay before delinquency any business, rent or other taxes or fees that are now or hereafter levied, assessed or imposed upon Tenant's use or occupancy of the Premises, the conduct of Tenant's business at the Premises, or Tenant's equipment, fixtures, furnishings, inventory or personal property. If any such tax or fee is enacted or altered so that such tax or fee is levied against Landlord or so that Landlord is responsible for collection or payment thereof, then Tenant shall pay as additional rent the amount of such tax or fee.

6.3 Landlord represents and warrants that, as of the date of this Lease and to the Landlord's best actual knowledge and belief (i) the Building is in material compliance with Environmental Laws and with permits issued pursuant thereto (if such permits are required), and (ii) neither the Building nor the Premises contains any Hazardous Materials. Landlord shall not generate, use, release, store or dispose of any Hazardous Materials in or about the Land or the Building, except in compliance with Environmental Laws. Landlord agrees to defend, indemnify and hold harmless Tenant, Tenant's agents, partners, members, officers, directors, shareholders and employees (collectively, "Tenant Indemnitees") harmless from and against all obligations (including removal and remedial actions), losses, claims, suits, judgments, liabilities, penalties, damages (including consequential and punitive damages), costs and expenses (including reasonable attorneys' and consultants' fees and expenses) of any kind or nature whatsoever that may at any time be incurred by, imposed on or asserted against any such Tenant Indemnitees based on, or arising or resulting from Landlord's breach of any Environmental Laws or from Landlord's failure to abide by the terms and conditions of this Section 6.3. At the expiration or earlier termination of this Lease, with respect to conditions existing on account of Tenant's use or occupancy of the Premises or any action or inaction of Tenant or any Agent of Tenant (it being understood that the term "inaction" as used in this Section shall not impose upon Tenant any obligation to remove Hazardous Materials existing in the Premises as of the Lease Commencement Date or which were introduced into the Premises by anyone other than Tenant or any Agent of Tenant, unless such condition is knowingly aggravated as a result of Tenant's use or occupancy of the Premises), Tenant shall surrender the Premises to Landlord free of Hazardous Materials and in compliance with all Environmental Laws, except for any damage caused by third parties not under Tenant's control. Tenant shall: (i) give Landlord immediate verbal and follow-up written notice of any actual or threatened Environmental Default with respect to conditions existing on account of Tenant's use or occupancy of the Premises or any action or inaction of Tenant or any Agent of Tenant, which Environmental Default Tenant shall cure in accordance with all Environmental Laws and only after Tenant has obtained Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed; and (ii) promptly deliver to Landlord copies of any notices or other items received from or submitted to any governmental or quasi-governmental agency, or any claim instituted or threatened by any third party, concerning the Premises, the occupancy or use thereof, or the existence or potential existence of Hazardous Materials therein. Upon any Environmental Default, in addition to all other rights available to Landlord under this Lease, at law or in equity, Landlord shall have the right but not the obligation to immediately enter the Premises, to supervise and approve any actions taken by Tenant to address the Environmental Default, and, if Tenant fails to immediately address same in accordance with this Lease, to perform, with respect to conditions existing on account of Tenant's use or occupancy of the Premises or any action or inaction of Tenant or any Agent of Tenant, at Tenant's sole cost and expense, any lawful action necessary to address same.

ARTICLE VII
ASSIGNMENT AND SUBLETTING

7.1 Subject to Section 7.2 below, Tenant shall not assign, transfer or otherwise encumber (collectively, "assign") this Lease or all or any of Tenant's rights hereunder or interest herein, or sublet or permit anyone to use or occupy (collectively, "sublet") the Premises or any part thereof, without obtaining the prior written consent of Landlord, which consent may be withheld or granted in Landlord's sole and absolute discretion (subject to the remainder of this Article VII). Notwithstanding any of the foregoing to the contrary, provided no Event of Default exists under this Lease, and subject to Landlord's rights and Tenant's obligations pursuant to Sections 7.3, 7.4 and 7.5 below, Landlord shall not unreasonably withhold, condition or delay its consent to any proposed subletting of the entire or any portion of the Premises or assignment of the Lease in its entirety. For purposes of the immediately preceding sentence, it shall be reasonable for Landlord to withhold its consent if, for example: (i) the proposed subtenant or assignee is engaged in a business, or the Premises will be used in a manner, that is inconsistent with Section 6.1 of the Lease; or (ii) Landlord is not reasonably satisfied with the financial condition of the proposed subtenant or assignee; or (iii) the proposed use of the Premises is not in compliance with Article VI or is not compatible with the other uses within, and the terms of other leases with respect to, the Building; or (iv) the initial Tenant does not remain fully liable as a primary obligor for the payment of all rent and other charges payable by Tenant under this Lease and for the performance of all other obligations of Tenant under this Lease; or (v) the proposed subtenant or assignee is a governmental or quasi-governmental agency; or (vi) the holders of Mortgages encumbering the Building shall fail to consent (Landlord hereby agreeing to use commercially reasonable efforts to obtain such consent if Landlord approves such transaction); or (vii) the proposed subtenant or assignee is either (A) an existing tenant of the Building (or any parent, subsidiary or affiliate thereof) if Landlord has adequate space available in the Building for a comparable term, or (B) for a period of forty-five (45) days following the submission of a written proposal for the lease of space (and thereafter if a mutual agreement such as a letter of intent is executed within such period), any other person or entity with which Landlord is in the process of negotiating for the rental of space in the Building; provided, however, that as to each of (A) and (B) Landlord has comparable space available in the Building for a comparable term. No assignment or right of occupancy hereunder may be effectuated by operation of law or otherwise without the prior written consent of Landlord. Any attempted assignment, transfer or other encumbrance of this Lease or all or any of Tenant's rights hereunder or interest herein, and any sublet or permission to use or occupy the Premises or any part thereof not in accordance with this Article VII, shall be void and of no force or effect. Any assignment or subletting, Landlord's consent thereto, the listing or posting of any name other than Tenant's, or Landlord's collection or acceptance of rent from any assignee or subtenant shall not be construed either as waiving or releasing Tenant from any of its liabilities or obligations under this Lease as a principal and not as a guarantor or surety, or as relieving Tenant or any assignee or subtenant from the obligation of obtaining Landlord's prior written consent to any subsequent assignment or subletting. During any period that there exists an uncured Event of Default under this Lease, Tenant hereby authorizes each such assignee or subtenant to pay said rent directly to Landlord upon receipt of notice from Landlord specifying same. Landlord's collection of such rent shall not be construed as an acceptance of such assignee or subtenant as a tenant. Tenant shall not mortgage, pledge, hypothecate or encumber (collectively "mortgage") this Lease without Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole and absolute discretion. Tenant shall pay to Landlord Landlord's reasonable, out-of-pocket, third party expenses (including reasonable attorneys' fees and accounting costs) incurred by Landlord in connection with Tenant's request for Landlord to give its consent to any assignment, subletting, or mortgage (not to exceed $2,500.00, as increased by 3% per annum, for a routine, "cookie cutter" type assignment or sublease), and Landlord's receipt of such sum shall be a condition to Landlord providing such consent. Any sublease, assignment or mortgage shall, at Landlord's option, be effected on forms reasonably approved by Landlord. Tenant shall deliver to Landlord a fully-executed copy of each agreement evidencing a sublease, assignment or mortgage, and Landlord's consent thereto, within ten (10) days after execution thereof.

7.2 (a) If Tenant is or becomes a partnership or a limited liability company, then any event (whether voluntary, concurrent or related) resulting in a dissolution of Tenant, any withdrawal or change (whether voluntary, involuntary or by operation of law) of the partners or members, as applicable, owning a controlling interest in Tenant (including each general partner or manager, as applicable), or any structural or other change having the effect of limiting the liability of the partners shall be deemed an assignment of this Lease subject to the provisions of this Article. If Tenant is or becomes a corporation or a partnership with a corporate general partner, then any event (whether voluntary, concurrent or related) resulting in a dissolution, merger, consolidation or other reorganization of Tenant (or such corporate general partner), or the sale or transfer or relinquishment of the interest of shareholders who, as of the date of this Lease, own a controlling interest of the capital stock of Tenant (or such corporate general partner), shall be deemed a prohibited assignment of this Lease subject to the provisions of this Article; provided, however, that if Tenant is a corporation whose stock is traded through a national or regional exchange or over-the-counter market, then the provisions of this Section 7.2(a) shall not be applicable.

(b) Notwithstanding anything contained in this Article VII to the contrary, provided no monetary Event of Default exists hereunder, Tenant may, upon not less than ten (10) days' prior written notice to Landlord (which notice shall contain a written certificate from Tenant stating the legal and beneficial relationship of Tenant and the proposed assignee, transferee or subtenant) but without Landlord's prior written consent and without being subject to Landlord's rights and Tenant's obligations set forth in Sections 7.4 and 7.5 below, assign or transfer its entire interest in this Lease or sublease the entire or any portion of the Premises to an Affiliate of Tenant or to an acquirer of all of the capital stock or substantially all of the assets of Tenant. In the event of any such assignment or subletting, Tenant shall remain fully liable as a primary obligor for the payment of all rent and other charges required hereunder and for the performance of all obligations to be performed by Tenant hereunder.

7.3 If at any time during the Lease Term Tenant desires to assign, sublet or mortgage all or part of this Lease or the Premises, then in connection with Tenant's request to Landlord for Landlord's consent where required, Tenant shall give to Landlord a Tenant's Sublease Request Notice.

7.4 If the proposed term with respect to the Proposed Sublet Space is either (i) for the entire then remaining Lease Term, or (ii) to extend (including any renewal or extension options) beyond the first (1st) day of the twelfth (12th) calendar month before the then scheduled expiration of the Lease Term, or if the Proposed Sublet Space is (or, when aggregated with other space being sublet or assigned by Tenant, will be) more than fifty percent (50%) of the total number of rentable square feet in the Premises, then, in either such event, except as set forth in Section 7.2(b) concerning Affiliates, Landlord shall have the right in its sole and absolute discretion to terminate this Lease with respect to the Proposed Sublet Space by sending Tenant written notice of such termination within thirty (30) days after Landlord's receipt of Tenant's Sublease Request Notice. If the Proposed Sublet Space does not constitute the entire Premises and Landlord so terminates, then (a) Tenant shall tender the Proposed Sublet Space to Landlord on the Proposed Sublease Commencement Date and such space shall thereafter be deleted from the Premises, and (b) as to that portion of the Premises which is not part of the Proposed Sublet Space, this Lease shall remain in full force and effect except that Base Rent and additional rent shall be proportionately reduced..

If the Proposed Sublet Space constitutes the entire Premises and Landlord so terminates, then Tenant shall tender the Proposed Sublet Space to Landlord, and this Lease shall terminate, on the Proposed Sublease Commencement Date.

7.5 Except for a transfer pursuant to the provisions of Section 7.2(b) above, if any sublease or assignment (whether by operation of law or otherwise, including an assignment pursuant to the Bankruptcy Code or any Insolvency Law) provides that the subtenant or assignee thereunder is to pay any amount in excess of the sum of (a) the rent and other charges due under this Lease plus (b) the reasonable out-of-pocket expenses (excluding, however, any costs attributable to vacancy periods or "downtime") reasonably incurred by Tenant in connection with the procurement of such sublease, assignment or other transfer (which expenses shall be amortized on a straight-line basis over the initial sublease term for the purposes hereof) **,** then, whether such net excess be in the form of an increased monthly or annual rental, a lump sum payment, payment for the sale, transfer or lease of Tenant's fixtures, leasehold improvements, furniture and other personal property, or any other form of payment having the effect of a "disguised" rental payment (and if the subleased or assigned space does not constitute the entire Premises, the existence of such excess shall be determined on a pro-rata basis), Tenant shall pay to Landlord, along with Base Rent, fifty percent (50%) of any such net excess or other premium, which amount shall be calculated and paid by Tenant to Landlord on a monthly basis as additional rent. Notwithstanding the foregoing, Landlord is not intending to receive any amounts considered to be based on the net income or profits of Tenant or any subtenant. Acceptance by Landlord of any payments due under this Section shall not be deemed to constitute approval by Landlord of any sublease or assignment, nor shall such acceptance waive any rights of Landlord hereunder. Landlord shall have the right to inspect and audit Tenant's books and records relating to any sublease or assignment.

7.6 All restrictions and obligations imposed pursuant to this Lease on Tenant shall be deemed to extend to any subtenant, assignee, licensee, concessionaire or other occupant or transferee, and Tenant shall cause such person to comply with such restrictions and obligations. Any assignee shall be deemed to have assumed obligations as if such assignee had originally executed this Lease and at Landlord's request shall execute promptly a document confirming such assumption. Each sublease is subject to the condition that if the Lease Term is terminated or Landlord succeeds to Tenant's interest in the Premises by voluntary surrender or otherwise, at Landlord's option the subtenant shall be bound to Landlord for the balance of the term of such sublease and shall attorn to and recognize Landlord as its landlord under the then executory terms of such sublease.

ARTICLE VIII
MAINTENANCE AND REPAIRS

8.1 Tenant, at Tenant's sole cost and expense, shall promptly make all nonstructural repairs, and perform all maintenance, in and to the Premises to keep the Premises in good operating condition and repair, in a clean, safe and tenantable condition, and otherwise in accordance with all Laws and the requirements of this Lease. Tenant shall likewise maintain all fixtures, furnishings and equipment owned or installed by or on behalf of Tenant and located in, or exclusively serving, the Premises and make all required repairs and replacements thereto. Tenant shall also maintain, repair and replace, at Tenant's sole cost and expense, the Tenant Items. Tenant shall keep in force customary maintenance and service contracts for equipment installed by or on behalf of Tenant and which exclusively serves the Premises. Tenant shall give Landlord prompt written notice of any defects or damage to the structure of, or equipment or fixtures in, the Building or any part thereof, or any mold or moisture condition, of which Tenant has knowledge. Tenant shall suffer no waste or injury to any part of the Premises, and shall, at the expiration or earlier termination of the Lease Term, surrender the Premises in an order and condition equal to or better than that on the Lease Commencement Date, except for ordinary wear and tear and as otherwise provided in Article XIII or Article XVII. Except as otherwise provided in Article XVII, all injury, breakage and damage to the Premises and to any other part of the Building or the Land caused by any act or omission of Tenant or any Agent of Tenant, shall be repaired by and at Tenant's expense, except that if either an emergency condition exists or the Lease Term has expired or Tenant fails to commence and diligently prosecute to completion repair of any such injury, breakage or damage within a reasonable period (not to exceed ten (10) days) following Tenant's receipt of notice from Landlord, then Landlord shall have the right at Landlord's option to make any such repair and to charge Tenant for all costs and expenses incurred in connection therewith. Landlord shall provide and install replacement tubes for Building standard fluorescent light fixtures (subject to reimbursement pursuant to Article V). All other bulbs and tubes for the Premises shall be provided and installed at Tenant's expense; provided that if Tenant elects to supply the bulbs or tubes to Landlord, then Landlord shall provide the labor involved for such replacement at no cost to Tenant.

8.2 Except as otherwise provided in this Lease and subject to normal wear and tear, Landlord at its expense (subject to reimbursement pursuant to Article V if and to the extent permitted thereby) shall keep the Building Structure and Systems, clean and in good operating condition and, promptly after becoming aware of any item needing repair or replacement, will make such repair or replacement.

Notwithstanding any of the foregoing to the contrary: (a) maintenance and repair of all Tenant Items shall be the sole responsibility of Tenant and shall be deemed not to be a part of the Building Structure and Systems; and (b) Landlord shall have no obligation to make any repairs whatsoever brought about by any act or omission of Tenant or any Agent.

ARTICLE IX
ALTERATIONS

9.1 Tenant shall accept the Premises in its "as is" condition as of the Lease Commencement Date. Landlord shall deliver possession of the Premises to Tenant on the Lease Commencement Date with all existing furniture and fixtures therein (the "Furniture and Fixtures"). Landlord makes no representations or warranties of any kind with respect to such Furniture and Fixtures. Tenant agrees to purchase the Furniture and Fixtures at the end of the Term of this Lease for the sum of $10.00 on an "AS IS/WHERE IS" basis. The initial improvement of the Premises under this Lease shall be accomplished by Tenant or its designated contractor in accordance with Exhibit B and all other applicable provisions of this Lease (including Articles IX, XIII and XIX).

9.2 Tenant shall not make or permit anyone to make any Alterations in or to the Premises or the Building without the prior written consent of Landlord, which consent may be withheld or granted in Landlord's sole and absolute discretion with respect to Structural and System Alterations and any Alterations which are visible from the exterior of the Premises, and which consent shall not be unreasonably withheld, conditioned or delayed with respect to all other Alterations. Notwithstanding the foregoing, Tenant shall have the right to make Cosmetic Changes within the Premises without requiring the consent of Landlord. All Alterations made by Tenant shall be made: (a) in a good, workerlike, first-class and prompt manner; (b) using new or comparable materials only; (c) by a contractor reasonably approved in writing by Landlord; (d) on days and at times reasonably approved in writing by Landlord; (e) under the supervision of an architect reasonably approved in writing by Landlord; (f) in accordance with plans and specifications reasonably acceptable to Landlord, approved in writing at Landlord's standard charge; (g) in accordance with all Laws; (h) after having obtained any required consent of the holder of any Mortgage of whom Tenant has notice; (i) after obtaining public liability and worker's compensation insurance policies reasonably approved in writing by Landlord; (j) with the obligation for Tenant to deliver to Landlord written, unconditional, full or partial (as applicable) waivers of mechanics' and materialmen's liens against the Premises and the Building for all work, labor and services to be performed and materials to be furnished within ten (10) business days after the applicable portion of the Alterations are completed; and (k) upon request, after Tenant has delivered to Landlord documentation reasonably satisfactory to Landlord evidencing Tenant's financial ability to complete the Alteration in accordance with the provisions of this Lease (including, a payment or performance bond). If any lien (or a petition to establish such lien) is filed in connection with any Alteration made by or on behalf of Tenant, such lien (or petition) shall be discharged by Tenant within ten (10) days thereafter, at Tenant's sole cost and expense, by the payment thereof or by the filing of a reasonably acceptable bond. If Landlord gives its consent to the making of any Alteration, such consent shall not be deemed to be an agreement or consent by Landlord to subject its interest in the Premises or the Building to any liens which may be filed in connection therewith. Tenant acknowledges that any Alterations are accomplished for Tenant's account, Landlord having no obligation or responsibility in respect thereof. Landlord's approval of any plans and drawings (and changes thereto) regarding any Alterations or any contractor or subcontractor performing such Alterations shall not constitute Landlord's representation that such approved plans, drawings, changes or Alterations comply with all Laws. Any deficiency in design or construction, although same had prior approval of Landlord, shall be solely the responsibility of Tenant. All Alterations involving structural, electrical, mechanical or plumbing work, the heating, ventilation and air conditioning system of the Premises or the Building, fire and life safety system, the roof of the Building, or any areas outside of the Premises shall, at Landlord's election, be performed by Landlord's designated contractor or subcontractor at Tenant's expense (provided the cost therefor is competitive). In connection with any Alteration, Landlord shall be paid a construction supervision fee in an amount equal to three percent (3%) of the total cost of such Alteration. Promptly after the completion of an Alteration, Tenant at its expense shall deliver to Landlord three (3) sets of accurate as-built (or record) drawings and CAD drawings showing such Alteration in place.

9.3 If any Alterations that require Landlord's consent are made without the prior written consent of Landlord, then Landlord shall have the right, at Tenant's expense, to so remove and correct such Alterations and restore the Premises and the Building. All Alterations to the Premises or the Building made by either party shall immediately become the property of Landlord and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or earlier termination of the Lease Term; provided, however, that (a) Tenant shall have the right to remove, prior to the expiration or earlier termination of the Lease Term, all movable furniture, furnishings and equipment installed in the Premises solely at the expense of Tenant, and (b) Tenant shall remove at its expense all Alterations and other items (including any telecommunications, security, data, computer and similar equipment, cabling and wiring) in the Premises or the Building which Landlord designates in writing for removal. Landlord shall make such designation promptly after receipt of a written request by Tenant given with Tenant's request for Landlord's approval of such Alteration. Notwithstanding the foregoing, Tenant shall not be required to remove: (x) Alterations consisting of standard buildout items that are typically installed by similar tenants in multi-tenanted, multi-story, first class office buildings (such as partitions, but not interior staircases, for example), unless so indicated by Landlord at the time required above; and (y) any Alteration made by Tenant in initially finishing and completing the Premises in accordance with Exhibit B, except any Structural and System Alterations or as otherwise indicated on any of Tenant's plans. Movable furniture, furnishings and trade fixtures shall be deemed to exclude without limitation any item the removal of which might cause damage to the Premises or the Building or which would normally be removed from the Premises with the assistance of any tool or machinery other than a dolly. If such removal causes damage or injury to the Premises or the Building, then Landlord shall have the right, at Tenant's expense, to repair all damage and injury to the Premises or the Building caused by such removal as aforesaid. If such furniture, furnishings and equipment are not removed by Tenant prior to the expiration or earlier termination of the Lease Term, the same shall at Landlord's option be deemed abandoned or become the property of Landlord to be surrendered with the Premises as a part thereof; provided, however, that Landlord shall have the right at Tenant's expense to remove from the Premises any or all such items or to require Tenant to do the same, except as otherwise provided in this Section. If Tenant fails to return the Premises to Landlord as required by this Section, then Tenant shall pay to Landlord, all costs (including a construction management fee) incurred by Landlord in effectuating such return.

ARTICLE X
SIGNS

10.1 Landlord will list, at Landlord's expense, the name of Tenant (and any permitted subtenants and assignees) and its employees in the Building directory in a number of listings up to the Building Directory Share. Tenant shall not place, inscribe, paint, affix or otherwise display any sign, advertisement, picture, lettering or notice of any kind on any part of the exterior or interior of the Building (including windows and doors), or on any part of the interior of the Premises which can be seen from outside the Premises, without the prior written approval of Landlord, which may be granted or withheld in Landlord's sole and absolute discretion. If any such item that has not been approved by Landlord is so displayed, then Landlord shall have the right to remove such item at Tenant's expense. Landlord reserves the right to install and display signs, advertisements and notices on any part of the exterior or interior of the Building; provided, however that Landlord shall only affix, install, or display signs on the interior of the Premises which pertain to the management or operation of the Building. Notwithstanding anything to the contrary contained in the foregoing, and subject to the provisions of this Article, Tenant shall be entitled to install and maintain, at its sole cost and expense, appropriate signage displaying Tenant's name and/or logo in the elevator lobbies on the seventh (7^{th}) and eighth (8^{th}) floors, on all suite entry doors to the Premises and on the to-be constructed exterior monument sign at the Building.

10.2 So long as (i) Synchronoss Technologies, Inc. as Tenant leases and occupies more than One Hundred Seventy-Eight Thousand Four Hundred Twenty-seven (178,427) square feet of rentable area within the Building, or (ii) the Building is fully leased and Synchronoss Technologies, Inc. as Tenant leases and occupies the largest percentage of the rentable area in the Building, Synchronoss Technologies, Inc. as Tenant shall have the exclusive right to display its name and/or logo exterior signage on the Building's top spandrel, provided that Tenant shall obtain Landlord's written approval of the size, location, and plans and specifications for such sign, shall comply with all applicable Laws, and shall obtain any necessary permits for said sign. In addition, provided the Building is fully leased and no exterior signage rights have been granted to other tenants, Synchronoss Technologies, Inc. as Tenant shall have the option of purchasing, on an annual basis, the right to place a sign on the exterior of the Building at its sole cost and expense, upon terms to be agreed upon between the parties in a separate written agreement. Landlord represents that, as of the date of this Lease, no tenant has any rights to display its name and/or logo exterior signage on the Building, other than Sanofi-Aventis U.S. Inc. After construction and prior to installation of any such sign, Tenant shall present the same to Landlord for its written approval, which approval shall not be withheld so long as the sign conforms to the approved plans and specifications. Tenant shall install its approved sign at a time mutually agreed upon by Landlord and Tenant, it being understood and agreed that Landlord shall have the right to supervise such installation. Throughout the Lease Term, Tenant shall pay for all electricity (if any) consumed by said sign, and shall maintain said sign in good condition and repair. Upon the expiration or termination of the Term of this Lease (or at such earlier date as Tenant is no longer entitled to such signage), Tenant, at its sole cost and expense, shall remove such sign and repair any damage to the Building resulting there from, and make all repairs necessary to return the area of the Building on which such sign was installed to its condition prior to the installation of Tenant's sign.

10.3 At such time, if ever, that Landlord constructs a monument sign for the Building, Tenant shall have the further right to install signage on such monument sign. Tenant shall obtain Landlord's written approval, which shall not be unreasonably withheld, of the size, design, and specifications for such sign, and shall obtain any necessary permits for said sign. Tenant's location on such sign shall be determined on a "top down" basis, meaning that the Building tenant with the most square footage shall have signage at the top of the monument, the tenant with the second most square footage will be below the top sign, etc.

ARTICLE XI
SECURITY DEPOSIT

11.1 Simultaneously with Tenant's execution of this Lease, Tenant shall deposit with Landlord the Security Deposit Amount as a security deposit for the performance by Tenant of all of Tenant's obligations, covenants, conditions and agreements under this Lease. Landlord shall not be required to maintain such security deposit in a separate account. Except as may be required by law, Tenant shall not be entitled to interest on the security deposit. Within approximately thirty (30) days after the later of the expiration or earlier termination of the Lease Term or Tenant's vacating the Premises, Landlord shall return such security deposit to Tenant, less such portion thereof as Landlord shall have appropriated to satisfy any of Tenant's obligations under this Lease or to satisfy an Event of Default (or such other event which, with the giving of notice or the passage of time or both, would constitute an Event of Default) under this Lease. If there shall be any Event of Default (or such other event) under this Lease, then Landlord shall have the right, but shall not be obligated, to use, apply or retain all or any portion of the security deposit for the payment of any (a) Base Rent, additional rent or any other sum applicable to such event, or (b) amount Landlord may spend or become obligated to spend, or for the compensation of Landlord for any losses incurred, by reason of such event (including any damage or deficiency arising in connection with the reletting of the Premises). If any portion of the security deposit (in whatever form) is so used or applied, then within three (3) business days after Landlord gives written notice to Tenant of such use or application, Tenant shall deposit with Landlord cash in an amount sufficient to restore the security deposit to the original Security Deposit Amount, and Tenant's failure to do so shall constitute an Event of Default under this Lease.

11.2 If and so long as Landlord transfers the security deposit to any purchaser or other transferee of Landlord's interest in the Property, then Tenant shall look only to such purchaser or transferee for the return of the security deposit, and Landlord shall be released from all liability to Tenant for the return of such security deposit. Tenant acknowledges that the holder of any Mortgage shall not be liable for the return of any security deposit made by Tenant hereunder unless such holder actually receives such security deposit. Tenant shall not pledge, mortgage, assign or transfer the security deposit or any interest therein.

11.3 At Landlord's option, Tenant shall deliver to Landlord a clean, unconditional, irrevocable letter of credit in lieu of the cash security deposit. Such letter of credit shall be: (a) in form and substance satisfactory to Landlord in its sole discretion (with the following criteria at a minimum); (b) at all times in the stated face amount of not less than the Security Deposit Amount (as defined in Section 1.19), and shall on its face state that multiple and partial draws are permitted and either (i) that partial draws will not cause a corresponding reduction in the stated face amount of the letter of credit or (ii) that, within five (5) business days after any such partial draw, the issuer will notify Landlord in writing that the letter of credit will not be reinstated to its full amount in which event Landlord shall have the right to immediately draw on the remainder of the letter of credit (it being understood that the total security deposit on hand, whether in cash or letter of credit form, shall at all times be not less than the total Security Deposit Amount as so defined); (c) issued by a commercial bank acceptable to Landlord from time to time and located in the Somerset County, N.J. area for the account of Tenant, and its permitted successors and assigns under this Lease; (d) made payable to, and expressly transferable and assignable one or more times at no charge by, the owner from time to time of the Building or its lender (which transfer/assignment shall be conditioned only upon the execution of a reasonable and customary written document in connection therewith),whether or not the original account party of the letter of credit continues to be the tenant under this Lease by virtue of a change in name or structure, merger, assignment, transfer or otherwise; (e) payable at sight upon presentment to a Somerset County, N.J. area branch of the issuer of a simple sight draft stating only that Landlord is permitted to draw on the letter of credit under the terms of the Lease and setting forth the amount that Landlord is drawing; (f) of a term not less than one year, and shall on its face state that the same shall be renewed automatically, without the need for any further written notice or amendment, for successive minimum one-year periods, unless the issuer notifies Landlord in writing, at least sixty (60) days prior to the expiration date thereof, that such issuer has elected not to renew the Letter of Credit (which will thereafter entitle Landlord to draw on the letter of credit); and (g) at least thirty (30) days prior to the then-current expiration date of such letter of credit, either (1) renewed (or automatically and unconditionally extended) from time to time through the ninetieth (90th) day after the expiration of the Lease Term, or (2) replaced by Tenant with cash, or another letter of credit meeting the requirements of this Section, in the full amount of the Security Deposit. Tenant shall cooperate with Landlord to effect any modifications, transfers or replacements of the letter of credit requested by Landlord in order to assure that Landlord is at all times fully secured by a valid letter of credit that may be drawn upon by Landlord, its successors and assigns. Notwithstanding anything in this Lease to the contrary, any cure or grace period provided in connection with an Event of Default shall not apply to any of the foregoing requirements of the Letter of Credit, and, specifically, if any of the aforesaid requirements are not complied with timely, then an immediate Event of Default shall occur and Landlord shall have the right to immediately draw upon the letter of credit without notice to Tenant and apply the proceeds to the security deposit. Each Letter of Credit shall be issued by a commercial bank that has a credit rating with respect to certificates of deposit, short term deposits or commercial paper of at least A-2 (or equivalent) by Moody's Investor Service, Inc., or at least P-2 (or equivalent) by Standard & Poor's Corporation, and shall be otherwise acceptable to Landlord in its sole and absolute discretion. If the issuer's credit rating is reduced below A-2 (or equivalent) by Moody's Investors Service, Inc. or below P-2 (or equivalent) by Standard & Poor's Corporation, or if the financial condition of such issuer changes in any other materially adverse way, then Landlord shall have the right to require that Tenant obtain from a different issuer a substitute letter of credit that complies in all respects with the requirements of this Section, and Tenant's failure to obtain such substitute letter of credit within ten (10) days following Landlord's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in this Lease to the contrary) shall entitle Landlord to immediately draw upon the then existing Letter of Credit in whole or in part, without notice to Tenant. In the event the issuer of any letter of credit held by Landlord is insolvent or is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation, or any successor or similar entity, or if a trustee, receiver or liquidator is appointed for the issuer, then, effective as of the date of such occurrence, said Letter of Credit shall be deemed to not meet the requirements of this Section, and, within ten (10) days thereof, Tenant shall replace such Letter of Credit with other collateral acceptable to Landlord in its sole and absolute discretion (and Tenant's failure to do so shall, notwithstanding anything in this Lease to the contrary, constitute an Event of Default for which there shall be no notice or grace or cure periods being applicable thereto other than the aforesaid ten (10) day period). Any failure or refusal of the issuer to honor the letter of credit shall be at Tenant's sole risk and shall not relieve Tenant of its obligations hereunder with respect to the security deposit

Notwithstanding anything to the contrary contained in this Section, and provided Tenant or the bank issuing the Letter of Credit receives a certification from Landlord, which Landlord agrees to timely provide after request after the adjustment date, that (a) no Event of Default under this Lease has occurred, or (b) no event has occurred under this Lease which with the passage of time will constitute an Event of Default, prior to the last day of the third (3rd) Lease year, the Letter of Credit shall be reduced to $180,081.45. The Letter of Credit shall be reduced as follows: Tenant shall deliver to Landlord a consent to an amendment to the Letter of Credit (which amendment must be reasonably acceptable to Landlord in all respects), reducing the amount of the Letter of Credit by the amount of the permitted reduction, and Landlord shall execute such consent and such other documents as are reasonably necessary to reduce the amount of the Letter of Credit in accordance with the terms hereof. If Tenant delivers to Landlord a consent to an amendment to the Letter of Credit in accordance with the terms hereof, Landlord shall, within ten (10) business days after delivery of such consent, either (1) provide its reasonable objections to such amendment or (2) execute such consent in accordance with the terms hereof.

ARTICLE XII
INSPECTION

12.1 Tenant shall permit Landlord, its agents and representatives, and the holder of any Mortgage, to enter the Premises upon at least 24 hours advance notice to Tenant (which may be verbal notice), without charge therefor and without diminution of the rent payable by Tenant, in order to examine, inspect or protect the Premises and the Building, to make such alterations and/or repairs as in the sole but reasonable judgment of Landlord may be deemed necessary or desirable, or to exhibit the same to brokers, prospective tenants (during the last twelve (12) months of the Lease Term), lenders, purchasers and others. Except in the event of an emergency, Landlord shall give Tenant advance notice of any such entry and permit Tenant to have a representative present at such time; and to minimize disruption to Tenant's normal business operations in the Premises in connection with any such entry but same shall not prohibit Landlord from performing maintenance and repairs during business hours and that Landlord shall have no obligation to employ overtime or other premium pay labor or other costs in connection therewith).

ARTICLE XIII
INSURANCE

13.1 Tenant shall not conduct or permit to be conducted any activity, or place or permit to be placed any equipment or other item in or about the Premises or the Building, which will in any way increase the designated rating of property insurance or other insurance which affects the Building. Landlord represents that Tenant's use of the Premises for general office purposes will not result in an amended designated rating for such property insurance pursuant to the preceding sentence; provided, however, that no representation is made regarding any premiums which may be assessed for Tenant's general office use. If any increase in the rate of property or other insurance is due to any activity, equipment or other item of Tenant, then (whether or not Landlord has consented to such activity, equipment or other item) Tenant shall pay as additional rent due hereunder the amount of such increase. The statement of any applicable insurance company or insurance rating organization (or other organization exercising similar functions in connection with the prevention of fire or the correction of hazardous conditions) that an increase is due to any such activity, equipment or other item shall be conclusive evidence thereof.

13.2 (a) Throughout the Lease Term, Tenant shall obtain and maintain the following insurance coverages written with companies with an A.M. Best A- or better rating and S&P rating of at least A-, X:

(i) Commercial General Liability ("CGL") insurance (written on an occurrence basis) with limits not less than One Million Dollars ($1,000,000) combined single limit per occurrence, Two Million Dollar ($2,000,000) annual general aggregate (on a per location basis), Two Million Dollars ($2,000,000) products/completed operations aggregate, One Million Dollars ($1,000,000) personal and advertising injury liability, Fifty Thousand Dollars ($50,000) fire damage legal liability, and Five Thousand Dollars ($5,000) medical payments. CGL insurance shall be written on ISO occurrence form CG 00 01 96 (or a substitute form providing equivalent or broader coverage) and shall cover liability arising from Premises, operations, independent contractors, products-completed operations, personal injury, advertising injury and liability assumed under an insured contract.

(ii) Workers Compensation insurance as required by the applicable state law, and Employers Liability insurance with limits not less than One Million Dollars ($1,000,000) for each accident, One Million Dollars ($1,000,000) disease-policy limit, and One Million Dollars ($1,000,000) disease-each employee.

(iii) Commercial Auto Liability insurance (if applicable) covering automobiles owned, hired or used by Tenant in carrying on its business with limits not less than One Million Dollars ($1,000,000) combined single limit for each accident.

(iv) Umbrella/Excess Insurance coverage on a follow form basis in excess of the CGL, Employers Liability and Commercial Auto Policy with limits not less than Ten Million Dollars ($10,000,000) per occurrence and Ten Million Dollars ($10,000,000) annual aggregate.

(v) All Risk Property Insurance covering Tenant's property, improvements and equipment located at the Building. If Tenant is responsible for any machinery, Tenant shall maintain boiler and machinery insurance.

(vi) Business Interruption and Extra Expenses insurance in amounts typically carried by prudent tenants engaged in similar operations, but in no event in an amount less than double the annual Base Rent then in effect. Such insurance shall reimburse Tenant for direct and indirect loss of earnings and extra expense attributable to all perils insured against.

(vii) Builder's Risk (or Building Constructions) insurance during the course of construction of any Alteration performed by or on behalf of Tenant, including during the performance of Tenant's Work and until completion thereof. Such insurance shall be on a form covering Landlord, Landlord's architects, Landlord's contractor or subcontractors, Tenant and Tenant's contractors, as their interest may appear, against loss or damage by fire, vandalism, and malicious mischief and other such risks as are customarily covered by the so-called "broad form extended coverage endorsement" upon all Alterations or Tenant's Work in place and all materials stored at the Premises, and all materials, equipment, supplies and temporary structures of all kinds incident to Alterations or Tenant's Work and builder's machinery, tools and equipment, all while forming a part of, or on the Premises, or when adjacent thereto, while on drives, sidewalks, streets or alleys, all on a completed value basis for the full insurable value at all times. Said Builder's Risk Insurance shall contain an express waiver of any right of subrogation by the insurer against Landlord, its agents, employees and contractors.

(b) Landlord and the Landlord Insured Parties shall be endorsed on each policy as additional insureds as it pertains to the CGL, Umbrella, and Auto policy, and coverage shall be primary and noncontributory. Landlord shall be a loss payee on the Property policy in respect of Tenant's improvements. All insurance shall (1) contain an endorsement that such policy shall remain in full force and effect notwithstanding that the insured may have waived its right of action against any party prior to the occurrence of a loss (Tenant hereby waiving its right of action and recovery against and releasing Landlord and Landlord's Representatives from any and all liabilities, claims and losses for which they may otherwise be liable to the extent Tenant is covered by insurance carried or required to be carried under this Lease); (2) provide that the insurer thereunder waives all right of recovery by way of subrogation against Landlord and Landlord's Representatives in connection with any loss or damage covered by such policy; (3) be reasonably acceptable in form and content to Landlord; and (4) contain an endorsement prohibiting cancellation, failure to renew, reduction of amount of insurance or change in coverage without the insurer first giving Landlord thirty (30) days' prior written notice of such proposed

action. No such policy shall contain any deductible provision except as otherwise approved in writing by Landlord, which approval shall not be unreasonably withheld. Tenant shall deliver an Acord 25 certificate with respect to all liability and personal property insurance and an Acord 28 certificate with respect to all commercial property insurance and receipts evidencing payment therefor (and, upon request, copies of all required insurance policies, including endorsements and declarations) to Landlord on or before the Lease Commencement Date and at least annually thereafter. If Tenant fails to provide evidence of insurance required to be provided by Tenant hereunder, prior to commencement of the Lease Term and thereafter within thirty (30) days following Landlord's request during the Lease Term (and in any event within thirty (30) days prior to the expiration date of any such coverage, any other cure or grace period provided in this Lease not being applicable hereto), Landlord shall be authorized (but not required) after ten (10) days' prior notice to procure such coverage in the amount stated with all costs thereof to be chargeable to Tenant and payable as additional rent upon written invoice therefor.

13.3 Landlord agrees to carry and maintain all-risk property insurance (with replacement cost coverage) covering the Building and Landlord's property therein in an amount required by its insurance company to avoid the application of any coinsurance provision. Landlord hereby waives its right of recovery against Tenant and releases Tenant from any and all liabilities, claims and losses for which Tenant may otherwise be liable to the extent Landlord receives proceeds from its property insurance therefor. Landlord shall secure a waiver of subrogation endorsement from its insurance carrier. Landlord also agrees to carry and maintain commercial general liability insurance in limits it reasonably deems appropriate (but in no event less than the limits required by Tenant pursuant to Section 13.2). Landlord may elect to carry such other additional insurance or higher limits as it reasonably deems appropriate. Tenant acknowledges that Landlord shall not carry insurance on, and shall not be responsible for damage to, Tenant's personal property or any Alterations (including Tenant's Work), and that Landlord shall not carry insurance against, or be responsible for any loss suffered by Tenant due to, interruption of Tenant's business.

ARTICLE XIV
SERVICES AND UTILITIES

14.1 From and after the Lease Commencement Date, Landlord will provide to the Premises: air-conditioning and heating during the seasons they are required similar to that provided in comparable buildings in the submarket, substantially in accordance with those general specifications set forth in Exhibit F; janitorial service after 5:30 p.m. on Monday through Friday (or, at Landlord's option, Sunday through Thursday) only (excluding Holidays); electric power from the utility provider sufficient for customary lighting purposes and normal office use; standard hot and cold water in Building standard bathrooms and chilled water in Building standard drinking fountains; elevator service (with at least one (1) elevator in operation at all times, except in the event of an emergency); landscaping and snow removal during the seasons they are required; and exterior window-cleaning service. If Tenant requires air-conditioning or heat beyond the Building Hours, then Landlord will furnish the same provided Tenant gives Landlord advance notice of such requirement (by 2:00 p.m. of the same day for extra service needed Monday through Friday, and by 2:00 p.m. on Friday for extra service needed on Saturday or Sunday). The charge for after-hours HVAC is currently $85.00 per hour, per floor. Tenant shall pay for such extra service in accordance with Landlord's then-current schedule (including an activation or administrative fee). To the extent Tenant provides or contracts for any services relating to any Building Structure or System or any service or utility being provided by Landlord to the Premises directly from the supplier (which Tenant shall not be permitted to do without Landlord's prior written consent, which consent shall not be unreasonably withheld conditioned or delayed), Tenant shall enter into and maintain a service contract therefor with a contractor licensed to do business in the jurisdiction in which the Building is located and otherwise approved by Landlord. Tenant shall have access to the Building twenty-four (24) hours per day each day of the year (except in the event of an emergency). Subject to obtaining Landlord's prior written approval, which shall not be unreasonably withheld, Landlord will allow Tenant to place its own security system on the entrance to the Premises provided that system is compatible with Landlord's current system. Tenant's system will be tied into Life Safety controls as per local code. Tenant will program and issue access cards to Landlord. . Subject to obtaining Landlord's prior written approval, which shall not be unreasonably withheld, Tenant shall have the right to install its own security system within the Premises, including video surveillance and a card reader. Tenant shall not permit anyone, except for Tenant's employees, permitted subtenants and assigns and authorized guests, to enter the Building at times other than the Building Hours. All persons entering or exiting the Building at times other than the normal hours of operation of the Building shall, at Landlord's discretion, be required to sign in and out.

14.2 Electrical service to the Premises is separately submetered. Tenant will be responsible for reimbursing Landlord for the actual costs without markup for all such electrical service, as additional rent.

14.3 Tenant shall reimburse Landlord for the cost of any excess water, sewer and chiller usage in the Premises. Excess usage shall mean the excess of the estimated usage in the Premises (per square foot of rentable area) during any three (3) month billing period over the average usage (per square foot of rentable area) during the same period for the entire Building, as reasonably calculated by Landlord in good faith.

14.4 Subject to Tenant's obligations specified in this Lease, Landlord shall provide the following amenities to Tenant and its employees at no additional cost to Tenant or its employees (other than recovery of Operating Charges as set forth herein):

Fitness Facility: the non-exclusive right to use the Fitness Facility during the Fitness Facility's hours of operation. Use of the Fitness Facility will be limited to tenants (including any permitted assignees and subtenants) of the Building and their employees on a non-exclusive basis. Tenant and its employees shall use the Fitness Facility at its own risk and will provide any certifications of waiver of liability as Landlord may request from time to time. Without limiting the generality of the foregoing, each user of the Fitness Facility shall be required to execute and deliver a waiver of liability in the form attached hereto as Exhibit E (or in another similar form provided by and acceptable to Landlord). Notwithstanding anything in this Lease to the contrary, Landlord shall have the right at any time, in its sole and absolute discretion to cease the operation of all or any portion of the Fitness Facility and thereafter use the space and equipment for any purpose that Landlord determines and to staff the Fitness Facility (or not) and contract or terminate any party hired in connection therewith. To the extent the Fitness Facility is operated by a third party, Landlord shall use commercially reasonable efforts to replace the operator should operations cease. Notwithstanding anything set forth herein to the contrary, in the event Landlord establishes a managed fitness center concept, Landlord may charge customary rates for the use of the Fitness Facility.

Use of the amenities referenced in this Section shall, in addition to the foregoing provisions, be in accordance with all applicable provisions of this Lease (including the insurance and indemnity provisions) and subject to such reasonable rules and regulations as Landlord may promulgate with respect thereto from time to time and notify Tenant thereof. Landlord shall have the right at any time, in its sole but reasonable discretion, to: (1) discontinue any of the foregoing amenities; (2) limit or modify the hours of operation of any of the foregoing amenities; (3) modify the size, type, capacity or configuration of the foregoing amenities; (4) relocate any of the foregoing amenities; or (5) perform any other reasonable act with respect to the foregoing amenities. In the event that Landlord makes any modification with respect to the foregoing amenities pursuant to the immediately preceding sentence, then costs of such modification shall be included within Operating Charges if and to the extent permitted by Article V.

14.5 Landlord shall not have any liability to Tenant, and Tenant shall not be entitled to terminate this Lease or receive a rent abatement, in the event of Landlord's failure or inability to furnish any of the utilities or services required to be furnished by Landlord hereunder; provided, however, that if all or a portion of the Premises is rendered unusable by Tenant for a continuous period of three (3) consecutive business days after Tenant gives Landlord written notice thereof, and if Tenant does not in fact use the Premises during such period, then, so long as no Event of Default exists under this Lease, Tenant shall be entitled, as its sole and exclusive remedy, to an abatement of the Base Rent, Operating Charges and Real Estate Taxes payable hereunder (based on the portion of the Premises which is unusable) for the period beginning on the day after such three (3) business day period ends and continuing until the earlier of the date Tenant resumes use or occupancy of the Premises or the date use of the Premises is restored to Tenant. Landlord shall use reasonable efforts to promptly restore such failure or inability so long as such failure or inability is within Landlord's reasonable control to correct.

ARTICLE XV
LIABILITY OF LANDLORD

15.1 Except to the extent caused by the gross negligence or willful misconduct of Landlord or its agents, Landlord and Landlord's Representatives shall not be liable to Tenant or any other person or entity for any damage, injury, loss or claim based on or arising out of any cause whatsoever (except as otherwise provided in this Lease), including the following: repair to any portion of the Premises or the Building; interruption in the use of the Premises or the Building (except as set forth in Section 14.5) or any equipment therein; any accident or damage resulting from any use or operation (by Landlord, Tenant or any other person or entity) of elevators or heating, cooling, electrical, sewage or plumbing equipment or apparatus; termination of this Lease by reason of damage to the Premises or the Building; any fire, robbery, theft, vandalism or any other casualty; actions of any other tenant of the Building or of any other person or entity; failure or inability to furnish any service specified in this Lease; and leakage in any part of the Premises or the Building from water, rain, ice or snow that may leak into, or flow from, any part of the Premises or the Building, or from drains, pipes or plumbing fixtures in the Premises or the Building. If any condition exists which may be the basis of a claim of constructive eviction, then Tenant shall give Landlord written notice thereof and a reasonable opportunity to correct such condition, and in the interim Tenant shall not claim that it has been constructively evicted or is entitled to a rent abatement. Any property placed by Tenant or any Agent in or about the Premises or the Building shall be at the sole risk of Tenant, and Landlord shall not in any manner be held responsible therefor. Any person receiving an article delivered for Tenant shall be acting as Tenant's agent for such purpose and not as Landlord's agent. For purposes of this Article, the term "Building" shall be deemed to include the Land. Notwithstanding the foregoing provisions of this Section, Landlord shall not be released from liability to Tenant for any physical injury to any natural person caused by the negligence or willful misconduct of Landlord or Landlord's Representatives to the extent such injury is not covered by insurance either carried by Tenant (or such person) or required by this Lease to be carried by Tenant; provided, however, that neither Landlord nor any of Landlord's Representatives (nor any past, present or future board member, partner, trustee, director, member, officer, employee, agent, representative or advisor of any of them) shall under any circumstances be liable for any exemplary, punitive, consequential or indirect damages (or for any interruption of or loss to business) in connection with or relating to this Lease.

15.2 (a) Except to the extent caused by the negligence or willful misconduct of Landlord or its agents, Tenant shall reimburse Landlord, its employees and agents for (as additional rent), and shall indemnify, defend upon request and hold them harmless from and against all reasonable Costs suffered by or claimed against them, directly or indirectly, based on or arising out of, in whole or in part, (i) use and occupancy of the Premises or the business conducted therein, (ii) any negligent or willful act or omission of Tenant or any Agent, (iii) any breach of Tenant's obligations under this Lease, including failure to comply with Laws or surrender the Premises upon the expiration or earlier termination of the Lease Term, or (iv) any entry by Tenant or any Agent upon the Land prior to the Lease Commencement Date.

(b) Except to the extent caused by the negligence or willful misconduct of Tenant or an Agent of Tenant, Landlord shall reimburse Tenant and shall indemnify and hold Tenant harmless from and against all Costs suffered or claimed against Tenant as a result of (i) Landlord's use or control of the Common Areas of the Building and the Building Structure and Systems, (ii) any negligent or willful act or omission of Landlord, Tenant or any Agent of Landlord, and (iii) any breach of Landlord's obligations under this Lease.

15.3 No landlord hereunder shall be liable for any obligation or liability based on or arising out of any event or condition occurring during the period that such landlord was not the owner of the Building or a landlord's interest therein. Within five (5) days after request, Tenant shall attorn to any transferee landlord and execute, acknowledge and deliver any document submitted to Tenant confirming such attornment provided such transferee assumes the obligations of Landlord hereunder which accrue from and after the date of the transfer.

15.4 If Tenant or any Agent is awarded a money judgment against Landlord, then recourse for satisfaction of such judgment shall be limited to execution against Landlord's estate and interest in the Building which shall be deemed to include proceeds actually received by Landlord from any sale of the Building (net of all expenses of sale), insurance or condemnation proceeds (subject to the rights of any Mortgagees), and rental income from the Building (net of all expenses) to the extent all of the foregoing are held in an account for Landlord and have not been applied or distributed by Landlord in the ordinary course of business (*i.e.*, not as a fraud against creditors). No other asset of Landlord, and no asset of any of Landlord's Representatives (or any past, present or future board member, partner, director, member, officer, trustee, employee, agent, representative or advisor of any of them (each, an "officer")) or any other person or entity, shall be available to satisfy or be subject to any such judgment. No such Landlord's Representative, officer or other person or entity shall be held to have personal liability for satisfaction of any claim or judgment whatsoever under this Lease.

ARTICLE XVI
RULES

16.1 Tenant and Agents shall at all times abide by and observe the rules specified in Exhibit C. Tenant and Agents shall also abide by and observe any other rule that Landlord may reasonably promulgate from time to time for the operation and maintenance of the Building, provided that written notice thereof is given and such rule is not inconsistent with the provisions of this Lease. All rules shall be binding upon Tenant and enforceable by Landlord as if they were contained herein. Nothing contained in this Lease shall be construed as imposing upon Landlord any duty or obligation to enforce such rules, or the terms, conditions or covenants contained in any other lease, as against any other tenant, and Landlord shall not be liable to Tenant for the violation of such rules by any other tenant or its employees, agents, assignees, subtenants, invitees or licensees. Landlord shall use reasonable efforts not to enforce any rule or regulation in a manner which unreasonably discriminates among similarly situated tenants.

ARTICLE XVII
DAMAGE OR DESTRUCTION

17.1 If the Premises or the Building are totally or partially damaged or destroyed thereby rendering the Premises totally or partially inaccessible or unusable, then Landlord shall diligently repair and restore the Premises and the Building to substantially the same condition they were in prior to such damage or destruction; provided, however, that if in Landlord's reasonable judgment such repair and restoration cannot be completed within two hundred seventy (270) days after the occurrence of such damage or destruction (taking into account the time needed for effecting a satisfactory settlement with any insurance company involved, removal of debris, preparation of plans and issuance of all required governmental permits), then Landlord shall have the right to terminate this Lease by giving written notice of termination within forty-five (45) days after the occurrence of such damage or destruction. If this Lease is terminated pursuant to this Article, then rent shall be apportioned (based on the portion of the Premises which is usable or used after such damage or destruction) and paid to the earlier of the date of termination or the date Tenant completely vacates and abandons the Premises on account of such damage and Landlord shall be entitled to any insurance proceeds received by Tenant that are attributable to Tenant's Work and other improvements insured or required to be insured by Tenant that would remain in the Premises at the end of the Lease Term. If this Lease is not terminated as a result of such damage or destruction, then until such repair and restoration of the Premises are substantially complete, Tenant shall be required to pay rent only for the portion of the Premises that is usable while such repair and restoration are being made; provided, however, that if such damage or destruction was caused by the intentional or grossly negligent act or omission of Tenant or any Agent, then Tenant shall not be entitled to any such rent reduction. After receipt of all insurance proceeds (including proceeds of insurance maintained by Tenant), Landlord shall proceed with and bear the expenses of such repair and restoration of the Premises and the Building; provided, however, that (a) if such damage or destruction was caused by the intentional or grossly negligent act or omission of Tenant or any Agent, then Tenant shall pay Landlord's deductible and the amount by which such expenses exceed the insurance proceeds, if any, actually received by Landlord on account of such damage or destruction (or, if Landlord fails to maintain the insurance required by Section 13.3, that Landlord would have received to the extent Landlord maintained such insurance required by Section 13.3), (b) Tenant shall pay the amount by which the cost of restoring any item which Landlord is required to restore and Tenant is required to insure exceeds the insurance proceeds received with respect thereto, and (c) Landlord shall not be required to repair or restore any tenant improvements installed in the Premises (except to the extent Landlord receives proceeds therefor from Tenant's insurance), any Alterations or any other contents of the Premises (including Tenant's trade fixtures, decorations, furnishings, equipment or personal property). Notwithstanding anything herein to the contrary, Landlord shall have the right to terminate this Lease if (1) insurance proceeds plus deductibles are insufficient to pay the full cost of such repair and restoration (so long as Landlord maintains the insurance required by Section 13.3), (2) the holder of any Mortgage fails or refuses to make such insurance proceeds available for such repair and restoration, (3) zoning or other applicable Laws or regulations do not permit such repair and restoration, or (4) the damage to the Building exceeds thirty-five percent (35%) of the replacement value of the Building.

17.2 If, within forty five (45) days after the occurrence of the damage or destruction described in Section 17.1, Landlord determines in its sole but reasonable judgment that the repairs and restoration cannot be substantially completed within two hundred seventy (270) days after the date of such damage or destruction, and provided Landlord does not elect to terminate this Lease pursuant to this Article, then Landlord shall within ten (10) days of the end of such forty-five (45) day period, promptly deliver to Tenant a notice (i) stating that the repairs and restoration will not, in Landlord's opinion, be completed within two hundred seventy (270) days of the date of the damage or destruction, and (ii) giving Tenant a reasonable estimate of when the repairs and restoration will be substantially completed ("Landlord's Estimate"). For a period continuing through the later of the fifty-fifth (55th) day after the occurrence of the damage or destruction or the thirtieth (30th) day after receipt of the notice containing Landlord's Estimate, Tenant shall have the right to terminate this Lease by providing written notice to Landlord (which date of such termination shall be not more than thirty (30) days after the date of Tenant's notice to Landlord). If such restoration is not substantially completed within two hundred seventy (270) days after the date of the casualty (or the date of Landlord's Estimate, if applicable), then for a period equal to the later of thirty (30) days after (i) the expiration of such period, or (ii) the date of Landlord's Estimate, if applicable (but in all events no later than the date Landlord substantially completes its restoration of the Premises), Tenant shall have the right to terminate this Lease upon thirty (30) days prior written notice to Landlord; provided, however, that if Landlord completes such restoration prior to the expiration of the thirty (30) day notice period, Tenant's notice of termination shall be deemed rescinded and ineffective for all purposes, and this Lease shall continue in full force and effect. The provisions of this Section are in lieu of any statutory termination provisions allowable in the event of casualty damage. Notwithstanding any of the foregoing to the contrary, Tenant shall not have the right to terminate this Lease if the willful misconduct of Tenant or any Agent shall have caused the damage or destruction.

ARTICLE XVIII
CONDEMNATION

18.1 If one-third or more of the Premises, or the use or occupancy thereof, shall be taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose or sold under threat of such a taking or condemnation (collectively, "condemned"), then this

Lease shall terminate on the day prior to the date title thereto vests in such authority and rent shall be apportioned as of such date. If less than one-third of the Premises or occupancy thereof is condemned, then this Lease shall continue in full force and effect as to the part of the Premises not so condemned, except that as of the date title vests in such authority Tenant shall not be required to pay rent with respect to the part of the Premises so condemned. Landlord shall notify Tenant of any condemnation contemplated by this Section promptly after Landlord receives notice thereof. Within ten (10) days after receipt of such notice, Tenant shall have the right to terminate this Lease with respect to the remainder of the Premises not so condemned as of the date title vests in such authority. Notwithstanding anything herein to the contrary, if twenty-five percent (25%) or more of the Land or the Building is condemned, then whether or not any portion of the Premises is condemned, Landlord shall have the right to terminate this Lease as of the date title vests in such authority.

18.2 All awards, damages and other compensation paid on account of such condemnation shall belong to Landlord, and Tenant assigns to Landlord all rights to such awards, damages and compensation. Tenant shall not make any claim against Landlord or such authority for any portion of such award, damages or compensation attributable to damage to the Premises, value of the unexpired portion of the Lease Term, loss of profits or goodwill, leasehold improvements or severance damages. Nothing contained herein, however, shall prevent Tenant from pursuing a separate claim against the authority for relocation expenses and for the value of furnishings, equipment and trade fixtures installed in the Premises at Tenant's expense and which Tenant is entitled pursuant to this Lease to remove at the expiration or earlier termination of the Lease Term, provided that such claim shall in no way diminish the award, damages or compensation payable to or recoverable by Landlord in connection with such condemnation.

ARTICLE XIX
DEFAULT

19.1 If there shall be an Event of Default (even if prior to the Lease Commencement Date), then the provisions of Section 19.2 shall apply.

19.2 Landlord shall have the right, at its sole option, to terminate this Lease. In addition, with or without terminating this Lease, Landlord may re-enter, terminate Tenant's right of possession and take possession of the Premises. The provisions of this Article shall operate as a notice to quit, and Tenant hereby waives any other notice to quit or notice of Landlord's intention to re-enter the Premises or terminate this Lease. Landlord may proceed to recover possession of the Premises under applicable Laws, or by such other proceedings, including re-entry and possession, as may be applicable. If Landlord elects to terminate this Lease and/or elects to terminate Tenant's right of possession, everything contained in this Lease on the part of Landlord to be done and performed shall cease without prejudice, however, to Tenant's liability for all Base Rent, additional rent and other sums specified herein. Whether or not this Lease and/or Tenant's right of possession is terminated, Landlord shall have the right, at its sole option, to terminate any renewal or expansion right contained in this Lease and to grant or withhold any consent or approval pursuant to this Lease in its sole and absolute discretion. If Tenant is in default under this Lease and has vacated the Premises, and if Landlord has terminated this Lease as a result of such default, then Landlord shall thereafter use reasonable efforts to relet the Premises; provided, however, that Tenant understands and agrees that Landlord's main priority will be the leasing of other space in the Building and the reletting of the Premises will be of lower priority. Tenant hereby expressly waives, for itself and all persons claiming by, through or under it, any right of redemption, re-entry or restoration of the operation of this Lease under any present or future Law, including any such right which Tenant would otherwise have in case Tenant shall be dispossessed for any cause, or in case Landlord shall obtain possession of the Premises as herein provided. Landlord may relet the Premises or any part thereof, alone or together with other premises, for such term(s) (which may extend beyond the date on which the Lease Term would have expired but for Tenant's default) and on such terms and conditions (which may include any concessions or allowances granted by Landlord) as Landlord, in its sole but reasonable discretion, may determine, but Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished by reason of, any failure by Landlord to relet all or any portion of the Premises or to collect any rent due upon such reletting. Whether or not this Lease and/or Tenant's right of possession is terminated or any suit is instituted, Tenant shall be liable for any Base Rent, additional rent, damages or other sum which may be due or sustained prior to such default, and for all costs, fees and expenses (including attorneys' fees and costs, brokerage fees, expenses incurred in placing the Premises in first-class rentable condition, advertising expenses, and any concessions or allowances granted by Landlord) incurred by Landlord in pursuit of its remedies hereunder and/or in recovering possession of the Premises and renting the Premises to others from time to time. Tenant also shall be liable for additional damages which at Landlord's election shall be either: (a) an amount equal to the Base Rent and additional rent due or which would have become due from the date of Tenant's default through the remainder of the Lease Term, less the amount of rental, if any, which Landlord receives during such period from others to whom the Premises may be rented (other than any additional rent received by Landlord as a result of any failure of such other person to perform any of its obligations to Landlord), which amount shall not be accelerated but shall be computed and payable in monthly installments, in advance, on the first day of each calendar month following Tenant's default and continuing until the date on which the Lease Term would have expired but for Tenant's default, it being understood that separate suits may be brought from time to time to collect any such damages for any month(s) (and any such separate suit shall not in any manner prejudice the right of Landlord to collect any damages for any subsequent month(s)), or Landlord may defer initiating any such suit until after the expiration of the Lease Term (in which event such deferral shall not be construed as a waiver of Landlord's rights as set forth herein and Landlord's cause of action shall be deemed not to have accrued until the expiration of the Lease Term) and it being further understood that if Landlord elects to bring suits from time to time prior to reletting the Premises, Landlord shall be entitled to its full damages through the date of the award of damages without regard to any Base Rent, additional rent or other sums that are or may be projected to be received by Landlord upon reletting of the Premises; or (b) an amount equal to the difference between (i) all Base Rent, additional rent and other sums due or which would be due and payable under this Lease as of the date of Tenant's default through the end of the scheduled Lease Term, and (ii) the fair market value rental of the Premises over the same period (net of all expenses (including attorneys' fees) and all vacancy periods reasonably projected by Landlord to be incurred in connection with the reletting of the Premises), which difference shall be discounted at a rate equal to one (1) whole percentage point above the discount rate in effect on the date of payment at the Federal Reserve Bank nearest the Building, and which resulting amount shall be payable to Landlord in a lump sum on demand, it being understood that upon payment of such liquidated and agreed final damages, Tenant shall be released from further liability under this Lease with respect to the period after the date of such payment, and that Landlord may bring suit to collect any such damages at any time after an Event of Default shall have occurred. The provisions contained in this Section shall be in addition to, and shall not prevent the enforcement of, any claim Landlord may have against Tenant for anticipatory breach of this Lease (including, the right of injunction and the right to invoke any remedy allowed at law or in equity as if reentry, summary proceedings and other remedies were not provided for herein). Nothing herein shall be construed to affect or prejudice Landlord's right to prove, and claim in full, unpaid rent accrued prior to termination of this Lease. If Landlord is entitled, or Tenant is required, pursuant to any provision hereof to take any action upon the termination of the Lease Term, then Landlord shall be entitled, and Tenant shall be required, to take such action also upon the termination of Tenant's right of possession.

Notwithstanding anything to the contrary contained in this Section 19.2, Landlord shall, however, use commercially reasonable efforts to relet the Premises upon its recovery of possession of the Premises, provided that Tenant has vacated and surrendered possession of the Premises to Landlord, and provided further that in reletting the Premises Landlord may, in its commercially reasonable discretion, (i) accept or reject any potential tenant for the Premises, (ii) relet the Premises for a shorter or longer period of time than the Lease Term, (iii) make any necessary repairs or Improvements, including, without limitation, subdividing the Premises into two or more demisable areas, and (iv) if other space in the Building is vacant at the time of Tenant's default, or subsequently becomes vacant, Landlord need not rent the Premises before letting such other vacant space. It shall be deemed that Landlord shall have used commercially reasonable efforts to relet the Premises if Landlord has engaged the services of a duly licensed broker or has listed the Premises as available in CoStar or a similar commercial real estate database. Additionally, nothing herein shall require Landlord to relet to (a) a proposed tenant who is of a character or engaged in a business which is not in keeping with the standards of Landlord for the Building; (b) the remaining space after such tenant's lease would leave a space that is not commercially marketable in shape with appropriate means of ingress and egress or suitable for normal renting purposes; (c) in the reasonable judgment of Landlord, the proposed tenant does not have the financial capacity or applicable experience to undertake the obligations of the proposed lease; or (d) for a proposed use which would violate any term or condition of any covenant or agreement of Landlord involving the Building or any other tenant lease within the Building.

19.3 All rights and remedies of Landlord set forth in this Lease are cumulative and in addition to all other rights and remedies available to Landlord at law or in equity, including those available as a result of any anticipatory breach of this Lease. The exercise by Landlord of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy. No delay or failure by Landlord or Tenant to exercise or enforce any of its respective rights or remedies or the other party's obligations (except to the extent a time period is specified in this Lease therefor) shall constitute a waiver of any such or subsequent rights, remedies or obligations. Neither party shall be deemed to have waived any default by the other party unless such waiver expressly is set forth in a written instrument signed by the party against whom such waiver is asserted. If Landlord waives in writing any default by Tenant, such waiver shall not be construed as a waiver of any covenant, condition or agreement set forth in this Lease except as to the specific circumstances described in such written waiver.

19.4 If Landlord shall institute proceedings against Tenant and a compromise or settlement thereof shall be made, then the same shall not constitute a waiver of the same or of any other covenant, condition or agreement set forth herein, nor of any of Landlord's rights hereunder. Neither the payment by Tenant of a lesser amount than the monthly installment of Base Rent, additional rent or of any sums due hereunder nor any endorsement or statement on any check or letter accompanying a check for payment of rent or other sums payable hereunder shall be deemed an accord and satisfaction. Landlord may accept the same without prejudice to Landlord's right to recover the balance of such rent or other sums or to pursue any other remedy. Notwithstanding any request or designation by Tenant, Landlord may apply any payment received from Tenant to any payment then due. No re-entry by Landlord, and no acceptance by Landlord of keys from Tenant, shall be considered an acceptance of a surrender of this Lease.

19.5 If Tenant fails to make any payment to any third party or to do any act herein required to be made or done by Tenant, then Landlord may, after written notice to Tenant, but shall not be required to, make such payment or do such act. The taking of such action by Landlord shall not be considered a cure of such default by Tenant or prevent Landlord from pursuing any remedy it is otherwise entitled to in connection with such default. If Landlord elects to make such payment or do such act, then all expenses incurred by Landlord, plus interest thereon at the Default Rate from the date incurred by Landlord to the date of payment thereof by Tenant, shall constitute additional rent due hereunder.

19.6 If Tenant fails to make any payment of Base Rent, additional rent or any other sum on or before the date such payment is due and payable (without regard to any grace period), then Landlord shall have the right to impose upon Tenant in writing a late charge of three percent (3%) of the amount of such payment. In addition, such payment shall bear interest at the Default Rate from the date such payment or late fee, respectively, became due to the date of payment thereof by Tenant. Such late charge and interest shall constitute additional rent due hereunder without any notice or demand. Despite the foregoing, Landlord shall waive such interest and late charge on the first occasion during any twelve (12) month period in which Tenant does not timely pay Base Rent or Operating Charges, provided that Tenant pays such installment of Base Rent or Operating Charges to Landlord within five (5) days after the date Tenant receives notice that such amount is past due.

19.7 If more than one natural person or entity shall constitute Tenant, then the liability of each such person or entity shall be joint and several. If Tenant is a general partnership or other entity the partners or members of which are subject to personal liability, then the liability of each such partner or member shall be joint and several. No waiver, release or modification of the obligations of any such person or entity shall affect the obligations of any other such person or entity.

ARTICLE XX
BANKRUPTCY

20.1 Upon occurrence of an Event of Bankruptcy, Landlord shall have all rights and remedies available pursuant to Article XIX; provided, however, that while a Case is pending, Landlord's right to terminate this Lease shall be subject, to the extent required by the Bankruptcy Code, to any rights of the Trustee to assume or assume and assign this Lease pursuant to the Bankruptcy Code. After the commencement of a Case: (i) Trustee shall perform all post-petition obligations of Tenant under this Lease; and (ii) if Landlord is entitled to damages (including unpaid rent) pursuant to the terms of this Lease, then all such damages shall be entitled to administrative expense priority pursuant to the Bankruptcy Code. Tenant acknowledges that this Lease is a lease of nonresidential real property and therefore Tenant, as the debtor in possession, or the Trustee shall not seek or request any extension of time to assume or reject this Lease or to perform any obligations of this Lease which arise from or after the order of relief. Any person or entity to which this Lease is assigned pursuant to the Bankruptcy Code shall be deemed without further act or deed to have assumed all of the obligations arising under this Lease on and after the date of assignment, and any such assignee shall upon request execute and deliver to Landlord an instrument confirming such assumption. Trustee shall not have the right to assume or assume and assign this Lease unless Trustee promptly (a) cures all defaults under this Lease, (b) compensates Landlord for damages incurred as a result of such defaults, (c) provides adequate assurance of future performance on the part of Trustee as debtor in possession or Trustee's assignee, and (d) complies with all other requirements of the Bankruptcy Code. If Trustee desires to assume and assign this Lease to any person who shall have made a bona fide offer, then Trustee shall give Landlord written notice of such proposed assignment (which notice shall set forth the name and address of such person, all of the terms and conditions of such offer, and the adequate assurance to be provided Landlord to assure such person's future performance under this Lease) no later than fifteen (15) days after receipt by Trustee of such offer, but in no event later than thirty (30) days prior to the date Trustee shall make application to the appropriate court for authority and approval to enter into such assignment and assumption, and Landlord shall thereupon have the prior right and option, to be exercised by notice to Trustee given at any time prior to the effective date of such proposed assignment, to accept (or to cause Landlord's designee to accept) an assignment of this Lease upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such person, less any brokerage commissions which may be payable out of the consideration to be paid by such person for the assignment of this Lease. If Trustee fails to assume or assume and assign this Lease in accordance with the requirements of the Bankruptcy Code within sixty (60) days after the initiation of the Case (or such other period as may be provided by the

Bankruptcy Code or allowed by the United States Bankruptcy Court for same), then Trustee shall be deemed to have rejected this Lease. If this Lease is rejected or deemed rejected, then Landlord shall have all rights and remedies available to it pursuant to Article XIX. At any time during the Term, upon not less than five (5) days prior written notice, Tenant shall provide Landlord with the most current financial statement for Tenant and any such person and financial statements for the two (2) years prior to the current financial statement year. Such statements are to be certified by Tenant to be true, correct and complete, prepared in accordance with generally accepted accounting principles and, if it is the normal practice of Tenant, audited by any independent certified public accountant.

ARTICLE XXI
SUBORDINATION

21.1 This Lease is subject and subordinate to the lien, provisions, operation and effect of all Mortgages, to all funds and indebtedness intended to be secured thereby, and to all renewals, extensions, modifications, recastings or refinancings thereof. Said subordination and the provisions of this Section shall be self-operative and no further instrument of subordination shall be required to effectuate such subordination. The holder of any Mortgage to which this Lease is subordinate shall have the right (subject to any required approval of the holders of any superior Mortgage) at any time to declare this Lease to be superior to the lien, provisions, operation and effect of such Mortgage.

21.2 Tenant shall at Landlord's request promptly execute any requisite document confirming such subordination. During the pendency of an Event of Default, Tenant appoints Landlord as Tenant's attorney in fact to execute any such document for Tenant. Tenant waives the provisions of any statute or rule of law now or hereafter in effect which may give or purport to give Tenant any right to terminate or otherwise adversely affect this Lease and Tenant's obligations hereunder in the event any foreclosure proceeding is prosecuted or completed or in the event the Building, the Land or Landlord's interest therein is transferred by foreclosure, by deed in lieu of foreclosure or otherwise. If this Lease is not extinguished upon any such transfer or by the transferee following such transfer, then, at the request of such transferee and assumption of Landlord's obligations as required hereby, Tenant shall attorn to such transferee and shall recognize such transferee as the landlord under this Lease. Tenant agrees that upon any such attornment, such transferee shall not be (a) bound by or required to credit Tenant with any prepayment of the Base Rent or additional rent more than thirty (30) days in advance or any deposit, rental security or any other sums deposited with any prior landlord under the Lease (including Landlord) unless said sum is actually received by such transferee, (b) bound by any amendment, modification or termination of this Lease made without the consent of the holder of each Mortgage existing as of the date of such amendment, (c) liable for any breach, act or omission of any prior landlord under the Lease (including Landlord) or any damages arising therefrom, unless and to the extent such breach, act or omission is continuing; (d) subject to any offsets or defenses which Tenant might have against any prior landlord (including Landlord), unless and to the extent that such offsets or defenses relate to any conditions that are continuing, (e) liable for any late completion of any construction of the Premises or tenant improvement work to the Premises commenced or agreed to by any prior landlord under the Lease (including Landlord), (f) liable for payment of any damages, fees or penalties payable by any landlord under the Lease (including Landlord) to Tenant including but not limited to fees or penalties for failure to deliver the Premises in a timely fashion, or (g) bound by any obligation which may appear in this Lease to pay any sum of money to Tenant; provided, however, that after succeeding to Landlord's interest under this Lease, such transferee shall agree to perform in accordance with the terms of this Lease all obligations of Landlord arising or continuing after the date of transfer. Within ten (10) days after the request of such transferee, Tenant shall execute, acknowledge and deliver any requisite or appropriate document submitted to Tenant confirming such attornment.

21.3 Landlord shall use commercially reasonable efforts to obtain for Tenant a non-disturbance agreement (recognizing Tenant's rights under this Lease) from the holder of the Mortgage currently or hereafter encumbering the Building and/or the Land on such holder's standard form nondisturbance agreement, the current form being attached as Exhibit G, provided that Tenant shall pay as additional rent under this Lease all reasonable costs and fees (including reasonable attorneys' fees) incurred by Landlord in connection with Landlord's efforts to secure such nondisturbance agreement

ARTICLE XXII
HOLDING OVER

22.1 Tenant acknowledges that it is extremely important that Landlord have substantial advance notice of the date on which Tenant will vacate the Premises, and that if Tenant fails to surrender the Premises or any portion thereof at the expiration or earlier termination of the Lease Term, then it will be conclusively presumed that the value to Tenant of remaining in possession, and the loss that will be suffered by Landlord as a result thereof, far exceed the Base Rent and additional rent that would have been payable had the Lease Term continued during such holdover period. Therefore, if Tenant (or anyone claiming through Tenant) does not immediately surrender the Premises or any portion thereof upon the expiration or earlier termination of the Lease Term, then the rent payable by Tenant hereunder shall be increased to equal the greater of (1) fair market rent for the entire Premises, or (2) one hundred fifty percent (150%) of the Base Rent, additional rent and other sums that would have been payable pursuant to the provisions of this Lease if the Lease Term had continued during such holdover period. Such rent shall be computed by Landlord and paid by Tenant on a monthly basis and shall be payable on the first day of such holdover period and the first day of each calendar month thereafter during such holdover period until the Premises have been vacated. Notwithstanding any other provision of this Lease, Landlord's acceptance of such rent shall not in any manner adversely affect Landlord's other rights and remedies, including Landlord's right to evict Tenant and to recover all damages. Any such holdover shall be deemed to be a tenancy-at-sufferance and not a tenancy-at-will or tenancy from month-to-month. In no event shall any holdover be deemed a permitted extension or renewal of the Lease Term, and nothing contained herein shall be construed to constitute Landlord's consent to any holdover or to give Tenant any right with respect thereto.

ARTICLE XXIII
COVENANTS OF LANDLORD

23.1 Landlord covenants that it has the right to enter into this Lease, and that if Tenant shall perform timely all of its obligations hereunder, then, subject to the provisions of this Lease, Tenant shall during the Lease Term peaceably and quietly occupy and enjoy the full possession of the Premises (i.e., quiet enjoyment) without hindrance by Landlord, its employees or agents.

23.2 Subject to other applicable terms and provisions expressly provided in this Lease, Landlord reserves the following rights: (a) to change the street address and name of the Building provided that Tenant's access to the Premises is not permanently, materially and adversely affected; (b) to change the arrangement and location of entrances, passageways, doors, doorways, corridors, elevators, stairs, toilets or other public parts of, and make additions to, the Building provided that Tenant's access to the Premises is not permanently, materially and adversely affected; (c) to erect, use and maintain pipes, wires, structural supports, ducts and conduits in and through the plenum areas of the Premises; (d) to grant to anyone the exclusive right to conduct any particular business in the Building not inconsistent with Tenant's permitted use of the Premises; (e) to exclusively use and/or lease the roof areas, the sidewalks and other exterior areas; (f) to resubdivide the Land or to combine the Land with other lands; (g) to relocate any parking areas designated for Tenant's use, provided the same are on the Land; (h) to construct improvements (including kiosks) on the Land and in the public and Common Areas of the Building; (i) to prohibit smoking in the entire Building or portions thereof (including the Premises), so long as such prohibitions are in accordance with applicable law; and (j) if any excavation or other substructure work shall be made or authorized to be made upon land adjacent to the Building or the Land, to enter the Premises for the purpose of doing such work as is required to preserve the walls of the Building and to preserve the land from injury or damage and to support such walls and land by proper foundations. Subject to the other applicable terms and provisions expressly provided in this Lease, Landlord may exercise any or all of the foregoing rights without being deemed to be guilty of an eviction, actual or constructive, or a disturbance of Tenant's business or use or occupancy of the Premises and Tenant shall have no claim against Landlord in connection therewith. With respect to (b), (c), (e), (g), (i) and (k) above, Landlord shall use reasonable efforts to minimize interference with Tenant's normal business operations in the Premises (subject, however, in all cases to governmental requirements, emergencies and/or temporary maintenance and repair activities, and in no event shall Landlord have any obligation to employ contractors or labor at overtime or other premium pay rates or incur any other overtime costs).

ARTICLE XXIV
PARKING

24.1 Tenant shall have the right to utilize the Building's parking facilities on a non-exclusive and unreserved basis with other tenants of the Building for the parking of standard-sized passenger automobiles and upon such terms and conditions as may from time to time be established by Landlord. Landlord reserves the right in its absolute discretion to determine whether the parking facilities are becoming crowded and to allocate and assign parking spaces among Tenant and the other tenants. If Landlord, in its sole and absolute discretion, grants to any other tenant of the Building the exclusive right to use any particular parking spaces, then neither Tenant nor its employees or visitors shall use such spaces, but Tenant shall likewise be entitled to a number of reserved spaces, calculated at the same ratio of reserved to unreserved spaces as that granted to such other tenant. Landlord represents that there is currently sufficient parking at the Building to provide Tenant with its allocated parking ratio of 3.5 parking spaces for each 1,000 square feet of the Premises. Tenant shall not use parking areas for the servicing or overnight storage of vehicles. Tenant shall not assign, sublet or transfer any rights with respect to the parking facilities. It is understood and agreed that Landlord assumes no responsibility, and shall not be held liable, for any damage or loss to any automobiles parked in the parking facilities or to any personal property located therein, or for any injury sustained by any person in or about the parking facilities. Landlord reserves the right to close the parking facilities during periods of unusually inclement weather or for repairs. Landlord shall not be liable to Tenant and this Lease shall not be affected if any parking rights hereunder are impaired by any Law imposed after the Lease Commencement Date.

ARTICLE XXV
GENERAL PROVISIONS

25.1 Tenant acknowledges that neither Landlord nor any broker, agent or employee of Landlord has made any representation or promise with respect to the Premises or any portion of the Building except as herein expressly set forth, and no right, privilege, easement or license is being acquired by Tenant except as herein expressly set forth.

25.2 Nothing contained in this Lease shall be construed as creating any relationship between Landlord and Tenant other than that of landlord and tenant, and no estate shall pass out of Landlord. Tenant shall not use the name of the Building for any purpose other than as the address of the business to be conducted by Tenant in the Premises, use the name of the Building as Tenant's business address after Tenant vacates the Premises, or do or permit to be done anything in connection with Tenant's business or advertising which in the reasonable judgment of Landlord may reflect unfavorably on Landlord or the Building or confuse or mislead the public as to any apparent connection or relationship between Landlord, the Building and Tenant.

25.3 Landlord and Tenant each warrants to the other that in connection with this Lease it has not employed or dealt with any broker, agent or finder, other than the Brokers. It is understood that Landlord shall pay the Brokers pursuant to separate agreements. Tenant shall indemnify and hold Landlord harmless from and against any claim for brokerage or other commissions, or for a lien under any applicable broker's lien law, asserted by any broker, agent or finder employed by Tenant or with whom Tenant has dealt, other than the Brokers. Landlord shall indemnify and hold Tenant harmless from and against any claim for brokerage or other commissions asserted by the Brokers and any other broker, agent or finder employed by Landlord or with whom Landlord has dealt. Tenant's and Landlord's indemnities set forth in this Section shall survive the expiration or earlier termination of the Lease Term.

25.4 At any time and from time to time, upon not less than ten (10) days' prior written notice, Tenant and each subtenant, assignee, licensee or concessionaire or occupant of Tenant shall execute, acknowledge and deliver to Landlord and/or any other person or entity designated by Landlord, a written statement certifying: (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications); (b) the dates to which the rent and any other charges have been paid; (c) to Tenant's knowledge, whether or not Landlord is in default in the performance of any obligation, and if so, specifying the nature of such default; (d) the address to which notices to Tenant are to be sent; (e) that this Lease is subject and subordinate to all Mortgages encumbering the Building or the Land; (f) that Tenant has accepted the Premises and that all work thereto has been completed (or if such work has not been completed, specifying the incomplete work); and (g) such other matters as Landlord may reasonably request. Any such statement may be relied upon by any owner of the Building or the Land, any prospective purchaser of the Building or the Land, any holder or prospective holder of a Mortgage or any other person or entity. Tenant acknowledges that time is of the essence to the delivery of such statements and that Tenant's failure to deliver timely such statements may cause substantial damages resulting from, for example, delays in obtaining financing.

25.5 LANDLORD, TENANT, ALL GUARANTORS AND ALL GENERAL PARTNERS EACH WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT HEREUNDER, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM OF INJURY OR DAMAGE. TENANT CONSENTS TO SERVICE OF PROCESS AND ANY PLEADING RELATING TO ANY SUCH ACTION AT THE PREMISES; PROVIDED, HOWEVER, THAT NOTHING HEREIN SHALL BE CONSTRUED AS REQUIRING SUCH SERVICE AT THE PREMISES. TENANT WAIVES ANY RIGHT TO RAISE ANY NON-COMPULSORY COUNTERCLAIM IN ANY SUMMARY OR EXPEDITED ACTION OR PROCEEDING INSTITUTED BY LANDLORD. LANDLORD, TENANT, ALL GUARANTORS AND ALL GENERAL PARTNERS EACH WAIVES ANY OBJECTION TO THE VENUE OF ANY ACTION FILED IN ANY COURT SITUATED IN THE JURISDICTION IN WHICH THE BUILDING IS LOCATED, AND WAIVES ANY RIGHT, CLAIM OR POWER, UNDER THE DOCTRINE OF FORUM NON CONVENIENS OR OTHERWISE, TO TRANSFER ANY SUCH ACTION TO ANY OTHER COURT.

25.6 All notices or other communications required under this Lease shall be in writing and shall be deemed duly given and received when delivered in person (with receipt therefor), on the next business

day after deposit with a recognized overnight delivery service, or on the second day after being sent by certified or registered mail, return receipt requested, postage prepaid, to the following addresses: (a) if to Landlord, at the Landlord Notice Address specified in Article I; (b) if to Tenant, at the Tenant Notice Address specified in Article I. Either party may change its address for the giving of notices by written notice given in accordance with this Section. If Landlord or the holder of any Mortgage notifies Tenant in writing that a copy of any notice to Landlord shall be sent to such holder at a specified address, then Tenant shall send (in the manner specified in this Section and at the same time such notice is sent to Landlord) a copy of each such notice to such holder, and no such notice shall be considered duly sent unless such copy is so sent to such holder. Any such holder shall have thirty (30) days after receipt of such notice to cure any Landlord default before Tenant may exercise any remedy (provided that in the case of a Landlord default arising from an act or omission which cannot be reasonably remedied within said thirty (30) day period, then the holder of any Mortgage shall have as long as reasonably necessary to remedy such act or omission provided that (i) such holder commences such remedy and notifies Tenant within said thirty (30) day period of holder's desire to remedy, and (ii) holder pursues completion of such remedy with due diligence following such giving of notice and following the time when holder should have become entitled under the Mortgage to remedy the same). Any cure of Landlord's default by such holder shall be treated as performance by Landlord.

25.7 Each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, then such provision shall be deemed to be replaced by the valid and enforceable provision most substantively similar to such invalid or unenforceable provision, and the remainder of this Lease and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby. Nothing contained in this Lease shall be construed as permitting Landlord to charge or receive interest in excess of the maximum rate allowed by law.

25.8 Feminine, masculine or neuter pronouns shall be substituted for those of another form, and the plural or singular shall be substituted for the other number, in any place in which the context may require such substitution.

25.9 The provisions of this Lease shall be binding upon and inure to the benefit of the parties and each of their respective representatives, successors and assigns, subject to the provisions herein restricting assignment or subletting.

25.10 This Lease contains and embodies the entire agreement of the parties hereto and supersedes all prior agreements, negotiations, letters of intent, proposals, representations, warranties, understandings, suggestions and discussions, whether written or oral, between the parties hereto. Any representation, inducement, warranty, understanding or agreement that is not expressly set forth in this Lease shall be of no force or effect. This Lease may be modified or changed in any manner only by an instrument signed by both parties. This Lease includes and incorporates all exhibits, schedules and riders attached hereto. Tenant shall, at Landlord's request, promptly execute any requisite document, certificate or instrument that is reasonably necessary or desirable to clarify or carry out the force and effect of any terms or conditions of, or obligation of Tenant under, this Lease.

25.11 This Lease shall be governed by the Laws of the jurisdiction in which the Building is located, without regard to the application of choice of law principles. There shall be no presumption that this Lease be construed more strictly against the party who itself or though its agent prepared it (it being agreed that all parties hereto have participated in the preparation of this Lease and that each party had the opportunity to consult legal counsel before the execution of this Lease). No custom or practice which may evolve between the parties in the administration of the terms of this Lease shall be construed to waive Landlord's right to insist on Tenant's strict performance of the terms of this Lease.

25.12 Headings are used for convenience and shall not be considered when construing this Lease.

25.13 The submission of an unsigned copy of this document to Tenant shall not constitute an offer or option to lease the Premises. This Lease shall become effective and binding only upon execution and delivery by both Landlord and Tenant.

25.14 Time is of the essence with respect to each of Tenant's and Landlord's obligations hereunder.

25.15 This Lease may be executed in multiple counterparts, each of which shall be deemed an original and all of which together constitute one and the same document. Faxed signatures shall have the same binding effect as original signatures.

25.16 Neither this Lease nor a memorandum thereof shall be recorded.

25.17 Landlord reserves the right to make reasonable changes and modifications to the plans and specifications for Building without Tenant's consent, provided such changes or modifications do not materially and adversely change the character of same.

25.18 Except as otherwise provided in this Lease, any additional rent or other sum owed by Tenant to Landlord, and any cost, expense, damage or liability incurred by Landlord for which Tenant is liable, shall be considered additional rent payable pursuant to this Lease to be paid by Tenant no later than thirty (30) days after the date Landlord notifies Tenant of the amount thereof.

25.19 Tenant's liabilities and obligations with respect to the period prior to the expiration or earlier termination of the Lease Term shall survive such expiration or earlier termination. Landlord's liabilities and obligations with respect to refund of the security deposit or overpayments by Tenant of Real Estate Taxes or Operating Charges, if and to the extent required by the provisions of this Lease, shall survive the expiration or earlier termination of this Lease.

25.20 If Landlord or Tenant is in any way delayed or prevented from performing any obligation (except, with respect to Tenant, its obligations to pay rent and other sums due under this Lease, any obligation set forth in Exhibit B, any obligation with respect to insurance pursuant to Article XIII, any obligation to give notice with respect to extensions, expansions or otherwise, and any holdover) due to fire, act of God, governmental act or failure to act, strike, labor dispute, inability to procure materials, or any cause beyond Landlord's or Tenant's (as applicable) reasonable control (whether similar or dissimilar to the foregoing events), then the time for performance of such obligation shall be excused for the period of such delay or prevention and extended for a period equal to the period of such delay or prevention. No force majeure event shall delay the Lease Commencement Date or excuse the timely payment of all items of rent by Tenant. Financial disability or hardship shall never constitute a force majeure event.

25.21 Landlord's review, approval and consent powers (including the right to review plans and specifications) are for its benefit only. Such review, approval or consent (or conditions imposed in connection therewith) shall be deemed not to constitute a representation concerning legality, safety or any other matter.

25.22 The deletion of any printed, typed or other portion of this Lease shall not evidence the parties' intention to contradict such deleted portion. Such deleted portion shall be deemed not to have been inserted in this Lease.

25.23 At the expiration or earlier termination of the Lease Term, Tenant shall deliver to Landlord all keys and security cards to the Building and the Premises, whether such keys were furnished by Landlord or otherwise procured by Tenant, and shall inform Landlord of the combination of each lock, safe and vault, if any, in the Premises.

25.24 Tenant and the person executing and delivering this Lease on Tenant's behalf each represents and warrants that such person is duly authorized to so act; that Tenant is duly organized, is qualified to do business in the jurisdiction in which the Building is located, is in good standing under the Laws of the state of its organization and the Laws of the jurisdiction in which the Building is located, and has the power and authority to enter into this Lease; that Tenant is not, and the entities or individuals constituting Tenant or which may own or control Tenant or which may be owned or controlled by Tenant are not, among the individuals or entities identified on any list compiled by the U.S. Government for the purpose of identifying suspected terrorists, and Tenant is not engaging in this transaction on behalf of any such individual or entity; that Tenant is not in violation of any anti-money laundering Law; and that all action required to authorize Tenant and such person to enter into this Lease has been duly taken.

25.25 Any elimination or shutting off of light, air, or view by any structure which may be erected on lands adjacent to the Building, or any noise in connection with activities permitted by this Lease, shall in no way effect this Lease or impose any liability on Landlord.

25.26 In the event Landlord or Tenant is required or elects to take legal action against the other party to enforce the provisions of this Lease, then the prevailing party in such action shall be entitled to collect from the other party its costs and expenses incurred in connection with the legal action (including reasonable attorneys' fees and court costs). Notwithstanding the foregoing, if Landlord shall take any legal action for collection of rent or file any eviction proceedings (whether summary or otherwise) for the non-payment of rent, and Tenant shall make payment of such rent prior to the rendering of any judgment, the Landlord shall be entitled to collect and Tenant shall pay as additional rent all filing fees and other costs in connection therewith (including reasonable attorneys' fees).

25.27 As an inducement to Landlord to enter into this Lease, Tenant hereby represents and warrants that: (i) Tenant is not, nor is it owned or controlled directly or indirectly by, any person, group, entity or nation named on any list issued by the Office of Foreign Assets Control of the United States Department of the Treasury ("OFAC") pursuant to Executive Order 13224 or any similar list or any law, order, rule or regulation or any Executive Order of the President of the United States as a terrorist, "Specially Designated National and Blocked Person" or other banned or blocked person (any such person, group, entity or nation being hereinafter referred to as a "Prohibited Person"); (ii) Tenant is not (nor is it owned or controlled, directly or indirectly, by any person, group, entity or nation which is) acting directly or indirectly for or on behalf of any Prohibited Person; and (iii) from and after the effective date of the above-referenced Executive Order, Tenant (and any person, group, or entity which Tenant controls, directly or indirectly) has not knowingly conducted nor will knowingly conduct business nor has knowingly engaged nor will knowingly engage in any transaction or dealing with any Prohibited Person in violation of the U.S. Patriot Act or any OFAC rule or regulation, including, without limitation, any assignment of this Lease or any subletting of all or any portion of the Premises or the making or receiving of any contribution of funds, goods or services to or for the benefit of a Prohibited Person in violation of the U.S. Patriot Act or any OFAC rule or regulation. In connection with the foregoing, it is expressly understood and agreed that (x) any breach by Tenant of the foregoing representations and warranties shall be deemed a default by Tenant under Article XIX of this Lease and shall be covered by the indemnity provisions of this Lease, (y) Tenant shall be responsible for ensuring that all assignees of this Lease and all subtenants or other occupants of the Premises comply with the foregoing representations and warranties, and (z) the representations and warranties contained in this subsection shall be continuing in nature and shall survive the expiration or earlier termination of this Lease.

ARTICLE XXVI
OPTION TO RENEW

26.1 Tenant (or an Affiliate of Tenant) shall have the right to extend the term of the Lease for one (1) additional five (5) year lease term (the "Renewal Term"), upon the following conditions:

(a) Tenant is not in monetary default;

(b) Tenant has not previously assigned the Lease, nor is it then subletting in excess of fifty percent (50%) of the Premises;

(c) Tenant has delivered to Landlord written notice of its intention to exercise this option, not less than seventeen (17) months, nor more than fourteen (14) months, prior to the end of the Lease Term; and

(d) All lease terms for the Renewal Term shall be the same as in the Lease, except that the annual Base Rent for the Renewal Term shall be one hundred percent (100%) of the fair market rental rate (as of the time the Renewal Term is to commence) for similar space in buildings in the Bridgewater, New Jersey submarket (the "Market"). The fair market rental rate shall be calculated to include all then current market concessions for comparable renewal tenants in the Market. Landlord and Tenant shall use good faith efforts to agree upon the fair market rental rate for thirty (30) days after Landlord receives Tenant's notice. If they do not come to agreement within such thirty (30) day period, the fair market rental rate shall be determined as follows:

(i) Landlord and Tenant shall each select a duly licensed appraiser in the person of an experienced real estate broker, each of whom must have at least ten (10) years office leasing experience in the Market, employed by a nationally recognized real estate services firm, within fifteen (15) days after the expiration of the foregoing 30-day negotiation period;

(iii) The two appraisers shall confer for a period of fifteen (15) days to see if they can agree on the fair market rental rate for comparable space in the Market, as of the time the Renewal Term is to begin; and, if they reach agreement, 100% of the rate upon which they agree shall become the new Base Rent for the first year of the Renewal Term;

(iv) If the two appraisers cannot reach agreement, then each shall designate the rate which he or she believes is the appropriate new Base Rent. Unless either Landlord agrees to the rate specified by Tenant's appraiser or vice versa, the two appraisers shall agree on a third appraiser, who shall have no less than the minimum experience required of the initial two appraisers, within fifteen (15) days after their inability to reach a decision; and

(v) Within fifteen (15) days after appointment, the third appraiser shall determine which of the two appraisals for the new Base Rent more accurately represents the new Base Rent which the third appraiser believes is the appropriate new Base Rent. Upon such determination, 100% of the new Base Rent selected by the third appraiser shall be used.

(vi) If Landlord or Tenant fails to comply with the time guidelines in this section, then the prevailing market rental submitted by the other shall automatically apply.

(vii) Each party shall bear the expense of its own appraiser and the expense of the third appraiser shall be divided equally.

26.2 The renewal option is personal to Tenant and is non-transferable, except to an Affiliate of Tenant.

ARTICLE XXVII
RIGHT OF FIRST OFFER

27.1 Tenant (or an Affiliate of Tenant) shall have a first right of offer to lease additional space on the sixth (6 th) floor (the "Additional Space") in the Building, provided:

(a) This right of first offer is subordinate to the rights of all future tenants in such space, to renew or extend their leases;

(b) Tenant is not then in monetary default;

(c) Tenant has not previously assigned the Lease, nor is it then subletting in excess of fifty percent (50%) of the Premises;

(d) Tenant must lease all of the Additional Space offered;

(e) This right of first offer must be exercised with at least three (3) years remaining in the Lease Term, or the Renewal Term, as applicable (and, notwithstanding the provisions of Article XXVI above, Tenant can simultaneously exercise its Option to Renew with respect to the Renewal Term in order to comply with such three (3) year requirement; provided, however, that in such event, the fair market rental rate shall not be determined until the time period has occurred after which Tenant would otherwise be entitled to exercise its Option to Renew);

(f) Tenant exercises its option as provided in this Section by delivering to Landlord written notice of its intention within ten (10) days after Landlord has notified Tenant that the Additional Space is available. Landlord's notice shall specify the size of such space and shall constitute an offer by Landlord to lease such space to Tenant upon the terms of this Lease, except (i) as otherwise provided in this Article, and (ii) the Lease Term may not be co-terminus; and

g. Tenant executes an addendum or a new lease for the Additional Space within twenty (20) days after Landlord's receipt of Tenant's notice to lease the Additional Space.

27.2 All terms of the lease of the Additional Space shall be at 100% of the fair market rental rate for the Additional Space (calculated as of the anticipated commencement date of the Lease for the Additional Space), to be negotiated in good faith between the parties for twenty (20) days from the date of delivery of Tenant's notice pursuant to Subsection 27.1(f) above. If they reach an agreement within such twenty (20) day period, the fair market rental rate shall be determined in accordance with Section 26.1(d) above. After the parties determine the fair market rental rate, they shall execute an addendum or a new lease for the Additional Space within twenty (20) days after Landlord's delivery to Tenant.

27.3 If Tenant fails to comply with each of the above conditions within the time specified, all time periods herein for Tenant being of the essence, then this right of first offer will lapse and be of no further force and effect as to the specific Additional Space so offered to Tenant on that occasion only, and Landlord shall have the right at any time thereafter to lease all or any part of the Additional Space to a third party under the same or any other terms and conditions, whether or not such terms and conditions are more or less favorable than those offered to Tenant.

27.4 This right of first offer to lease the Additional Space is personal to Tenant and is non-transferable, except to an Affiliate of Tenant.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease under seal as of the day and year first above written.

WITNESS/ATTEST:	LANDLORD:
	WELLS REIT — BRIDGEWATER NJ, LLC, a Delaware limited liability company
	By: ______________________
	Name: ______________________
	Title: ______________________
WITNESS/ATTEST:	TENANT:
	SYNCHRONOSS TECHNOLOGIES, INC., a Delaware corporation
	By: ______________________ [SEAL]
	Name: ______________________
	Title: ______________________

RIDER 1 — GENERAL DEFINITIONS

ADA: the Americans with Disabilities Act and the regulations promulgated thereunder, as the same may be amended from time to time.

Affiliate of Tenant: (i) a corporation or other business entity (a "successor corporation") into or with which Tenant shall be merged or consolidated, or to which substantially all of the assets of Tenant may be transferred or sold, provided that such successor corporation shall have a net worth and liquidity factor at least equal to the net worth and liquidity factor of Tenant as of the date hereof or otherwise reasonably acceptable to Landlord taking into account the fact that the original Tenant under this Lease is not being released, and provided that the successor corporation shall assume in writing all of the obligations and liabilities of Tenant under this Lease and the proposed use of the Premises is in compliance with Article VI; or (ii) a corporation or other business entity (a "related corporation") which shall control, be controlled by or be under common control with Tenant, shall have a net worth and liquidity factor at least equal to the net worth and liquidity factor of Tenant as of the date hereof or otherwise reasonably acceptable to Landlord taking into account the fact that the original Tenant under this Lease is not being released, and provided that such related corporation shall assume in writing all of the obligations and liabilities of Tenant under this Lease (without relieving Tenant therefrom) and the proposed use of the Premises is in compliance with Article VI. For purposes of clause (ii) above, "control" shall be deemed to be ownership of more than fifty percent (50%) of the stock or other voting interest of the controlled corporation or other business entity.

Agents: any agent, employee, subtenant, assignee, contractor, client, family member, licensee, customer, invitee or guest of a party.

Alterations: any structural or other alterations, decorations, additions, installations, demolitions, improvements or other changes.

Approved Space Plan: a space plan, approved by both Landlord and Tenant, drawn to scale which shall include all partition types and locations; all doors and hardware requirements; all light fixtures and exit lights; all finish materials including glass, wall and floor finishes; all special ceiling conditions; all cabinetry and millwork with elevations and details; all modifications to existing base building HVAC equipment, all electrical receptacles; all data and voice locations; all floor load requirements which exceed eighty (80) pounds per square foot live load and twenty (20) pounds per square foot dead load; and the seating capacity of all conference rooms and furniture workstation areas; and all other information Landlord reasonably requires to approve said Space Plan. All of Tenant's plans shall be prepared by a licensed architect approved by Landlord and in a form sufficient to secure approvals of applicable governmental authorities.

Bankruptcy Code: Title 11 of the United States Code, as amended.

Building Directory Share: one (1) listing.

Building Structure and Systems: the exterior and common area walls, main lobby in the Building, slab floors, exterior windows, load bearing elements, foundations, roof and common areas that form a part of the Building, and the building standard mechanical, electrical, HVAC and plumbing systems, pipes and conduits that are provided by Landlord in the operation of the Building.

Cabling: telephone, computer and other communications and data systems and cabling.

Case: a formal proceeding in which Tenant is the subject debtor under the Bankruptcy Code.

Common Areas: those common and public areas and facilities of the Building and improvements to the Land which are from time to time provided by Landlord for the use or benefit of tenants in the Building or for use or benefit by the public in general, including (a) access corridors, elevator foyers and core bathrooms, to the extent the same are not located on floors of the Building fully leased to a single tenant, and (b) Building-wide mailrooms, fire rooms, vending areas, health and fitness facilities, janitorial areas and other similar facilities of the Building, and (c) any and all non-exclusive grounds, parks, landscaped areas, plazas, outside sitting areas, sidewalks, tunnels, pedestrian ways, sky bridges, loading docks, and (d) generally all other common and public improvements on the Land.

Construction Drawings: the architectural, mechanical and engineering working drawings that define the total scope of work to be performed by Landlord or Tenant, as applicable, in sufficient detail to secure required permits from the local jurisdiction and that include, without limitation: key plan; all legends and schedules; construction plan; reflected ceiling plan; telephone and electrical outlet location plan; finish plan; and all architectural details, elevations and specifications necessary to construct the Premises.

Cosmetic Changes: those minor, non-structural Alterations which cost (including installation) in the aggregate less than Fifty Thousand Dollars ($50,000) per project or series of related projects (as reasonably determined by Landlord), such as painting, carpeting and hanging pictures.

Costs: any costs, damages, claims, liabilities, expenses (including reasonable attorneys' fees), losses, penalties and court costs.

Default Rate: the lower of twelve percent (12%) per annum or the rate per annum which is five (5) whole percentage points higher than the Prime Rate published in the Money Rates section of the Wall Street Journal.

Environmental Default: any of the following by Tenant or any Agent of Tenant: a violation of an Environmental Law; a release, spill or discharge of a Hazardous Material on or from the Premises, the Land or the Building; an environmental condition requiring responsive action; or an emergency environmental condition.

Environmental Law: any present and future Law and any amendments (whether common law, statute, rule, order, regulation or otherwise), permits and other requirements or guidelines of governmental authorities applicable to the Building or the Land and relating to the environment and environmental conditions or to any Hazardous Material (including CERCLA, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300f et seq., the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. § 1101 et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., and any so-called "Super Fund" or "Super Lien" law, any Law requiring the filing of reports and notices relating to hazardous substances, environmental laws administered by the Environmental Protection Agency, and any similar state and local Laws, all amendments thereto and all regulations, orders, decisions, and decrees now or hereafter promulgated thereunder concerning the environment, industrial hygiene or public health or safety).

ERISA: the Employee Retirement Income Security Act of 1974, as amended.

Event of Bankruptcy: the occurrence with respect to any of Tenant, any Guarantor or any other person liable for Tenant's obligations hereunder (including any general partner of Tenant) of any of the following: (a) such person becoming insolvent, as that term is defined in the Bankruptcy Code or Insolvency Laws; (b) appointment of a receiver or custodian for any property of such person, or the institution of a foreclosure or attachment action upon any property of such person; (c) filing by such person of a voluntary petition under the provisions of the Bankruptcy Code or Insolvency Laws; (d) filing of an involuntary petition against such person as the subject debtor under the Bankruptcy Code or Insolvency Laws, which either (1) is not dismissed within sixty (60) days after filing, or (2) results in the issuance of an order for relief against the debtor; (e) such person making or consenting to an assignment for the benefit of creditors or a composition of creditors; (f) such person knowingly submitting (either before or after execution hereof) to Landlord any financial statement containing any material inaccuracy or omission; or (g) an admission by Tenant or Guarantor of its inability to pay debts as they become due.

Event of Default: any of the following: (a) Tenant's failure to make when due any payment of the Base Rent, additional rent or other sum, which failure shall continue for a period of five (5) business days after Landlord sends Tenant written notice thereof; (b) Tenant's failure to perform or observe any covenant or condition of this Lease not otherwise specifically described in Section 19.1, which failure shall continue for a period of thirty (30) days after Landlord sends Tenant written notice thereof (or such shorter period as is appropriate if such failure is capable of being cured sooner); provided, however, that if such cure cannot reasonably be effected within such thirty (30) day period and Tenant begins such cure promptly within such thirty (30) day period and is pursuing such cure in good faith and with diligence and continuity during such thirty (30) day period, then, except in the event of an emergency, Tenant shall have such additional time as is reasonably necessary to effect such cure; (c) Tenant's failure to take occupancy of or occupy continuously the Premises; (d) an Event of Bankruptcy; (e) Tenant's dissolution or liquidation; (f) any Environmental Default; or (g) any sublease, assignment or mortgage not permitted by Article VII

Final Construction Drawings: the Construction Drawings as approved (or deemed approved pursuant to Exhibit B) by Tenant and Landlord.

Fitness Facility: an un-staffed fitness facility within the Building.

Hazardous Materials: (a) asbestos and any asbestos containing material and any substance that is then defined or listed in, or otherwise classified pursuant to, any Environmental Law or any other applicable Law as a "hazardous substance," "hazardous material," "hazardous waste," "infectious waste," "toxic substance," "toxic pollutant" or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or Toxicity Characteristic Leaching Procedure (TCLP) toxicity, (b) any petroleum and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources, (c) toxic mold, mildew or any substance that reasonably can be expected to give rise to toxic mold or mildew, or (d) any petroleum product, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive material (including any source, special nuclear, or by-product material), medical waste, chlorofluorocarbon, lead or lead-based product, and any other substance whose presence could be detrimental to the Building or the Land or hazardous to health or the environment.

including: including, but not limited to; including, without limitation; and words of similar import.

Insolvency Laws: the insolvency Laws of any state.

IRC: Internal Revenue Code of 1986, as amended.

Land: the site upon which the Building is constructed.

Landlord Insured Parties: Landlord's advisors, the managing agent of the Building and the holder of any Mortgage, in each case of whom Landlord shall have given notice to Tenant, and any other party that Landlord may reasonably designate in writing from time to time.

Landlord's Representatives: Landlord's affiliates, shareholders, partners, directors, officers, employees, agents and representatives.

Laws: all present and future laws, ordinances (including zoning ordinances and land use requirements), regulations, orders and recommendations (including those made by any public or private agency having authority over insurance rates).

Lease Year: a period of twelve (12) consecutive months commencing on the Lease Commencement Date, and each successive twelve (12) month period thereafter; provided, however, that if the Lease Commencement Date is not the first day of a month, then the second Lease Year shall commence on the first day of the month in which the first anniversary of the Lease Commencement Date occurs.

Mortgages: all mortgages, deeds of trust, ground leases or other security instruments which may now or hereafter encumber any portion of the Building or the Land.

Operating Charges: all expenses, charges and fees incurred by or on behalf of Landlord in connection with the management, operation, ownership, maintenance, servicing, insuring and repair, including the following: (1) electricity, gas, water, HVAC (including chilled condenser water), sewer and other utility and service costs, charges and fees (including any tap fees and connection and switching fees) of every type and nature; (2) premiums, deductibles (to the extent reasonable and customary) and other charges for insurance; (3) management fees of not more than three percent (3%) of the adjusted gross revenues of the Building plus amounts that would have been received had there been no rental abatements or other concessions) and personnel costs of the Building (including all fringe benefits, workers' compensation insurance premiums and payroll taxes); (4) costs of service, equipment rental, access control, landscaping and maintenance contracts; (5) maintenance and repair expenses and supplies; (6) depreciation/amortization for capital expenditures made by Landlord to reduce operating expenses or to comply with Laws imposed after the date hereof, which shall be charged in annual installments equal to the greater of the savings realized or amortized based upon the useful life of the items for which such costs are incurred, each calendar year such costs are charged to Operating Charges, together with interest, each calendar year such costs are charged to Operating Charges, on the unamortized balance at an interest rate of one percent (1%) in excess of the Prime Rate in effect on January 1 of each calendar year; (7) charges for janitorial and cleaning services and supplies; (8) any business, professional or occupational license tax payable by Landlord with respect to the Building and any association fees; (9) intentionally omitted; (10) sales, use and personal property taxes payable in connection with tangible personal property and services purchased for and used in connection with the Building; (11) reasonable third party accounting fees relating to the determination of Operating Charges (and tenants' proportionate shares thereof) and the preparation of statements required by tenant leases; (12) expenses incurred in connection with concierge services provided to the Building (if any); (13) the fair market rental value of any management office (of reasonable and customary size, but in any event not to exceed 3,000 rentable square feet) and fitness facilities in the Building; (14) special assessments, fees, penalties and other charges and costs for transit, transit encouragement traffic reduction programs, or any similar purpose; (15) all costs of operating, maintaining and repairing equipment in any portion of any fitness facility, (to the extent not offset by separate membership or usage fees imposed by Landlord) roof deck, function room or other amenity of the Building; (16) payments required in connection with a reciprocal easement or similar agreement to which the Landlord is bound; and (17) any other expense incurred by Landlord in arm's-length transactions in connection with maintaining, repairing or operating the Building. Notwithstanding any provision contained in this Lease to the contrary, Operating Charges shall not include: (i) Real Estate Taxes; (ii) principal or interest payments on any Mortgage; (iii) the costs of special services and utilities separately charged to particular tenants of the Building; (iv) ground lease payments; (v) advertising and promotional expenses directly relating to leasing; (vi) costs for which Landlord is reimbursed by insurance proceeds or from tenants of the Building (other than such tenants' regular contributions to Operating Charges); (vii) costs directly and solely related to the maintenance and operation of the entity that constitutes the Landlord, such as accounting fees incurred solely for the purpose of reporting Landlord's financial condition; (viii) costs of repairs, replacements or other work occasioned by fire, windstorm or other casualty, or the exercise by governmental authorities of the right of eminent domain (except a commercially reasonable deductible); (ix) leasing commissions, attorney's fees, costs, disbursements and other expenses incurred by Landlord or its agents in connection with negotiations for leases with tenants, other occupants or prospective tenants or other occupants of the Building, and similar costs incurred in connection with disputes with and/or enforcement of any leases with tenants, other occupants, or prospective tenants or other occupants of the Building; (x) tenant allowances, tenant concessions, and other costs and expenses (including permit, license and inspection fees) incurred in connection with completing, fixturing, furnishing, renovating or otherwise improving, decorating or redecorating leased premises for tenants or other occupants, or vacant, leasable space in the Building, including space planning/interior architecture fees and/or engineering for same; (xi) costs or expenses (including fines, penalties and legal fees) incurred due to the violation (as compared to compliance costs) by Landlord, its agents, any tenant (other than Tenant) or other occupant of the Building of any terms and conditions of this Lease or of the leases of other tenants in the Building, and/or of any valid applicable Laws that would not have been incurred but for such violation by Landlord, its agent, tenant, or other occupant, it being intended that each party shall be responsible for the costs resulting from its violation of such leases and Law; (provided that reasonable attorneys fees to enforce rules and regulations for the Building shall be included in Operating Charges); (xii) penalties for any late payment by Landlord, including taxes and equipment leases; (xiii) compensation paid to clerks, attendants or other persons in commercial concessions (such as a snack bar, restaurant or newsstand, but not including Building amenities such as a fitness center or the parking facilities); (xiv) Landlord's contributions to charitable organizations; (xv) costs of correcting defects, including any allowances for same, in the original construction of the Building; (xvi) costs in connection with services (including electricity), items or other benefits of a material type which are not available to Tenant without specific charge therefor, but which are provided to another tenant or occupant of the Building, whether or not such other tenant or occupant is specifically charged therefor by Landlord; (xvii) costs or expenses for sculpture, paintings or other works of art, including costs incurred with respect to the purchase, ownership, leasing, showing, promotion, securing, repair and/or maintenance of same, other than normal building decorations customary in buildings comparable to the Building; and (xviii) costs arising from the presence of Hazardous Materials in, about or below the Land or the Building (including any Hazardous Materials brought to, deposited on or disposed of at the Building by Landlord or Landlord's Agents, but excluding those Hazardous Materials utilized in connection with the operation, maintenance and repair of the Building in the ordinary course and those brought, deposited or disposed of by Tenant or Tenant's Agents with respect to its use or occupancy of space in the Building).

Operating Charges Base Amount: the Operating Charges incurred during the Operating Charges Base Year.

Parking Facility: the parking facility at the Building.

Permitted Recipient: the officers, partners and senior level employees of Tenant who are involved in lease administration, Tenant's certified public accountants who have responsibilities related to Operating Charges, Tenant's attorney if involved in the dispute, any employees of Tenant's auditor involved with the review, or any person or entity to whom disclosure is required by applicable judicial or governmental authority.

Prime Rate: the prime rate published in the Money Rates section of the Wall Street Journal.

Proposed Sublease Commencement Date: the anticipated commencement date of the proposed assignment, subletting or other transaction.

Proposed Sublet Space: the area proposed to be assigned, sublet or otherwise encumbered.

Real Estate Taxes Base Amount: the Real Estate Taxes incurred during the Real Estate Taxes Base Year.

Real Estate Taxes: (1) all real estate taxes, vault and/or public space rentals, business district or arena taxes, special user fees, rates and assessments (including general and special assessments, if any), ordinary and extraordinary, foreseen and unforeseen, which are imposed upon Landlord or assessed against the Building or the Land, or Landlord's personal property used in connection therewith; (2) any other present or future taxes or charges that are imposed upon Landlord or assessed against the Building which are in the nature of or in substitution for real estate taxes, including any tax levied on or measured by the gross rents payable by tenants of the Building, any public safety fee or similar charge, any transit, sales, rental, use, receipts or occupancy tax or fee, and any assessment imposed in connection with business improvement or similar districts; and (3) reasonable expenses (including reasonable attorneys' and consultants' fees and court costs) incurred in reviewing, protesting or seeking a reduction or abatement of, or defending or otherwise participating in any challenge to, real estate taxes, whether or not such protest or reduction is ultimately successful (provided, however, that such review, protest, or reduction attempt is undertaken in good faith by Landlord with the reasonable expectation to reduce Real Estate Taxes for the Building). Real Estate Taxes shall not include any inheritance, estate, gift, franchise, corporation, net income or net profits tax assessed against Landlord from the operation of the Building, or any interest charges or penalties incurred as a result of Landlord's failure to timely pay Real Estate Taxes (provided that if the taxing authority permits a taxpayer to elect to pay in installments, then, for purposes of determining the amount of Real Estate Taxes, if Landlord so elects to pay in installments, all interest charges shall be deemed Real Estate Taxes).

Reconciliation Statement: a reasonably detailed written statement showing (1) Tenant's Proportionate Share of the amount by which Operating Charges or Real Estate Taxes, as applicable, incurred during the preceding calendar year exceeded, respectively, the Operating Charges Base Amount or the Real Estate Taxes Base Amount and (2) the aggregate amount of Tenant's estimated payments made on account of Operating Charges and Real Estate Taxes during such year.

Retail Area Charges: those expenses, if any, that are solely attributable to and payable by tenants of the Retail Area (for example, expenses relating to janitorial, bussing and cleaning services; storage and removal of trash; maintenance and replacement of tables, chairs, trash receptacles and other furnishings or facilities; and electricity, gas, water, sewer and other utility service furnished solely to such space, to the extent applicable).

Structural and System Alterations: any Alteration that will or may necessitate any changes, replacements or additions to the load-bearing or exterior walls, non-drop ceilings, partitions (load-bearing or non-demising), columns or floor, or to the fire protection, water, sewer, electrical, mechanical, plumbing, HVAC or other base building systems, of the Premises or the Building; provided, however, that Landlord shall be solely responsible for the repair of any structural and/or latent defects in the base Building, including, but not limited to, the roof, over the Lease Term and any Renewal Term.

Tenant Items: all non-Building standard supplemental heating, ventilation and air conditioning equipment and systems serving exclusively the Premises, facilities and finishes, any special fire protection equipment, any telecommunications, security, data, computer and similar equipment, cabling and wiring, kitchen/galley equipment and fixtures, all other furniture, furnishings, equipment and systems of Tenant and all Alterations.

Tenant's Sublease Request Notice: a notice to Landlord containing: the identity of a proposed assignee, subtenant or other party and its business; the terms of the proposed assignment, subletting or other transaction (including a copy of the proposed document for same); the Proposed Sublease Commencement Date; the Proposed Sublet Space; financial statements for the prior two (2) years certified by an authorized officer of Tenant or a certified public accounting firm, or other evidence of financial responsibility of such proposed assignee, subtenant to other party; and a certification executed by Tenant and such party stating whether or not any premium or other consideration is being paid for the assignment, sublease or other transaction.

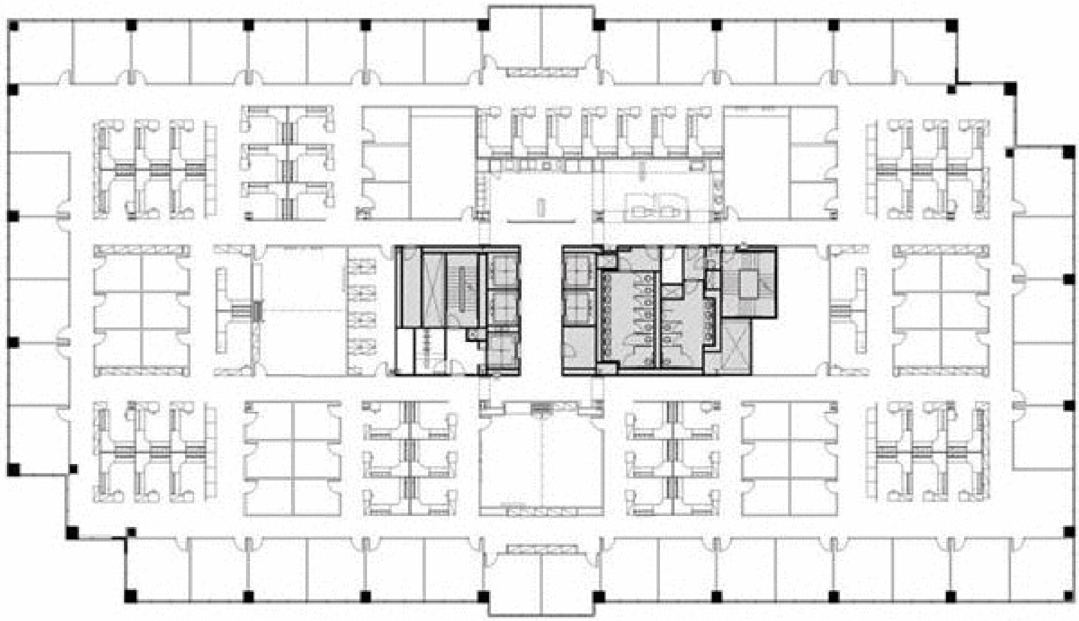
Tenant's Work: As defined in Exhibit B.

Trustee: a trustee-in-bankruptcy of Tenant under a Case.

EXHIBIT A

PLAN SHOWING PREMISES

7th Floor – 200 Crossing Blvd.



8th Floor – 200 Crossing Blvd.

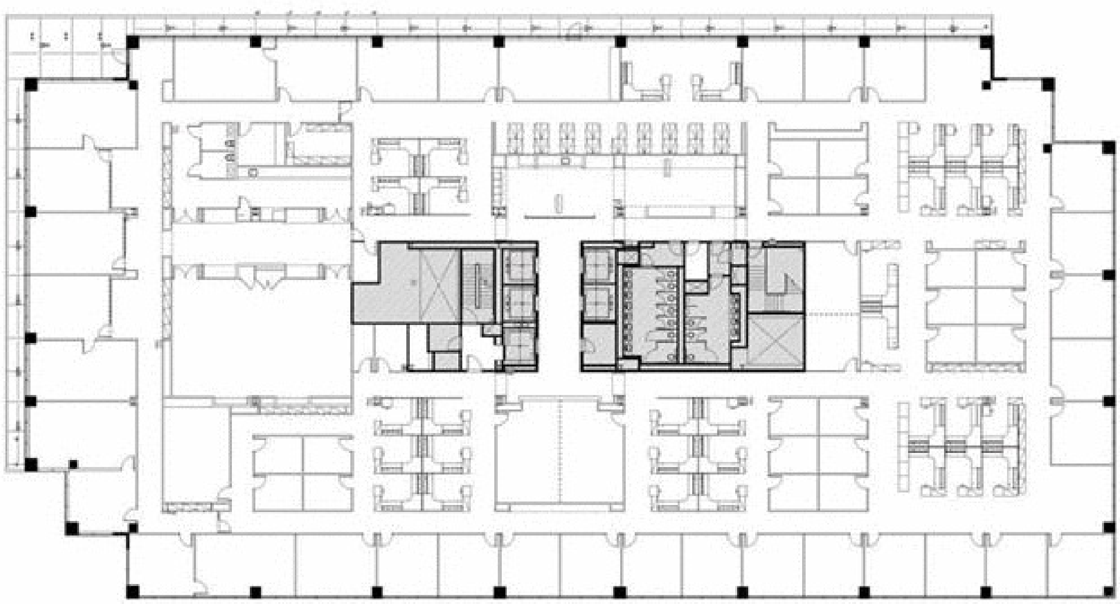


EXHIBIT B

WORK AGREEMENT

This Exhibit is attached to and made a part of that certain Lease Agreement dated as of October , 2011 (the "Lease"), by and between WELLS REIT — BRIDGEWATER NJ, LLC, a Delaware limited liability company ("Landlord"), and SYNCHRONOSS TECHNOLOGIES, INC., a Delaware corporation ("Tenant"). Terms used but not defined in this Exhibit shall have the meaning ascribed to them in the Lease.

2. Tenant's Authorized Representative. Tenant designates ("Tenant's Authorized Representative") as the person authorized to approve all budgets, plans, drawings and change orders pursuant to this Exhibit. Landlord shall not be obligated to respond to or act upon any such item until such item has been approved in writing by Tenant's Authorized Representative.

3. Landlord's Work. Landlord, through its independent designated contractor, shall install in the Premises those initial improvements specified in the Approved Space Plan and Final Construction Drawings (collectively with any subsequent modifications or additions, "Landlord's Work"). Landlord shall not be obligated to provide any improvements, and the Premises shall be delivered containing no property of any kind, other than Landlord's Work. Tenant shall pay all costs and expenses (including a construction management fee in the amount of three percent (3%) of the total cost of the initial buildout), and all fees and charges for utilities during the initial buildout) incurred in connection with the Leasehold Improvements to the extent such costs and expenses exceed an allowance (the "Initial Allowance") equal to the product of (a) thirty-six and 00/100 dollars ($36.00), multiplied by (b) the number of square feet of rentable area in the Premises. Tenant shall not receive any credit, cash or otherwise, for any unused portion of the Allowance. Notwithstanding the foregoing, in the event that the cost of the completion of the Landlord's Work of the Premises exceeds the Initial Allowance, Landlord, at Tenant's written request, shall contribute an additional allowance (the "Additional Allowance") equal to the product of (a) ten and 00/100 dollars ($10.00), multiplied by (b) the number of square feet of rentable area in the Premises. The full amount of the Additional Allowance will be amortized over the Lease Term, at an interest rate of nine percent (9%) per annum, and shall be payable, as Additional Rent, along with Tenant's monthly installments of Base Rent, in accordance with the provisions of Article IV. The Initial Allowance and Additional Allowance are collectively referred to as the "Allowance." Tenant shall pay fifty percent (50%) of Landlord's reasonable estimate of those costs and expenses (if any) which exceed the Allowance on or before the later to occur of (i) the earlier to occur of (A) the date the preliminary space plan is prepared and delivered to Tenant, or (B) the date of Tenant's execution of the Lease, or (ii) the tenth (10th) day after the date Landlord gives Tenant notice of Landlord's estimate of such expenses. Tenant shall pay twenty-five percent (25%)/the remainder of of such estimate within ten (10) days after Tenant's receipt of a notice stating that Landlord's Work are fifty percent (50%) complete, as reasonably determined by Landlord. Tenant shall pay for all such costs and expenses (minus any estimated payments made as aforesaid) when Landlord's Work are substantially complete and Tenant receives a bill therefor. Tenant shall pay such bill, if any, no later than the earlier of the Lease Commencement Date or ten (10) days after Tenant's receipt thereof. All amounts payable pursuant to this Exhibit by Tenant shall be considered additional rent and are subject to the provisions of the Lease.

4. Schedule.

(a) Tenant shall be solely responsible for the timely completion of all plans and drawings and for their compliance with all Laws. All of Tenant's plans shall be prepared by Cerminara Architect AIA, who is hereby approved by Landlord, shall be in a form sufficient to secure the approval of government authorities with jurisdiction over the approval thereof, and shall be otherwise satisfactory to Landlord.

(b) Tenant shall submit to Landlord a final space plan and all specifications, details, finishes (including paint and carpet selections), elevations and sections, all as approved by Tenant and Landlord ("Tenant's Space Plan"), on or before the date of execution of this Lease. Tenant's Space Plan shall indicate partition layout, door location, special equipment types, floor load requirements, telephone and electrical outlet locations, and the seating capacity of all conference rooms.

(c) Tenant shall submit to Landlord final architectural, mechanical and engineering working drawings approved by Tenant and Landlord on or before October 31, 2011. Such architectural working drawings shall include: master legend, construction plan, reflected ceiling plan, telephone and electrical outlet layout, finish plan and all architectural details, elevations and specifications necessary to construct the Premises. Promptly after submission of the final architectural drawings, Landlord shall prepare an estimation of the cost of providing the Leasehold Improvements.

(d) The deadlines specified in this Paragraph shall apply whether plans and drawings are prepared by Landlord's architect or engineer or an architect or engineer selected by Tenant. All deadlines must be met in order to allow Landlord sufficient time to review plans and drawings, discuss with Tenant any changes thereto which Landlord believes to be necessary or desirable, and complete substantially the Premises within the time frame provided in Article III of the Lease. The parties intend for each such deadline to be the applicable deadline, even if any such deadline is before the date the Lease is executed.

5. Approval. All plans and drawings (and changes thereto) shall be subject to mutual written approval of both Landlord and Tenant. Such approval shall not constitute either (a) approval of any delay caused by Tenant or a waiver of any right or remedy that may arise as a result of such delay, or (b) Landlord's representation that such approved plans, drawings or changes comply with all Laws. Any deficiency in design or construction, although same had prior approval of Landlord, shall be solely the responsibility of Tenant.

6. Change Orders. If Tenant requests any change or addition to the work or materials to be provided by Landlord pursuant to this Exhibit after Tenant's approval of the Approved Space Plan or the Final Construction Drawings, then Landlord shall perform such change or addition. All additional expenses attributable to any change order requested by Tenant and reasonably approved by Landlord shall be payable by Tenant prior to the performance of the work contemplated by such change order. If Landlord submits an estimate of the additional expenses attributable to a change order, and the Allowance is insufficient to pay such additional expense, then Tenant shall pay such estimated additional expenses prior to the performance of the work contemplated by such change order. If the actual additional expenses attributable to such change order exceed such estimated additional expenses, then Tenant shall pay the amount of such excess no later than the earlier of the Lease Commencement Date or ten (10) days after Tenant's receipt of a bill therefor. If such estimated additional expenses exceed the actual additional expenses attributable to such change order, then the amount of such excess shall be credited against the first installment(s) of rent.

7. Substantial Completion.

(a) Except as provided in Paragraph 6(b), the Premises shall be deemed to be ready for occupancy when all work and materials to be provided by Landlord pursuant to this Exhibit, have been substantially completed (except for items of work and adjustment of equipment and fixtures that can be completed after the Premises are occupied without causing substantial interference with Tenant's use of the Premises (i.e., the "punch list" items)), as reasonably determined by Tenant's architect in its professional judgment, as confirmed by Landlord.

(b) If Landlord shall be delayed in completing the work and materials to be provided pursuant to this Exhibit as a result of (1) Tenant's failure to comply with any of the approval requirements and deadlines specified in this Exhibit or with any of the other requirements of this Exhibit or the Lease, (2) Tenant's request for modifications to the Approved Space Plans or the Final Construction Drawings, (3) Tenant's failure to pay when due any amount required pursuant to this Exhibit, (4) Tenant's request for long lead time materials, finishes or installations, or (5) the performance or timing of any work, or the entry into the Premises, by Tenant or any person or firm employed or retained by Tenant, then for purposes of determining the Lease Commencement Date, the work and materials to be provided pursuant to this Exhibit shall be deemed to have been substantially complete on the date that the parties mutually agree that such work and materials would have been substantially complete if such delay(s) had not occurred. Notwithstanding the foregoing, the Rent Commencement Date shall remain May 1, 2012, and Tenant's sole remedies for any non-Tenant delays shall be as limited in Section 3.3 of the Lease.

8. Possession. Tenant's taking of possession of the Premises to conduct its business therefrom shall constitute Tenant's acknowledgment that the Premises are in good condition and that all work and materials are satisfactory, except as to any defect or incomplete work that is described in a written notice given by Tenant to Landlord promptly following the walkthrough inspection. Tenant and its agents shall have no right to make any alteration in the Premises until Tenant submits such written notice. Landlord will correct and complete those defects and incomplete items described in such notice which Landlord reasonably confirms are in fact defects or incomplete items. Tenant shall accompany Landlord to prepare the punch list on or before the date Tenant takes possession of the Premises.

EXHIBIT C

RULES AND REGULATIONS

This Exhibit is attached to and made a part of that certain Lease Agreement dated as of October , 2011 (the "Lease"), by and between WELLS REIT — BRIDGEWATER NJ, LLC, a Delaware limited liability company ("Landlord"), and SYNCHRONOSS TECHNOLOGIES, INC., a Delaware corporation ("Tenant").

The following rules and regulations have been formulated for the safety and well-being of all tenants of the Building. Strict adherence to these rules and regulations is necessary to guarantee that every tenant will enjoy a safe and undisturbed occupancy of its premises. Any violation of these rules and regulations by Tenant shall constitute a default by Tenant under the Lease.

A. ALL TENANTS.

The following rules shall be applicable to all tenants of the Building:

1. Tenant shall not obstruct or encumber or use for any purpose other than ingress and egress to and from the Premises any sidewalk, entrance, passage, court, elevator, vestibule, stairway, corridor, hall or other part of the Building not exclusively occupied by Tenant. No bottles, parcels or other articles shall be placed, kept or displayed on window ledges, in windows or in corridors, stairways or other public parts of the Building. Tenant shall not place any showcase, mat or other article outside the Premises. Nothing may be placed on or about balcony areas, if any, of the Building without Landlord's prior written approval. Tenant shall keep all portions of the Premises which are visible from the Building's central atrium (if any) in a tasteful, neat and orderly condition characteristic of first-class professional offices, so as not to be offensive to other tenants of the Building. No desks, bookcases, file cabinets and other furniture shall be placed against the glass surrounding the Building's central atrium (if any).

2. Landlord shall have the right to control and operate the public portions of the Building and the facilities furnished for common use of the tenants, in such manner as Landlord deems best for the benefit of the tenants generally. Tenant shall not permit the visit to the Premises of persons in such numbers or under such conditions as to interfere with the use and enjoyment of the entrances, corridors, elevators and other public portions or facilities of the Building by other tenants. Tenant shall coordinate in advance with Landlord's property management department all deliveries to the Building so that arrangements can be made to minimize such interference. Tenant shall not permit its employees and invitees to congregate in the elevator lobbies or corridors of the Building. Canvassing, soliciting and peddling in the Building are prohibited, and Tenant shall cooperate to prevent the same. Public corridor doors, when not in use, shall be kept closed. Nothing, including mats and trash, shall be placed, swept or thrown into the corridors, halls, elevator shafts, stairways or other public or Common Areas.

3. Tenant shall not attach, hang or use in connection with any window or door of the Premises any drape, blind, shade or screen, without Landlord's prior written consent. All awnings, drapes projections, curtains, blinds, shades, screens and other fixtures shall be of a quality, type, design and color, and shall be attached in a manner, approved in writing by Landlord. Any Tenant-supplied window treatments shall be installed behind Landlord's standard window treatments so that Landlord's standard window treatments will be what is visible to persons outside the Building. Drapes (whether installed by Landlord or Tenant) which are visible from the exterior of the Building shall be cleaned by Tenant at least once a year, without notice from Landlord, at Tenant's own expense.

4. Tenant shall not use the water fountains, water and wash closets, and plumbing and other fixtures for any purpose other than those for which they were constructed, and Tenant shall not place any debris, rubbish, rag or other substance therein (including coffee grounds). All damages from misuse of fixtures shall be borne by the tenant causing same.

5. Tenant shall not construct, maintain, use or operate within the Premises any electrical device, wiring or apparatus in connection with a loudspeaker system (other than an ordinary telephone and paging system) or other sound system, in connection with any excessively bright, changing, flashing, flickering or moving light or lighting device, or in connection with any similar device or system, without Landlord's prior written consent. Tenant shall not construct, maintain, use or operate any such device or system outside of its Premises or within such Premises so that the same can be heard or seen from outside the Premises. No flashing, neon or search lights shall be used which can be seen outside the Premises. Only warm white lamps may be used in any fixture that may be visible from outside the Building or Premises. Tenant shall not maintain, use or operate within the Premises any space heater.

6. Tenant shall not bring any bicycle, vehicle, animal, bird or pet of any kind into the Building, except seeing-eye or hearing-ear dogs for handicapped persons visiting the Premises. Except while loading and unloading vehicles, there shall be no parking of vehicles or other obstructions placed in the loading dock area.

7. Except as specifically provided to the contrary in the Lease, Tenant shall not cook or permit any cooking on the Premises, except for microwave cooking and use of coffee machines by Tenant's employees for their own consumption. Tenant shall not cause or permit any unusual or objectionable odor to be produced upon or emanate from the Premises.

8. Tenant shall not make any unseemly or disturbing noise or disturb or interfere with occupants of the Building, whether by the use of any musical instrument, radio, talking machine or in any other way.

9. Tenant shall not place on any floor a load exceeding the floor load per square foot which such floor was designed to carry. Landlord shall have the right to prescribe the weight, position and manner of installation of safes and other heavy equipment and fixtures. Landlord shall have the right to repair at Tenant's expense any damage to the Premises or the Building caused by Tenant's moving property into or out of the Premises or due to the same being in or upon the Premises or to require Tenant to do the same. Tenant shall not receive into the Building or carry in the elevators any safes, freight, furniture, equipment or bulky item except as approved by Landlord, and any such furniture, equipment and bulky item shall be delivered only through the designated delivery entrance of the Building and the designated freight elevator at designated times. Tenant shall remove promptly from any sidewalk adjacent to the Building any furniture, furnishing, equipment or other material there delivered or deposited for Tenant. Landlord reserves the right to inspect all freight to be brought into the Building, except for government classified and confidential client materials, and to exclude from the Building all freight which violates any of these rules or the Lease.

10. Tenant shall not place additional locks or bolts of any kind on any of the doors or windows, and shall not make any change in any existing lock or locking mechanism therein, without Landlord's prior written approval. At all times Tenant shall provide Landlord with a "master" key for all locks on all doors and windows. Tenant shall keep doors leading to a corridor or main hall closed at all times except as such doors may be used for ingress or egress and shall lock such doors during all times the Premises are unattended. Tenant shall, upon the termination of its tenancy: (a) restore to Landlord all keys and security cards to stores, offices, storage rooms, toilet rooms, the Building and the Premises which were either furnished to, or otherwise procured by, Tenant, and in the event of the loss of any keys so furnished, Tenant shall pay the replacement cost thereof; and (b) inform Landlord of the combination of any lock, safe and vault in the Premises. At Landlord's request, Landlord's then customary charge per key shall be paid for all keys in excess of two (2) of each type. Tenant's key system shall be consistent with that for the rest of the Building.

11. Except as shown in the Final Construction Drawings, Tenant shall not install or operate in the Premises any electrically operated equipment or machinery (other than standard servers, desk-top office equipment, including desk-top computers and copiers, typewriters, facsimile machines, printers or other similar equipment used in connection with standard office operations) without obtaining the prior written consent of Landlord. Landlord may condition such consent upon Tenant's payment of additional rent in compensation for the excess consumption of electricity or other utilities and for the cost of any additional wiring or apparatus that may be occasioned by the operation of such equipment or machinery. Landlord shall have the right at any time and from time to time to designate the electric service providers for the Building. Tenant shall cooperate with Landlord and such service providers and shall allow, as reasonably necessary, access to the Building's electric lines, feeders, risers, wiring and any other Building machinery. Tenant shall not install any equipment of any type or nature that will or may necessitate any changes, replacements or additions to, or changes in the use of, the water system, heating system, plumbing system, air-conditioning system or electrical system of the Premises or the Building, without obtaining Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole and absolute discretion. If any machine or equipment of Tenant causes noise or vibration that may be transmitted to such a degree as to be objectionable to Landlord or any tenant in the Building, then Landlord shall have the right to install at Tenant's expense vibration eliminators or other devices sufficient to reduce such noise and vibration to a level satisfactory to Landlord or to require Tenant to do the same.

12. All telephone and telecommunications services desired by Tenant shall be ordered by and utilized at the sole expense of Tenant. Unless Landlord otherwise requests or consents in writing, all of Tenant's telecommunications equipment shall be and remain solely in the Premises and the telephone closet(s) designated by Landlord. Landlord shall have no responsibility for the maintenance of Tenant's telecommunications equipment (including wiring) nor for any wiring or other infrastructure to which Tenant's telecommunications equipment may be connected. Landlord shall have the right, upon reasonable prior notice to Tenant (except in the event of an emergency), to interrupt telecommunications facilities as necessary in connection with any repairs or with installation of other telecommunications equipment. Subject to the provisions of the Lease, Tenant shall not utilize any wireless communications equipment (other than usual and customary cellular telephones), including antennae and satellite receiver dishes, at the Premises or the Building, without Landlord's prior written consent, which may be granted or withheld in Landlord's sole and absolute discretion.

13. No telephone, telecommunications or other similar provider whose equipment is not then servicing the Building shall be permitted to install its lines or other equipment within or about the Building without first securing the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord's approval shall not be deemed any kind of warranty or representation by Landlord, including any warranty or representation as to the suitability, competence, or financial strength of the provider. Without limitation of the foregoing standards, as specific conditions of any consent: (i) Landlord shall incur no expense whatsoever with respect to any aspect of the provider's provision of its services (including the costs of installation, materials and services); (ii) prior to commencement of any work in or about the Building by the provider, the provider shall supply Landlord with such written indemnities, insurance, financial statements, and such other items as Landlord reasonably determines and Landlord shall have reasonably determined that there is sufficient space in the Building for the placement of the necessary equipment and materials; (iii) the provider agrees to abide by such rules and regulations, building and other codes, job site rules and such other requirements as are reasonably determined by Landlord to be necessary; (iv) the provider shall agree to use existing building conduits and pipes or use building contractors (or other contractors approved by Landlord); (v) the provider shall pay Landlord such compensation as is reasonably determined by Landlord to compensate it for space used in the building for the storage and maintenance of the provider's equipment, the fair market value of a provider's access to the Building, and the costs which may reasonably be expected to be incurred by Landlord; (vi) the provider shall agree to deliver to Landlord detailed "as built" plans immediately after the installation of the provider's equipment is complete; and (vii) all of the foregoing matters shall be documented in a written agreement between Landlord and the provider on Landlord's standard form and otherwise reasonably satisfactory to Landlord.

14. Landlord reserves the right to exclude from the Building at all times any person who does not properly identify himself to the Building management or attendant on duty. Landlord shall have the right to exclude any undesirable or disorderly persons from the Building at any time. Landlord may require all persons admitted to or leaving the Building to show satisfactory identification and to sign a register. Tenant shall be responsible for all persons for whom it authorizes entry into the Building and shall be liable to Landlord for all acts of such persons. Landlord has the right to evacuate the Building in the event of emergency or catastrophe or for the purpose of holding a reasonable number of fire drills.

15. Tenant shall not permit or encourage any loitering in or about the Premises and shall not use or permit the use of the Premises for lodging, dwelling or sleeping.

16. Tenant, before closing and leaving the Premises at the end of each business day, shall see that all lights and equipment are turned off, including coffee machines.

17. Tenant shall not request Landlord's employees to perform any work or do anything outside of such employees' regular duties without Landlord's prior written consent. Tenant's special requirements will be attended to only upon application to Landlord, and any such special requirements shall be billed to Tenant in accordance with the schedule of charges maintained by Landlord from time to time or as is agreed upon in writing in advance by Landlord and Tenant. Tenant shall not employ any of Landlord's employees for any purpose whatsoever without Landlord's prior written consent. Tenant shall notify Landlord or the Building manager of any person employed by it to do janitorial work within the Premises, except for full-time employees of Tenant, prior to such person's commencing work, and such person shall, while in the Building and outside of the Premises, comply with all instructions issued by Landlord or its representatives.

18. There shall not be used in any space, or in the public halls of the Building, either by any tenant or by jobbers or others in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and side guards. Tenant shall be responsible for any loss or damage resulting from any deliveries made by or for Tenant.

19. Tenant shall not install or permit the installation of any wiring for any purpose on the exterior of the Premises. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires or stringing of wires will be allowed without written consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord. All such work shall be effected pursuant to permits issued by all applicable governmental authorities having jurisdiction. Tenant shall not do anything, or permit anything to be done, in or about the Building, or bring or keep anything therein, that will in any way increase the possibility of fire or other casualty or obstruct or interfere with the rights of, or otherwise injure or annoy, other tenants, or do anything in conflict with the valid pertinent laws, rules, or regulations of any governmental authority.

20. Tenant acknowledges that it is Landlord's intention that the Building be operated in a manner which is consistent with the highest standards of cleanliness, decency and morals in the community which it serves. Toward that end, Tenant shall not sell, distribute, display or offer for sale any

item which, in Landlord's judgment, is inconsistent with the quality of operation of the Building or may tend to impose or detract from the moral character or image of the Building. Tenant shall not use the Premises for any immoral or illegal purpose. Tenant shall cooperate with Building employees in keeping the Premises neat and clean.

21. Unless otherwise expressly provided in the Lease, Tenant shall not use, occupy or permit any portion of the Premises to be used or occupied for the storage, manufacture, or sale of liquor.

22. Tenant shall purchase or contract for waxing, rug shampooing, venetian blind washing, interior glass washing, furniture polishing, janitorial work, removal of any garbage from any dining or eating facility or for towel service in the Premises, only from contractors, companies or persons approved by Landlord.

23. Tenant shall not remove, alter or replace the ceiling light diffusers, ceiling tiles or air diffusers in any portion of the Premises without the prior written consent of Landlord

24. Tenant shall not purchase water, ice, coffee, soft drinks, towels, or other merchandise or services from any company or person whose repeated violation of Building regulations has caused, in Landlord's opinion, a hazard or nuisance to the Building and/or its occupants and Landlord has provided Tenant with a complete list of such companies.

25. Tenant shall not use the Premises as headquarters for large scale employment of workers for other locations.

26. Tenant shall not in any manner deface any part of the Premises or the Building. Other than ordinary office decorations, no stringing of wires, boring or cutting shall be permitted except with Landlord's prior written consent. Any floor covering installed by Tenant shall have an under layer of felt rubber, or similar sounddeadening substance, which shall not be affixed to the floor by cement or any other non-soluble adhesive materials.

27. Should Tenant's use and occupancy of the Premises require the installation of supplemental cooling, and should the Building contain a closed loop, Tenant agrees that its supplemental cooling requirements will be serviced by tapping into the Building's closed loop. Tenant shall be responsible for the cost of connecting into the loop and agrees to pay to Landlord as additional rent the monthly tap fee in accordance with Landlord's then-current rate schedule. Should the Building not contain a closed loop, Tenant agrees to be responsible for fees associated with placing equipment on the roof of the Building.

28. Tenant shall handle its newspapers, "office paper," garbage, trash and other waste products in the manner required by applicable law (as the same may be amended from time to time) whether required of Landlord or otherwise and shall conform with any recycling plan instituted by Landlord. Landlord shall have no obligation to accept any waste that is not prepared for collection in accordance with any such requirements. Landlord reserves the right to require Tenant to arrange for waste collection, at Tenant's sole cost and expense, utilizing a contractor reasonably satisfactory to Landlord, and to require Tenant to pay all costs, expenses, fines, penalties, or damages that may be imposed on Landlord or Tenant by reason of Tenant's failure to comply with any such requirements. If Tenant is unable to comply with Landlord's standard procedures regarding the internal collection, sorting, separation and recycling of waste, then, upon reasonable advance notice to Landlord, Landlord shall use reasonable efforts to arrange for alternative procedures for Tenant, provided Tenant shall pay Landlord all additional costs incurred by Landlord with respect thereto.

29. Tenant shall not bring or keep, or permit to be brought or kept, in the Building any weapon or flammable, combustible or explosive fluid, chemical or substance, except as otherwise expressly permitted in the Lease.

30. Tenant shall comply with all workplace smoking Laws. There shall be no smoking in bathrooms, elevator lobbies, elevators, terraces, loading docks, plaza areas, and other Common Areas.

31. All wiring and cabling installed by Tenant shall be marked and coded, in a manner reasonably acceptable to Landlord, to identify such facilities as belonging to Tenant and the point of commencement and termination of such facilities. All such cabling and wiring shall, at Landlord's request, be removed by Tenant upon the expiration or termination of the Lease if required by the terms of the Lease or if applicable governmental agencies require removal of such facilities upon the termination of their use or abandonment.

32. Landlord may, upon request of Tenant, waive Tenant's compliance with any of the rules, provided that (a) no waiver shall be effective unless signed by Landlord, (b) no waiver shall relieve Tenant from the obligation to comply with such rule in the future unless otherwise agreed in writing by Landlord, (c) no waiver granted to any tenant shall relieve any other tenant from the obligation of

complying with these rules and regulations, and (d) no waiver shall relieve Tenant from any liability for any loss or damage resulting from Tenant's failure to comply with any rule. Landlord reserves the right to rescind any of these rules and make such other and further rules as in the judgment of Landlord shall from time to time be needed for the safety, protection, care, and cleanliness of the Building, the operation thereof, the preservation of good order therein, and the protection and comfort of its tenants, their agents, employees, and invitees, which rules when made and notice thereof given to a tenant shall be binding upon it in like manner as if originally herein prescribed. In the event of any conflict or inconsistency between the terms and provisions of these rules, as now or hereafter in effect, and the terms and provision of the Lease, the terms and provision of the Lease shall prevail.

B. RETAIL TENANTS ONLY.

The following rules shall be applicable to retail tenants only:

1. Tenant shall replace promptly any cracked or broken glass in the Premises (including all windows, display cases, countertops and doors) with glass of like color, kind and quality.

2. Tenant shall not operate its business in a manner which is commonly known as a "discount house", "wholesale house", "cut-rate store", or "outlet store". The Premises shall not be used for conducting any barter, trade, or exchange of goods, or sale through promotional give-away gimmicks, or any business involving the sale of second-hand goods, insurance salvage stock or fire sale stock, and shall not be used for any auction or pawnshop business, any fire sale, bankruptcy sale, going-out-of-business sale, moving sale, bulk sale or any other business which, because of merchandising methods or otherwise, would tend to lower the first-class character of the Building.

3. Tenant shall not receive or ship articles of any kind outside the designated loading area for the Premises or other than during the designated loading times.

4. Tenant shall keep any garbage, trash, rubbish or other refuse in rat-proof containers within the interior of the Premises; deposit daily such garbage, trash, rubbish and refuse in receptacles designated by Landlord; and enclose and/or shield such receptacles in a manner approved by Landlord.

5. Tenant shall not sell, display or offer for sale any roach clip, water pipe, bong, coke spoon, cigarette papers, hypodermic syringe or other paraphernalia which in Landlord's opinion are commonly used in connection with illegal drugs, or any pornographic, lewd, suggestive or "adult" newspaper, book, magazine, film, picture or merchandise of any kind.

6. Tenant shall not install burglar bars in or to the Premises without Landlord's prior approval and if requested to do so by Landlord, install a locking system compatible with the locking system being used by Landlord at the Building.

EXHIBIT D

CERTIFICATE AFFIRMING THE LEASE COMMENCEMENT DATE

This Certificate is being provided pursuant to that certain Lease Agreement dated as of , 201 (the "Lease"), by and between WELLS REIT — BRIDGEWATER NJ, LLC, a Delaware limited liability company ("Landlord"), and SYNCHRONOSS TECHNOLOGIES, INC., a Delaware corporation ("Tenant"). The parties to the Lease desire to confirm the following:

1. The Lease Commencement Date is , 201 .

2. The initial Lease Term shall expire on , .

Attached to this Certificate is evidence of payment of premiums for all insurance required pursuant to the Lease.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Certificate under seal on , 201 .

WITNESS/ATTEST:

LANDLORD:

WELLS REIT — BRIDGEWATER NJ, LLC, a Delaware limited liability company

By: ____________________
Name: ____________________
Title: ____________________

WITNESS/ATTEST:

TENANT:

SYNCHRONOSS TECHNOLOGIES, INC. a Delaware corporation

By: ____________________ [SEAL]
Name: ____________________
Title: ____________________

EXHIBIT E

EXERCISE FACILITY CONSENT AND WAIVER OF LIABILITY

In order to use the fitness facilities and equipment located at (the "Building"), I hereby certify, covenant, and agree:

1. I am in good physical condition and able to use the facilities and equipment and to participate in any and all exercise and fitness activities available or to be available. I have a reasonable basis for this opinion due to examination and/or consultation with my physician. I fully recognize that I am responsible for knowledge of my own state of health at all times.

2. I will do all exercise and participate in all activities at my own pace and at my own risk. I will use good judgment while exercising, will not overexert, and will follow any instructions concerning exercise procedures. If I have any questions regarding my workout, I will consult a trained professional.

3. I acknowledge that the fitness facility is unstaffed. I understand and acknowledge that neither the owner of the Building ("Owner"), nor the property management company ("Manager"), nor any of their agents, advisors or employees, represents that its employees, personnel or agents have expertise in diagnosing, examining or treating medical conditions of any kind of in determining the effect of any specific exercise on such medical condition.

4. I understand that in participating in one or more exercises or fitness activities at the facility, or in use of the equipment or the facility in any way, there is a possibility of accidental or other physical injury or loss of my personal property. I agree to assume that risk of any such accident or injury or loss of property. I hereby release and discharge Owner and Manager, their respective officers, agents, employees, personnel, partners, directors, shareholders, affiliates and other representatives, and their successors and assigns (collectively, the "Released Parties"), from any and all liability, harm and damage, and waive any and all claims whatsoever, for any injury, accident or loss in connection with my use of or entry into the facility. In addition, I hereby agree to defend, indemnify and hold harmless the Released Parties from any and all costs, claims, liability, harm, damage or expenses resulting from my use of or entry into the facility or the equipment.

5. I acknowledge that I have received and read a copy of the current Rules and Regulations governing the use of the fitness center (a copy of which is attached hereto). I agree that I will fully comply with all rules and regulations as they are amended from time to time.

USER:

Employer Name:	Employee Name (Please Print):
Suite Number	Signature
Telephone	Date

Access Key Number:

FITNESS FACILITY RULES AND REGULATIONS

The following Rules and Regulations are intended to make the Fitness Facility ("Facility") at , as safe, enjoyable and pleasant as possible for all users of the Facility ("Users"). These Rules are applicable to all Users and may be changed from time to time by Landlord or Building Manager, in order to provide for the safe, orderly and enjoyable use of the Facility's facilities and equipment.

1. Use. Users shall use the Fitness Facility and related equipment solely for weight and cardiovascular training on the equipment provided. Users shall not misuse or use the facilities and related equipment in any manner which will damage the same. Users shall not install, nor tamper with or remove, any equipment in the Facility. No person may use the Facility unless they have signed a Waiver of Liability. This Facility is open to tenants only. Guests are not authorized to use the Facility and users shall not grant access to the Facility, nor permit the Facility to be used, by any unauthorized persons. Any User that provides an unauthorized person with access to the Facility will be prohibited from using the Facility. Each User acknowledges that he or she shall exercise caution when using the Facility, that the Facility is unstaffed, and that no security is provided by Landlord. Any suspicious activity should be reported to the Building Manager.

2. Hours of Operation. The Facility is open twenty-four hours per day, seven days per week. However, in order to accommodate thorough cleaning of the facility, access to certain areas of the Facility may be limited during cleaning hours, which are currently from 6 p.m. to 9 p.m., Monday through Friday. The Facility will not be open for use on legal public holidays. The Facility may be closed, and its hours of operation modified from time-to-time, at Landlord's sole discretion. Tenants will be notified at least 24 hours in advance of any closing, unless such closing is due to emergency.

3. Clothing. The minimum attire at the facility shall be gym shorts, tee shirts, socks and tennis shoes. Any conventional exercise attire is permissible, including leotards and tights, warm-up suits, etc. Sneakers, tennis shoes, or similar footwear must be worn at all times. Users of the Facility

must wear clean and appropriate attire when in transit to and from the Facility, which may include, but not be limited to, warm-up suits and sweatsuits.

4. Conduct. Any conduct which unreasonably interferes with the use or enjoyment of Facility or the equipment by others, or disrupts or interferes with the normal, safe, orderly and efficient operation of the Facility or the equipment, is strictly prohibited. Radios, tape recorders or other similar personal audio equipment may not be used without headphones. No Tenant shall make, or permit to be made, any disturbing noises or disturb or interfere with the occupants of the Building or neighboring buildings or premises or those having business with them, whether by the use of any musical instrument, radio, tape recorder, loud speaker or other sound system. After a User completes its use of a piece of equipment within the Facility, such User shall wipe that piece of equipment with disinfectant solution provided by the Building Manager. Those in violation of these rules will be subject to immediate expulsion.

5. Smoking. Smoking of any kind or any other consumption of tobacco products is strictly prohibited in the Facility.

6. Solicitations and Petitions. Solicitation for the sale of any product or service, or for charitable contributions, and petitions of any kind, are strictly prohibited.

7. Identification. Upon request by Landlord's employee or personnel, users must present their key for identification purposes. Neither Landlord or the Building Manager assumes responsibility for lost or stolen keys.

8. Food and Beverages Prohibited. No food or beverages (other than water) shall be brought to the Facility. All food and beverages (other than water) are strictly prohibited.

9. Notices, Complaints or Suggestions. Users must immediately notify Landlord or Building Manager in the event that they discover any unsafe or hazardous defect or condition relating to the Facility or the equipment, or any more than de minimis breakage, fire, or disorder at the Facility. Complaints or suggestions as to the operation, maintenance, services, or equipment at the Facility should be directed to Building Manager.

10. Other Facilities. Landlord or Building Manager may prohibit the use of or close the Facility if misused in any way. Landlord and Building Manager take no responsibility for personal possessions left in the facility. Locks or lockers are permissible, but all articles and locks must be removed when the user leaves the Facility. Landlord and Building Manager reserve the right to remove and dispose of any locks and personal possessions remaining in the Facility when it closes each day.

Landlord and Building Manager make no representation or warranty that the use of any locker will protect User's personal property from damage, loss or theft.

11. Violation of Rules. Repeated failure or refusal to comply with these Rules and Regulations may result in the loss of privileges.

12. Maintenance. No member shall leave any litter, trash, debris, or articles of clothing at the Facility. The entry door(s) to the Facility shall be kept closed and locked at all times.

13. No Representations. User hereby acknowledges that the installation of equipment, devices and/or facilities in or serving the Facility shall in no way be deemed a representation or warranty by Operator regarding the efficacy or safety of the same, nor as an agreement or undertaking by, or obligation of, Operator to protect, indemnify or hold User harmless from any harm of any type or to ensure User's safety. It is expressly understood and agreed that use of the Facility by User shall be at User's sole risk.

14. Card Keys. User hereby agrees to keep any card key and/or locker key provided to User in User's possession and control at all times until required or requested to surrender the same, and in no event shall User lend or otherwise transfer its card key or locker key to any other person. In the event User shall lose or misplace its card key or locker key, or in the event User's card key or locker key shall be stolen, User shall immediately notify Landlord and Operator in writing. User further agrees that, in the event either (i) User's employment with Tenant is terminated for any reason, or (ii) Tenant shall be in default under its lease with Landlord, Operator may immediately de-activate User's key card and User shall immediately surrender its card key and locker key to Operator. User hereby acknowledges that the card key and locker key are and shall remain the property of Operator, and User agrees to return the same to Operator upon the expiration (or sooner termination) of Tenant's lease or any earlier date on which Operator is entitled to de-activate said card key. Inoperative (but not de-activated) cards keys will be replaced at no charge, but lost and de-activated card keys will be replaced (or reactivated, as the case may be) at a cost established by the Operator from time to time. Lost locker keys shall be replaced, and the appropriate locker re-keyed, at a cost established by the Operator from time to time.

15. Consent. As a condition to the use of the Facility, all Users must sign a Consent and Waiver on Landlord's current form.

EXHIBIT F

HVAC SPECIFICATIONS

The heat and air conditioning equipment shall maintain a uniform (1) indoor temperature of 76 degrees F at 50% R.H. plus or minus 5% automatic control with outside conditions of 95 degrees DB/75 degrees FWB in summer, and an indoor temperature of 70 degrees minimum in winter with outside conditions of 10 degrees. Load calculations of Design Criteria are based upon internal heat load of 6 watts/square foot for light and power and occupancy of 1 person/150 rentable square feet with ventilation of 10 CFM of outside air/person. Temperature control shall be automatic and shall maintain the temperature set point plus or minus 2 degrees F.

EXHIBIT G

FORM NON-DISTURBANCE AGREEMENT

This SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is entered into as of , 20 (the "Effective Date"), between [insert Trustee], as Trustee for the registered holders of [insert Trust] ("Mortgagee"), and , a ("Tenant").

A. [insert Borrower] ("Landlord"), owns the real property located at (such real property, including all buildings, improvements, structures and fixtures located thereon, shall be hereinafter referred to as the "Landlord's Premises"), as more particularly described on Exhibit A attached hereto.

B. Mortgagee is the holder of a loan (the "Loan") to Landlord, which Loan is secured, in part, by that certain [describe mortgage] dated , 20 , in favor of Mortgagee (as amended, increased, renewed, extended, spread, consolidated, severed, restated or otherwise changed from time to time, the "Mortgage"), recorded at Book , Page , in the [Official Records of the County of].

C. Pursuant to that certain [describe lease], dated as of , 20 , (the "Lease"), Landlord demised to Tenant a portion of Landlord's Premises as described in the Lease (the "Tenant's Premises").

D. Tenant and Mortgagee desire to agree upon the relative priorities of their interests in Landlord's Premises and their rights and obligations if certain events occur.

NOW, THEREFORE, for good and sufficient consideration, Tenant and Mortgagee agree:

1. *DEFINITIONS*

The following terms shall have the following meanings for purposes of this Agreement.

1.1 *Construction-Related Obligation*. A "Construction-Related Obligation" means any obligation of Landlord under the Lease to make, pay for or reimburse Tenant for any alterations, demolitions or other improvements or work at Landlord's Premises, including Tenant's Premises. "Construction-Related Obligations" shall not include: (a) reconstruction or repair following fire, casualty or condemnation to the extent of insurance proceeds or condemnation awards actually received by Mortgagee or (b) day-to-day maintenance and repairs.

1.2 *Foreclosure Event*. A "Foreclosure Event" means: (a) foreclosure under the Mortgage; (b) any other exercise by Mortgagee of rights and remedies (whether under the Mortgage or under applicable law, including bankruptcy law) as holder of the Loan and/or the Mortgage, as a result of which Successor Landlord becomes owner of Landlord's Premises; or (c) delivery by Landlord to Mortgagee (or its designee or nominee) of a deed or other conveyance of Landlord's interest in Landlord's Premises in lieu of any of the foregoing.

1.3 *Former Landlord*. A "Former Landlord" means Landlord and any other party that was landlord under the Lease at any time before the occurrence of any attornment under this Agreement.

1.4 *Offset Right*. An "Offset Right" means any right or alleged right of Tenant to any offset, defense claim, counterclaim, reduction, deductions or abatement against Tenant's payment of Rent or performance of Tenant's other obligations under the Lease, arising (whether under the Lease or other applicable law) from Landlord's breach or default under the Lease.

1.5 *Rent*. The "Rent" means any fixed rent, base rent or additional rent under the Lease.

1.6 *Successor Landlord*. A "Successor Landlord" means any party that becomes owner of Landlord's Premises as the result of a Foreclosure Event.

1.7 *Termination Right*. A 'Termination Right" means any right of Tenant to cancel or terminate the Lease or to claim a partial or total eviction, arising (whether under the Lease or under applicable law) from Landlord's breach or default under the Lease.

2. *SUBORDINATION*.

The Lease shall be, and shall at all times remain, subject and subordinate to the Mortgage, the lien imposed by the Mortgages and all advances made under the Mortgage.

3. *NON-DISTURBANCE; RECOGNITION AND ATTORNMENT*

3.1 *No Exercise of Mortgage Remedies Against Tenant*. So long as the Lease has not been terminated, Mortgagee shall not name or join Tenant as a defendant in any exercise of Mortgagee's rights and remedies arising upon a default under the Mortgage, unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord or prosecuting such rights and remedies. In the latter case, Mortgagee may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise adversely affect Tenant's rights under the Lease or this Agreement in such action.

3.2 *Non-Disturbance and Attornment*. If the Lease has not been terminated when Successor Landlord takes title to the Landlord's Premises: (a) Successor Landlord shall not terminate or disturb Tenant's possession of Tenant's Premises under the Lease, except in accordance with the terms of the Lease and this Agreement; (b) Successor Landlord shall be bound to Tenant under all of the terms and conditions of the Lease (except as provided in this Agreement); (c) Tenant shall recognize and attorn to Successor Landlord as Tenant's direct landlord under the Lease as modified by this Agreement; and (d) the Lease shall continue in full force and effect as a direct lease in accordance with its terms (except as provided in this Agreement) between Successor Landlord and Tenant.

3.3 *Further Documentation*. The provisions of this Article shall be effective and self-operative without any need for Successor Landlord or Tenant to execute any further documents. Tenant and Successor Landlord shall, however, confirm the provisions of this Article in writing upon written request by either of them.

4. *PROTECTION OF SUCCESSOR LANDLORD.*

Notwithstanding anything to the contrary in the Lease or the Mortgage, Successor Landlord shall not be liable for or bound by any of the following matters:

4.1 *Claims Against Former Landlord*. Any Offset Right that Tenant may have against any Former Landlord relating to any event or occurrence before the date of attornment, including any claim for damages of any kind whatsoever as the result of any breach by Former Landlord that occurred before the date of attornment.

4.2 *Prepayments*. Any payment of Rent that Tenant may have made to Former Landlord more than thirty (30) days before the date such Rent was first due and payable under the Lease.

4.3 *Payment; Security Deposit*. Any obligation: (a) to pay Tenant any sum(s) that any Former Landlord owed to Tenant or (b) with respect to any security deposited with Former Landlord, unless such security was actually delivered to Mortgagee.

4.4 *Modification, Amendment or Waiver*. Any modification or amendment of the Lease, or any waiver of any terms of the Lease, made without Mortgagee's prior written consent.

4.5 *Surrender, Etc*. Any consensual or negotiated surrender, cancellations or termination of the Lease, in whole or in part, agreed upon between Landlord and Tenant, unless effected unilaterally by Tenant pursuant to the express terms of the Lease.

4.6 *Construction-Related Obligations*. Any Construction-Related Obligation of Former Landlord.

4.7 *Casualty; Condemnation*. Any obligation of Former Landlord to restore the Landlord's Premises, including the Tenant's Premises, except to the extent of insurance proceeds or condemnation awards actually received by Mortgagee after the deduction of all costs and expenses incurred in obtaining such proceeds or awards, and subject to the terms of the Mortgage with respect to the disposition of such proceeds or awards.

5. *EXCLUSION OF SUCCESSOR LANDLORD.*

Notwithstanding anything to the contrary in this Agreement or the Lease, upon any attornment pursuant to this Agreement, the Lease shall be deemed to have been automatically amended to provide that Successor Landlord's obligations and liability under the Lease shall never extend beyond Successor Landlord's (or its successors' or assigns') interest, if any, in Landlord's Premises from time to time, Successor Landlord's interest in the Lease and the proceeds from any sale or other disposition of Landlord's Premises by Successor Landlord (collectively, "Successor Landlord's Interest"). Tenant shall look exclusively to Successor Landlord's Interest (or that of its successors and assigns) for payment or discharge of any obligations of Successor Landlord under the Lease as modified by this Agreement.

6. *MORTGAGEE'S RIGHT TO CURE*.

6.1 *Notice to Mortgagee*. Notwithstanding anything to the contrary in the Lease, before exercising any Termination Right or Offset Right, Tenant shall provide Mortgagee with notice of the breach or default by Landlord giving rise to same (the "Default Notice") and, thereafter, the opportunity to cure such breach or default as provided for below.

6.2 *Mortgagee's Cure Period*. After Mortgagee receives a Default Notice, Mortgagee shall have a period of thirty (30) days beyond any cure period provided to Landlord under the Lease in which to cure the breach or default by Landlord. Mortgagee shall have no obligation to cure any breach or default by Landlord, except to the extent that Mortgagee agrees or undertakes otherwise in writing.

6.3 *Extended Cure Period*. In addition, as to any breach or default by Landlord the cure of which requires possession and control of Landlord's Premises, Mortgagee's cure period shall continue for such additional time as Mortgagee may reasonably require to either (a) obtain possession and control of Landlord's Premises and thereafter cure the breach or default with reasonable diligence and continuity or (b) obtain the appointment of a receiver and give such receiver a reasonable period of time in which to cure the default.

7. *RENT PAYMENT NOTICES*.

From and after Tenant's receipt of written notice from Mortgagee (a "Rent Payment Notice"), Tenant shall pay all Rent to Mortgagee or as Mortgagee shall direct in writing, until such time as Mortgagee directs otherwise in writing. Tenant shall comply with any Rent Payment Notice, notwithstanding any contrary instruction, direction or assertion from Landlord. Mortgagee's delivery to Tenant of a Rent Payment Notice, or Tenant's compliance therewith, shall not be deemed to: (a) cause Mortgagee to succeed to or to assume any obligations or responsibilities as Landlord under the Lease, all of which shall continue to be performed and discharged solely by Landlord unless and until any attornment has occurred pursuant to this Agreement; or (b) relieve Landlord of any obligations under the Lease.

8. *CONFIRMATION OF FACTS.*

Tenant represents to Mortgagee and to any Successor Landlord, in each case as of the Effective Date:

8.1 *Effectiveness of Lease*. The Lease is in full force and effect, has not been modified and constitutes the entire agreement between Landlord and Tenant relating to Tenant's Premises. Tenant has no interest in Landlord's Premises except pursuant to the Lease. No unfulfilled conditions exist to Tenant's obligations under the Lease.

8.2 *Rent*. Tenant has not paid any Rent that is first due and payable under the Lease after the Effective Date.

8.3 *No Landlord Default*. To the best of Tenant's knowledge, no breach or default by Landlord exists and no event has occurred that, with the giving of notice, the passage of time or both, would constitute such a breach or default.

8.4 *No Tenant Default*. Tenant is not in default under the Lease and has not received any uncured notice of any default by Tenant under the Lease.

8.5 *No Termination*. Tenant has not commenced any action nor sent or received any notice to terminate the Lease. Tenant has no presently exercisable Termination Right(s) or Offset Right(s).

8.6 *Commencement Date*. The "Commencement Date" of the Lease was 20 .

8.7 *Acceptance*. Tenant has accepted possession of Tenant's Premises and Landlord has performed all Construction-Related Obligations related to Tenant's initial occupancy of Tenant's Premises and Tenant has accepted such performance by Landlord.

8.8 *No Transfer*. Tenant has not transferred, encumbered, mortgaged, assigned, conveyed or otherwise disposed of the Lease or any interest therein.

8.9. *Due Authorization*. Tenant has full authority to enter into this Agreement, which has been duly authorized by all necessary actions.

9. *MISCELLANEOUS*.

9.1 *Notices*. All notices or other communications required or permitted under this Agreement shall be in writing and given by certified mail (return receipt requested) or by nationally recognized overnight courier service that regularly maintains records of items and shall be delivered to Mortgagee or Tenant (applicable) at the addresses set forth below. Notices shall be effective upon receipt.

If to Tenant:

With a copy to:

If to Mortgagee

[Trustee]
c/o CWCapital Asset Management LLC
701 13th Street, NW; Suite 1000
Washington, DC 20005
Attn: Legal Dept/[insert portfolio series ID]

9.2 *Successors and Assigns*. This Agreement shall bind and benefit the parties, their successors and assigns, any Successor Landlord and its successors and assigns. If Mortgagee assigns the Mortgage, upon delivery to Tenant of written notice thereof all liability of the assignor shall terminate.

9.3 *Entire Agreement*. This Agreement constitutes the entire agreement between Mortgagee and Tenant regarding the subordination of the Lease to the Mortgage and the rights and obligations of Tenant and Mortgagee as to the subject matter of this Agreement.

9.4 *Interaction with Lease*. If this Agreement conflicts with the Lease, then this Agreement shall govern as between the parties and any Successor Landlord, including upon any attornment pursuant to this Agreement.

9.5 *Mortgagee's Rights and Obligations*. Except as expressly provided for in this Agreement, Mortgagee shall have no obligations to Tenant with respect to the Lease. If an attornment occurs pursuant to this Agreement, all rights and obligations of Mortgagee under this Agreement shall terminate, without thereby affecting in any way the rights and obligations of Successor Landlord provided for in this Agreement.

9.6 *Interpretation; Governing Law*. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the internal laws of the state where the Landlord's Premises is located excluding its principles of conflict of laws.

9.7 *Amendments*. This Agreement may be amended, discharged or terminated, or any of its provisions waived, only by a written instrument executed by the party to be charged.

9.8 *Execution*. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the-same instrument.

9.9 *Mortgagee's Authority*. Mortgagee represents that Mortgagee has full authority to enter into this Agreement, and Mortgagee's entry into this Agreement has been duly authorized by all necessary actions.

IN WITNESS WHEREOF, this Agreement has been duly executed by Mortgagee and Tenant as of the Effective Date.

MORTGAGEE

[Insert name of Trustee] as Trustee for the registered holders of [insert name of portfolio with Series designation]

By: CWCapital Asset Management LLC,
solely in its capacity as Special Servicer to the Trust

By: ____________________
Name: ____________________
Title: ____________________

TENANT

By: ____________________
Name: ____________________
Title: ____________________

Landlord consents and agrees to the terms of the foregoing Agreement, which was entered into at Landlord's request. The foregoing Agreement shall not alter, waive or diminish any of Landlord's obligations under the Mortgage or the Lease. The above Agreement discharges any obligations of Mortgagee under the Mortgage and related loan documents to enter into a non-disturbance agreement with Tenant.

Landlord irrevocably directs Tenant to comply with any Rent Payment Notice, notwithstanding any contrary direction, instructions, or assertion by Landlord. Tenant shall be entitled to rely on any Rent Payment Notice. Tenant shall be under no duty to controvert or challenge any Rent Payment Notice. Tenant's compliance with a Rent Payment Notice shall not be deemed to violate the Lease.

LANDLORD

By: ______________________________

Name: ______________________________
Title: ______________________________

Dated: , 20

Each of the undersigned, a guarantor of Tenant's obligations under the Lease (a "Guarantor"), consents to Tenant's execution, delivery and performance of the foregoing Agreement. From and after any attornment pursuant to the foregoing Agreement, that certain Guaranty dated , 20 (the "Guaranty") executed by Guarantor in favor of shall automatically benefit and be enforceable by Successor Landlord with respect to Tenant's obligations under the Lease as affected by the foregoing Agreement. Successor Landlord's rights under the Guaranty shall not be subject to any defense, offset, claim, counterclaim, reduction or abatement of any kind resulting from any act, omission or waiver by any Former Landlord for which Successor Landlord would, pursuant to the foregoing Agreement, not be liable or answerable after an attornment. Guarantor confirms that the Guaranty is in full force and effect and Guarantor currently has no offset, defense (other than any arising from actual payment or performance by Tenant, which payment or performance would bind a Successor Landlord under the foregoing Agreement), claim, counterclaim, reduction, deduction or abatement against Guarantor's obligations under the Guaranty.

GUARANTOR

By: ____________________________

Name: ____________________________

Title: ____________________________

Dated: , 20

Exhibit 10.13

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of December , 2011, by and between Steven G. Waldis (the "Executive") and Synchronoss Technologies, Inc., a Delaware corporation (the "Company"). Executive and the Company agree that the Employment Agreement dated as of December 31, 2008 between the Company and the Executive shall be terminated as of December 31, 2011. Except as otherwise provided herein, defined terms are set forth in Section 10 below.

1. **Duties and Scope of Employment.**

(a) Position. For the term of his employment under this Agreement (the "Employment"), the Company agrees to continue to employ the Executive in the position of Chief Executive Officer and Chairman of the Board of Directors. The Executive shall report to the Company's Board of Directors (the "Board").

(b) **Obligations to the Company**. During his Employment, the Executive (i) shall devote his full business efforts and time to the Company, (ii) shall not engage in any other employment, consulting or other business activity that would create a conflict of interest with the Company, (iii) shall not assist any person or entity in competing with the Company or in preparing to compete with the Company, and (iv) shall comply with the Company's policies and rules, as they may be in effect from time to time.

(c) **No Conflicting Obligations**. The Executive represents and warrants to the Company that he is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with his obligations under this Agreement. The Executive represents and warrants that he will not use or disclose, in connection with his Employment, any trade secrets or other proprietary information or intellectual property in which the Executive or any other person has any right, title or interest and that his Employment will not infringe or violate the rights of any other person. The Executive represents and warrants to the Company that he has returned all property and confidential information belonging to any prior employer.

(d) **Commencement Date**. The Executive has previously commenced full-time Employment. This Agreement shall govern the terms of Executive's Employment effective as of January 1, 2012 (the "Commencement Date") through the Term (as defined in Section 5(a) below).

2. **Compensation**

(a) **Salary**. The Company shall pay the Executive as compensation for his services a base salary at a gross annual rate of not less than $541,000. Such salary shall be payable in accordance with the Company's standard payroll procedures. (The annual compensation specified in this Subsection (a), together with any increases in such compensation that the Company may grant from time to time, is referred to in this Agreement as "Base Salary.").

(b) **Incentive Bonuses**. The Executive shall be eligible for an annual incentive bonus with a target amount equal to 100% of his Base Salary (the "Target Bonus"). The Executive's bonus (if

any) shall be awarded based on criteria established by the Board or its Compensation Committee. The Executive shall not be entitled to an incentive bonus if he is not employed by the Company on the last day of the fiscal year for which such bonus is payable. Any bonus for a fiscal year shall be paid within 2½ months after the close of that fiscal year. The determinations of the Board or its Compensation Committee with respect to such bonus shall be final and binding.

3. **Vacation and Employee Benefits.** During his Employment, the Executive shall be eligible for paid vacations in accordance with the Company's vacation policy, as it may be amended from time to time, with a minimum of 20 vacation days per year. During his Employment, the Executive shall be eligible to participate in the employee benefit plans maintained by the Company, subject in each case to the generally applicable terms and conditions of the plan in question and to the determinations of any person or committee administering such plan.

4. **Business Expenses.** During his Employment, the Executive shall be authorized to incur necessary and reasonable travel, entertainment and other business expenses in connection with his duties hereunder. The Company shall reimburse the Executive for such expenses upon presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company's generally applicable policies. Notwithstanding anything to the contrary herein, except to the extent any expense or reimbursement provided pursuant to this Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code, (a) the amount of expenses eligible for reimbursement provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to the Executive in any other calendar year, (b) the reimbursements for expenses for which the Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, and (c) the right to payment or reimbursement hereunder may not be liquidated or exchanged for any other benefit.

5. **Term of Employment.**

(a) **Employment Term**. The Company hereby employs Executive to render services to the Company in the position and with the duties and responsibilities described in Section 1 for the period commencing on the Commencement Date and ending upon the earlier of (i) three (3) years from such date, and (ii) the date Executive's Employment is terminated in accordance with Section 5(b) (the "Term"). After the initial three-year term of this Agreement Executive's Employment shall be "at will" and either Executive or the Company shall be entitled to terminate Executive's Employment at any time and for any reason, with or without cause. However, this Agreement will not govern the terms of Executive's employment after the Term.

(b) **Termination of Employment**. The Company may terminate the Executive's Employment at any time and for any reason (or no reason), and with or without Cause, by giving the Executive 30 days' advance notice in writing. The Executive may terminate his Employment by giving the Company 30 days' advance notice in writing. The Executive's Employment shall terminate automatically in the event of his death. The termination of the Executive's Employment shall not limit or otherwise affect his obligations under Section 7.

(c) **Rights Upon Termination**. Upon Executive's termination of Employment for any reason, Executive shall be entitled to the compensation, benefits and reimbursements described in Sections 1, 2, 3, and 4 for the period preceding the effective date of such termination. Upon the termination of Executive's Employment under certain circumstances, Executive may be entitled to additional severance pay benefits described in Section 6. The payments under this Agreement shall fully discharge all responsibilities of the Company to the Executive. This Agreement shall terminate when all obligations of the parties hereunder have been satisfied.

(d) **Rights Upon Death**. If Executive's Employment ends due to death, Executive's estate shall be entitled to receive an amount equal to his target bonus for the fiscal year in which his death occurred, prorated based on the number of days he was employed by the Company during that fiscal year. All amounts under this Section 5(d) shall be paid on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's date of death.

(e) **Rights Upon Permanent Disability**. If Executive's Employment ends due to Permanent Disability and a Separation occurs, Executive shall be entitled to receive (i) an amount equal to his Target Bonus for the fiscal year in which his Employment ended, prorated based on the number of days he was employed by the Company during that fiscal year, and (ii) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation. The amounts payable under this Section 5(e) shall be paid on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's Separation.

6. **Termination Benefits.**

(a) **Preconditions**. Any other provision of this Agreement notwithstanding, Subsections (b) and (c) below shall not apply unless the Executive:

(i) Has executed a general release of all claims the Executive may have against the Company or persons affiliated with the Company (substantially in the form attached hereto as Exhibit A) (the "Release");

(ii) Has returned all property of the Company in the Executive's possession; and

(iii) If requested by the Board, has resigned as a member of the Board and as a member of the boards of directors of all subsidiaries of the Company, to the extent applicable.

The Executive must execute and return the Release within the period of time set forth in the Release (the "Release Deadline"). The Release Deadline will in no event be later than 50 days after the Executive's Separation. If the Executive fails to return the Release on or before the Release Deadline or if the Executive revokes the Release, then the Executive will not be entitled to the benefits described in this Section 6.

(b) **Severance Pay in the Absence of a Change in Control**. If, during the term of this Agreement and prior to the occurrence of a Change in Control or more than 12 months following a Change in Control, the Company terminates the Executive's Employment with the Company for a reason other than Cause or Permanent Disability and a Separation occurs, then the

Company shall pay the Executive a lump sum severance payment equal to (i) two times his Base Salary in effect at the time of the termination of Employment, (ii) two times his average annual bonus based on the actual amounts received in the immediately preceding two years and (iii) the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation. If, during the term of this Agreement and prior to the occurrence of a Change in Control or more than 12 months following a Change in Control, Executive resigns his Employment for Good Reason and a Separation occurs, then the Company shall pay the Executive a lump sum severance payment equal to (i) one and one-half times his Base Salary in effect at the time of the termination of Employment (ii) one and one-half times his average annual bonus based on the actual amounts received in the immediately preceding two years and a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation. Notwithstanding anything herein to the contrary, in the event that the Executive Employment is terminated for a reason other than Cause or Permanent Disability or the Executive resigns his Employment for Good Reason under this Subsection (b) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use his Target Bonus in the year of termination if such termination under this Subsection (b) occurs in the first year of employment with the Company and the actual bonus the Executive received during the first year of employment with the Company if such termination under this Subsection (b) occurs in the second year of employment with the Company. However, the amount of the severance payment under this Subsection (b) shall be reduced by the amount of any severance pay or pay in lieu of notice that the Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(c) **Severance Pay in Connection with a Change in Control**. If, during the term of this Agreement and within 12 months following a Change in Control, the Executive is subject to an Involuntary Termination, then (i) the Company shall pay the Executive a lump sum severance payment equal to (x) 2.99 times his Base Salary in effect at the time of the termination of Employment plus two times the Executive's average bonus received in the immediately preceding two years and (y) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation , (ii) the vesting of all stock options and shares of restricted stock granted by the Company and held by the Executive shall be accelerated in full as of the date of the Involuntary Termination. Notwithstanding anything herein to the contrary, in the event that the Executive is subject to an Involuntary Termination under this Subsection (c) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use his Target Bonus in the year of the Involuntary Termination if such termination under this Subsection (c) occurs in the first year of employment with the Company and the actual bonus the Executive received during the first year of employment with the Company if such termination under this Subsection (c) occurs in the second year of employment with the Company. However, the amount of the severance payment

under this Subsection (c) shall be reduced by the amount of any severance pay or pay in lieu of notice that the Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(d) **Commencement of Severance Payments**. Payment of the severance pay provided for under this Agreement will be made on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's Separation, but only if the Executive has complied with the release and other preconditions set forth in Subsection (a) (to the extent applicable).

7. **Non-Solicitation and Non-Disclosure.**

(a) **Non-Solicitation**. During the period commencing on the date of this Agreement and continuing until the second anniversary of the date the Executive's Employment terminated for any reason, the Executive shall not directly or indirectly, personally or through others, solicit or attempt to solicit (on the Executive's own behalf or on behalf of any other person or entity) either (i) the employment of any employee or consultant of the Company or any of the Company's affiliates or (ii) the business of any customer of the Company or any of the Company's affiliates in a manner that could constitute engaging in sale of goods or services in or for a Restricted Business or otherwise interferes with Company's relationship with such customer.

(b) **Non-Competition**. As one of the Company's executive and management personnel and officer, Executive has obtained extensive and valuable knowledge and confidential information concerning the business of the Company, including certain trade secrets the Company wishes to protect. Executive further acknowledges that during his Employment he will have access to and knowledge of Proprietary Information. To protect the Company's Proprietary Information, Executives agrees that during his Employment with the Company, whether full-time or half-time and for a period of 24 months after his last day of Employment with the Company, he will not directly or indirectly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), or have any ownership interest in, or participate in the financing, operation, management or control of, any person, firm, corporation or business that engages in a Restricted Business in a Restricted Territory. It is agreed that ownership of (i) no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation, or (ii) any stock he presently owns shall not constitute a violation of this provision.

(c) **Reasonable**. Executive agrees and acknowledges that the time limitation on the restrictions in this Section 7, combined with the geographic scope, is reasonable. Executive also acknowledges and agrees that this provision is reasonably necessary for the protection of Proprietary Information, that through his Employment he shall receive adequate consideration for any loss of opportunity associated with the provisions herein, and that these provisions provide a reasonable way of protecting the Company's business value which will be imparted to him. If any restriction set forth in this Section 7 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

(d) **Non-Disclosure**. The Executive has entered into a Proprietary Information and Inventions Agreement with the Company, which is incorporated herein by this reference.

8. **Successors.**

(a) **Company's Successors**. This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which becomes bound by this Agreement.

(b) **Employee's Successors**. This Agreement and all rights of the Executive hereunder shall inure to the benefit of, and be enforceable by, the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

9. **Taxes.**

(a) **Withholding Taxes**. All payments made under this Agreement shall be subject to reduction to reflect applicable withholding and payroll taxes or other deductions required to be withheld by law.

(b) **Tax Advice**. The Executive is encouraged to obtain his own tax advice regarding his compensation from the Company. The Executive agrees that the Company does not have a duty to design its compensation policies in a manner that minimizes the Executive's tax liabilities, and the Executive shall not make any claim against the Company or the Board related to tax liabilities arising from the Executive's compensation.

(c) **Parachute Taxes**. Notwithstanding anything in this Agreement to the contrary, if it shall be determined that any payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise ("Total Payments") to be made to Executive would otherwise exceed the amount (the "Safe Harbor Amount") that could be received by Executive without the imposition of an excise tax under Section 4999 of Code, then the Total Payments shall be reduced to the extent, and only to the extent, necessary to assure that their aggregate present value, as determined in accordance the applicable provisions of Section 280G of the Code and the regulations thereunder, does not exceed the greater of the following dollar amounts (the "Benefit Limit"): (i) the Safe Harbor Amount, or (ii) the greatest after-tax amount payable to Executive after taking into account any excise tax imposed under section 4999 of the Code on the Total Payments. All determinations to be made under this subparagraph (c) shall be made by an independent public accounting firm selected by the Company before the date of the Change of Control (the "Accounting Firm"). In determining whether such Benefit Limit is exceeded, the Accounting Firm shall make a reasonable determination of the value to be assigned to the restrictive covenants in effect for Executive pursuant to Section 7 of this Agreement, and the amount of his potential parachute payment under Section 280G of the Code shall reduced by the value of those restrictive covenants to the extent consistent with Section 280G of the Code and the regulations thereunder. To the extent a reduction to the Total Payments is required to be made in accordance with this subparagraph (c), such reduction and/or cancellation of

acceleration of equity awards shall occur in the order that provides the maximum economic benefit to Executive. In the event that acceleration of equity awards is to be reduced, such acceleration of vesting also shall be canceled in the order that provides the maximum economic benefit to Executive. Notwithstanding the foregoing, any reduction shall be made in a manner consistent with the requirements of section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this subparagraph (c) shall be borne solely by the Company. The Company agrees to indemnify and hold harmless the Accounting Firm from any and all claims, damages and expenses resulting from or relating to its determinations pursuant to this subparagraph (c), except for claims, damages or expenses resulting from the gross negligence or willful misconduct of the Accounting Firm.

(d) **Section 409A**. Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. If the Company determines that the Executive is a "specified employee" under Section 409A(a)(2)(B)(i) of the Code at the time of his Separation, then (i) the severance payments under Section 6, to the extent that they are subject to Section 409A of the Code, shall commence on the first business day following (A) expiration of the six-month period measured from the Executive's Separation, or (B) the date of the Executive's death, and (ii) the installments that otherwise would have been paid prior to such date will be paid in a lump sum when such payments commence.

10. **Definitions.**

(a) **Cause**. For all purposes under this Agreement, "Cause" shall mean:

(i) An unauthorized use or disclosure by the Executive of the Company's confidential information or trade secrets, which use or disclosure causes material harm to the Company;

(ii) A material breach by the Executive of any material agreement between the Executive and the Company;

(iii) A material failure by the Executive to comply with the Company's written policies or rules;

(iv) The Executive's conviction of, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State thereof;

(v) The Executive's gross negligence or willful misconduct which causes material harm to the Company;

(vi) A continued failure by the Executive to perform reasonably assigned duties after receiving written notification of such failure from the Board; or

(vii) A failure by the Executive to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested the Executive's cooperation.

(b) **Change of Control**. For all purposes under this Agreement, "Change of Control" shall mean the occurrence of:

(i) The acquisition, by a person or persons acting as a group, of the Company's stock that, together with other stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the Company;

(ii) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of 30% or more of the total voting power of the Company;

(iii) The replacement of a majority of the members of the Board, during any 12-month period, by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of such appointment or election; or

(iv) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of the Company's assets having a total gross fair market value (determined without regard to any liabilities associated with such assets) of 80% or more of the total gross fair market value of all of the assets of the Company (determined without regard to any liabilities associated with such assets) immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, a Change of Control shall not be deemed to occur unless such transaction also qualifies as an event under Treas. Reg. §1.409A-3(i)(5)(v) (change in the ownership of a corporation), Treas. Reg. §1.409A-3(i)(5)(vi) (change in the effective control of a corporation), or Treas. Reg. §1.409A-3(i)(5)(vii) (change in the ownership of a substantial portion of a corporation's assets).

(c) **Code**. For all purposes under this Agreement, "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) **Good Reason**. For all purposes under this Agreement, "Good Reason" shall mean:

(i) a change in the Executive's position with the Company that materially reduces his level of authority or responsibility;

(ii) a reduction in the Executive's base salary by more than 10% unless pursuant to a Company-wide salary reduction affecting all Executives proportionately;

(iii) relocation of the Executive's principal workplace by more than 50 miles;

(iv) a substantial reduction, without good business reasons, of the facilities and perquisites (including office space and location) available to the Executive immediately prior to such reduction; or

(v) a material reduction in the kind or level of employee benefits to which the Executive is entitled immediately prior to such reduction with the result that the Executive's overall benefits package is significantly reduced, unless such reduction is made in connection with a reduction in

the kind or level of employee benefits of employees of the Company generally.

A condition shall not be considered "Good Reason" unless the Executive gives the Company written notice of such condition within 90 days after such condition comes into existence and the Company fails to remedy such condition within 30 days after receiving the Executive's written notice. In addition, the Executive's resignation must occur within 12 months after the condition comes into existence.

(e) **Involuntary Termination**. For all purposes under this Agreement, "Involuntary Termination" shall mean either (i) the Company terminates the Executive's Employment with the Company for a reason other than Cause or Permanent Disability and a Separation occurs, or (ii) the Executive resigns his Employment for Good Reason and a Separation occurs.

(f) **Permanent Disability**. For all purposes under this Agreement, "Permanent Disability" shall mean the Executive's inability to perform the essential functions of the Executive's position, with or without reasonable accommodation, for a period of at least 120 consecutive days because of a physical or mental impairment.

(g) **Proprietary Information**. For all purposes under this Agreement, "Proprietary Information" shall mean any and all confidential and/or proprietary knowledge, data or information of the Company. By way of illustration but not limitation, Proprietary Information includes (i) trade secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques; and (ii) information regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; and (iii) information regarding the skills and compensation of other employees of the Company.

(h) **Restricted Business**. For all purposes under this Agreement, "Restricted Business" shall mean the design, development, marketing or sales of software, or any other process, system, product, or service marketed, sold or under development by the Company at the time Executive's Employment with the Company ends.

(i) **Restricted Territory**. For all purposes under this Agreement, "Restricted Territory" shall mean any state, county, or locality in the United States in which the Company conducts business.

(j) **Separation**. For all purposes under this Employment Agreement, "Separation" means a "separation from service," as defined in the regulations under Section 409A of the Code.

11. **Miscellaneous Provisions.**

(a) **Notice**. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, when delivered by FedEx with delivery charges prepaid, or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Executive, mailed notices shall be addressed to him at the home address that he most recently communicated to the

Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(b) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Executive and by an authorized officer of the Company (other than the Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Whole Agreement**. This Agreement and the Proprietary Information and Inventions Agreement supersede and replace any prior agreements, representations or understandings (whether oral or written and whether express or implied) between the Executive and the Company and constitute the complete agreement between the Executive and the Company regarding the subject matter set forth herein.

(d) **Choice of Law and Severability**. This Agreement shall be interpreted in accordance with the laws of the State of New Jersey (except their provisions governing the choice of law). If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is rendered illegal by any present or future statute, law, ordinance or regulation (collectively the "Law"), then such provision shall be curtailed or limited only to the minimum extent necessary to bring such provision into compliance with the Law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

(e) **No Assignment**. This Agreement and all rights and obligations of the Executive hereunder are personal to the Executive and may not be transferred or assigned by the Executive at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company's obligations hereunder in connection with any sale or transfer of all or a substantial portion of the Company's assets to such entity.

(f) **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.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

Stephen G. Waldis

SYNCHRONOSS TECHNOLOGIES, INC.

By

Lawrence R. Irving
Executive Vice President and CFO

Exhibit 10.14

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of December , 2011, by and between Lawrence R. Irving (the "Executive") and Synchronoss Technologies, Inc., a Delaware corporation (the "Company"). Executive and the Company agree that the Employment Agreement dated as of December 31, 2008 between the Company and the Executive shall be terminated as of December 31, 2011. Except as otherwise provided herein, defined terms are set forth in Section 10 below.

1. Duties and Scope of Employment.

(a) Position. For the term of his employment under this Agreement (the "Employment"), the Company agrees to continue to employ the Executive in the position of Chief Financial Officer, Executive Vice President and Treasurer. The Executive shall report to the Company's President or his or her designee.

(b) **Obligations to the Company**. During his Employment, the Executive (i) shall devote his full business efforts and time to the Company, (ii) shall not engage in any other employment, consulting or other business activity that would create a conflict of interest with the Company, (iii) shall not assist any person or entity in competing with the Company or in preparing to compete with the Company, and (iv) shall comply with the Company's policies and rules, as they may be in effect from time to time.

(c) **No Conflicting Obligations**. The Executive represents and warrants to the Company that he is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with his obligations under this Agreement. The Executive represents and warrants that he will not use or disclose, in connection with his Employment, any trade secrets or other proprietary information or intellectual property in which the Executive or any other person has any right, title or interest and that his Employment will not infringe or violate the rights of any other person. The Executive represents and warrants to the Company that he has returned all property and confidential information belonging to any prior employer.

(d) **Commencement Date**. The Executive has previously commenced full-time Employment. This Agreement shall govern the terms of Executive's Employment effective as of January 1, 2012 (the "Commencement Date") through the Term (as defined in Section 5(a) below).

2. Compensation

(a) **Salary**. The Company shall pay the Executive as compensation for his services a base salary at a gross annual rate of not less than $375,000. Such salary shall be payable in accordance with the Company's standard payroll procedures. (The annual compensation specified in this Subsection (a), together with any increases in such compensation that the Company may grant from time to time, is referred to in this Agreement as "Base Salary.").

(b) **Incentive Bonuses**. The Executive shall be eligible for an annual incentive bonus with a target amount equal to 60% of his Base Salary (the "Target Bonus"). The Executive's bonus (if

any) shall be awarded based on criteria established by the Company's Board of Directors (the "Board") or its Compensation Committee. The Executive shall not be entitled to an incentive bonus if he is not employed by the Company on the last day of the fiscal year for which such bonus is payable. Any bonus for a fiscal year shall be paid within 2½ months after the close of that fiscal year. The determinations of the Board or its Compensation Committee with respect to such bonus shall be final and binding.

3. **Vacation and Employee Benefits.** During his Employment, the Executive shall be eligible for paid vacations in accordance with the Company's vacation policy, as it may be amended from time to time, with a minimum of 20 vacation days per year. During his Employment, the Executive shall be eligible to participate in the employee benefit plans maintained by the Company, subject in each case to the generally applicable terms and conditions of the plan in question and to the determinations of any person or committee administering such plan.

4. **Business Expenses.** During his Employment, the Executive shall be authorized to incur necessary and reasonable travel, entertainment and other business expenses in connection with his duties hereunder. The Company shall reimburse the Executive for such expenses upon presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company's generally applicable policies. Notwithstanding anything to the contrary herein, except to the extent any expense or reimbursement provided pursuant to this Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code, (a) the amount of expenses eligible for reimbursement provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to the Executive in any other calendar year, (b) the reimbursements for expenses for which the Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, and (c) the right to payment or reimbursement hereunder may not be liquidated or exchanged for any other benefit.

5. **Term of Employment.**

(a) **Employment Term**. The Company hereby employs Executive to render services to the Company in the position and with the duties and responsibilities described in Section 1 for the period commencing on the Commencement Date and ending upon the earlier of (i) three (3) years from such date, and (ii) the date Executive's Employment is terminated in accordance with Section 5(b) (the "Term"). After the initial three-year term of this Agreement Executive's Employment shall be "at will" and either Executive or the Company shall be entitled to terminate Executive's Employment at any time and for any reason, with or without cause. However, this Agreement will not govern the terms of Executive's employment after the Term.

(b) **Termination of Employment**. The Company may terminate the Executive's Employment at any time and for any reason (or no reason), and with or without Cause, by giving the Executive 30 days' advance notice in writing. The Executive may terminate his Employment by giving the Company 30 days' advance notice in writing. The Executive's Employment shall terminate automatically in the event of his death. The termination of the Executive's Employment shall not limit or otherwise affect his obligations under Section 7.

(c) **Rights Upon Termination**. Upon Executive's termination of Employment for any reason, Executive shall be entitled to the compensation, benefits and reimbursements described in Sections 1, 2, 3, and 4 for the period preceding the effective date of such termination. Upon the termination of Executive's Employment under certain circumstances, Executive may be entitled to additional severance pay benefits described in Section 6. The payments under this Agreement shall fully discharge all responsibilities of the Company to the Executive. This Agreement shall terminate when all obligations of the parties hereunder have been satisfied.

(d) **Rights Upon Death**. If Executive's Employment ends due to death, Executive's estate shall be entitled to receive an amount equal to his target bonus for the fiscal year in which his death occurred, prorated based on the number of days he was employed by the Company during that fiscal year. All amounts under this Section 5(d) shall be paid on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's date of death.

(e) **Rights Upon Permanent Disability**. If Executive's Employment ends due to Permanent Disability and a Separation occurs, Executive shall be entitled to receive (i) an amount equal to his Target Bonus for the fiscal year in which his Employment ended, prorated based on the number of days he was employed by the Company during that fiscal year, and (ii) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation. The amounts payable under this Section 5(e) shall be paid on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's Separation.

6. **Termination Benefits.**

(a) **Preconditions**. Any other provision of this Agreement notwithstanding, Subsections (b) and (c) below shall not apply unless the Executive:

(i) Has executed a general release of all claims the Executive may have against the Company or persons affiliated with the Company (substantially in the form attached hereto as Exhibit A) (the "Release");

(ii) Has returned all property of the Company in the Executive's possession; and

(iii) If requested by the Board, has resigned as a member of the Board and as a member of the boards of directors of all subsidiaries of the Company, to the extent applicable.

The Executive must execute and return the Release within the period of time set forth in the Release (the "Release Deadline"). The Release Deadline will in no event be later than 50 days after the Executive's Separation. If the Executive fails to return the Release on or before the Release Deadline or if the Executive revokes the Release, then the Executive will not be entitled to the benefits described in this Section 6.

(b) **Severance Pay in the Absence of a Change in Control**. If, during the term of this Agreement and prior to the occurrence of a Change in Control or more than 12 months following a Change in Control, the Company terminates the Executive's Employment with the Company for a reason other than Cause or Permanent Disability and a Separation occurs, then the

Company shall pay the Executive a lump sum severance payment equal to (i) one and one-half times his Base Salary in effect at the time of the termination of Employment, (ii) his average annual bonus based on the actual amounts received in the immediately preceding two years and (iii) the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation. If, during the term of this Agreement and prior to the occurrence of a Change in Control or more than 12 months following a Change in Control, Executive resigns his Employment for Good Reason and a Separation occurs, then the Company shall pay the Executive a lump sum severance payment equal to (i) one times his Base Salary in effect at the time of the termination of Employment (ii) his average annual bonus based on the actual amounts received in the immediately preceding two years and a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation. . Notwithstanding anything herein to the contrary, in the event that the Executive Employment is terminated for a reason other than Cause or Permanent Disability or the Executive resigns his Employment for Good Reason under this Subsection (b) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use his Target Bonus in the year of termination if such termination under this Subsection (b) occurs in the first year of employment with the Company and the actual bonus the Executive received during the first year of employment with the Company if such termination under this Subsection (b) occurs in the second year of employment with the Company. However, the amount of the severance payment under this Subsection (b) shall be reduced by the amount of any severance pay or pay in lieu of notice that the Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(c) **Severance Pay in Connection with a Change in Control**. If, during the term of this Agreement and within 12 months following a Change in Control, the Executive is subject to an Involuntary Termination, then (i) the Company shall pay the Executive a lump sum severance payment equal to (x) two times his Base Salary in effect at the time of the termination of Employment plus two times the Executive's average bonus received in the immediately preceding two years and (y) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation , (ii) the vesting of all stock options and shares of restricted stock granted by the Company and held by the Executive shall be accelerated in full as of the date of the Involuntary Termination. Notwithstanding anything herein to the contrary, in the event that the Executive is subject to an Involuntary Termination under this Subsection (c) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use his Target Bonus in the year of the Involuntary Termination if such termination under this Subsection (c) occurs in the first year of employment with the Company and the actual bonus the Executive received during the first year of employment with the Company if such termination under this Subsection (c) occurs in the second year of employment with the Company. However, the amount of the severance payment

under this Subsection (c) shall be reduced by the amount of any severance pay or pay in lieu of notice that the Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(d) **Commencement of Severance Payments**. Payment of the severance pay provided for under this Agreement will be made on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's Separation, but only if the Executive has complied with the release and other preconditions set forth in Subsection (a) (to the extent applicable).

7. **Non-Solicitation and Non-Disclosure.**

(a) **Non-Solicitation**. During the period commencing on the date of this Agreement and continuing until the second anniversary of the date the Executive's Employment terminated for any reason, the Executive shall not directly or indirectly, personally or through others, solicit or attempt to solicit (on the Executive's own behalf or on behalf of any other person or entity) either (i) the employment of any employee or consultant of the Company or any of the Company's affiliates or (ii) the business of any customer of the Company or any of the Company's affiliates in a manner that could constitute engaging in sale of goods or services in or for a Restricted Business or otherwise interferes with Company's relationship with such customer.

(b) **Non-Competition**. As one of the Company's executive and management personnel and officer, Executive has obtained extensive and valuable knowledge and confidential information concerning the business of the Company, including certain trade secrets the Company wishes to protect. Executive further acknowledges that during his Employment he will have access to and knowledge of Proprietary Information. To protect the Company's Proprietary Information, Executives agrees that during his Employment with the Company, whether full-time or half-time and for a period of 24 months after his last day of Employment with the Company, he will not directly or indirectly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), or have any ownership interest in, or participate in the financing, operation, management or control of, any person, firm, corporation or business that engages in a Restricted Business in a Restricted Territory. It is agreed that ownership of (i) no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation, or (ii) any stock he presently owns shall not constitute a violation of this provision.

(c) **Reasonable**. Executive agrees and acknowledges that the time limitation on the restrictions in this Section 7, combined with the geographic scope, is reasonable. Executive also acknowledges and agrees that this provision is reasonably necessary for the protection of Proprietary Information, that through his Employment he shall receive adequate consideration for any loss of opportunity associated with the provisions herein, and that these provisions provide a reasonable way of protecting the Company's business value which will be imparted to him. If any restriction set forth in this Section 7 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

(d) **Non-Disclosure**. The Executive has entered into a Proprietary Information and Inventions Agreement with the Company, which is incorporated herein by this reference.

8. **Successors.**

(a) **Company's Successors**. This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which becomes bound by this Agreement.

(b) **Employee's Successors**. This Agreement and all rights of the Executive hereunder shall inure to the benefit of, and be enforceable by, the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

9. **Taxes.**

(a) **Withholding Taxes**. All payments made under this Agreement shall be subject to reduction to reflect applicable withholding and payroll taxes or other deductions required to be withheld by law.

(b) **Tax Advice**. The Executive is encouraged to obtain his own tax advice regarding his compensation from the Company. The Executive agrees that the Company does not have a duty to design its compensation policies in a manner that minimizes the Executive's tax liabilities, and the Executive shall not make any claim against the Company or the Board related to tax liabilities arising from the Executive's compensation.

(c) **Parachute Taxes**. Notwithstanding anything in this Agreement to the contrary, if it shall be determined that any payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise ("Total Payments") to be made to Executive would otherwise exceed the amount (the "Safe Harbor Amount") that could be received by Executive without the imposition of an excise tax under Section 4999 of Code, then the Total Payments shall be reduced to the extent, and only to the extent, necessary to assure that their aggregate present value, as determined in accordance the applicable provisions of Section 280G of the Code and the regulations thereunder, does not exceed the greater of the following dollar amounts (the "Benefit Limit"): (i) the Safe Harbor Amount, or (ii) the greatest after-tax amount payable to Executive after taking into account any excise tax imposed under section 4999 of the Code on the Total Payments. All determinations to be made under this subparagraph (c) shall be made by an independent public accounting firm selected by the Company before the date of the Change of Control (the "Accounting Firm"). In determining whether such Benefit Limit is exceeded, the Accounting Firm shall make a reasonable determination of the value to be assigned to the restrictive covenants in effect for Executive pursuant to Section 7 of this Agreement, and the amount of his potential parachute payment under Section 280G of the Code shall reduced by the value of those restrictive covenants to the extent consistent with Section 280G of the Code and the regulations thereunder. To the extent a reduction to the Total Payments is required to be made in accordance with this subparagraph (c), such reduction and/or cancellation of

acceleration of equity awards shall occur in the order that provides the maximum economic benefit to Executive. In the event that acceleration of equity awards is to be reduced, such acceleration of vesting also shall be canceled in the order that provides the maximum economic benefit to Executive. Notwithstanding the foregoing, any reduction shall be made in a manner consistent with the requirements of section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this subparagraph (c) shall be borne solely by the Company. The Company agrees to indemnify and hold harmless the Accounting Firm from any and all claims, damages and expenses resulting from or relating to its determinations pursuant to this subparagraph (c), except for claims, damages or expenses resulting from the gross negligence or willful misconduct of the Accounting Firm.

(d) **Section 409A**. Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. If the Company determines that the Executive is a "specified employee" under Section 409A(a)(2)(B)(i) of the Code at the time of his Separation, then (i) the severance payments under Section 6, to the extent that they are subject to Section 409A of the Code, shall commence on the first business day following (A) expiration of the six-month period measured from the Executive's Separation, or (B) the date of the Executive's death, and (ii) the installments that otherwise would have been paid prior to such date will be paid in a lump sum when such payments commence.

10. **Definitions.**

(a) **Cause**. For all purposes under this Agreement, "Cause" shall mean:

(i) An unauthorized use or disclosure by the Executive of the Company's confidential information or trade secrets, which use or disclosure causes material harm to the Company;

(ii) A material breach by the Executive of any material agreement between the Executive and the Company;

(iii) A material failure by the Executive to comply with the Company's written policies or rules;

(iv) The Executive's conviction of, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State thereof;

(v) The Executive's gross negligence or willful misconduct which causes material harm to the Company;

(vi) A continued failure by the Executive to perform reasonably assigned duties after receiving written notification of such failure from the Board; or

(vii) A failure by the Executive to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested the Executive's cooperation.

(b) **Change of Control**. For all purposes under this Agreement, "Change of Control" shall mean the occurrence of:

(i) The acquisition, by a person or persons acting as a group, of the Company's stock that, together with other stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the Company;

(ii) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of 30% or more of the total voting power of the Company;

(iii) The replacement of a majority of the members of the Board, during any 12-month period, by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of such appointment or election; or

(iv) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of the Company's assets having a total gross fair market value (determined without regard to any liabilities associated with such assets) of 80% or more of the total gross fair market value of all of the assets of the Company (determined without regard to any liabilities associated with such assets) immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, a Change of Control shall not be deemed to occur unless such transaction also qualifies as an event under Treas. Reg. §1.409A-3(i)(5)(v) (change in the ownership of a corporation), Treas. Reg. §1.409A-3(i)(5)(vi) (change in the effective control of a corporation), or Treas. Reg. §1.409A-3(i)(5)(vii) (change in the ownership of a substantial portion of a corporation's assets).

(c) **Code**. For all purposes under this Agreement, "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) **Good Reason**. For all purposes under this Agreement, "Good Reason" shall mean:

(i) a change in the Executive's position with the Company that materially reduces his level of authority or responsibility;

(ii) a reduction in the Executive's base salary by more than 10% unless pursuant to a Company-wide salary reduction affecting all Executives proportionately;

(iii) relocation of the Executive's principal workplace by more than 50 miles;

(iv) a substantial reduction, without good business reasons, of the facilities and perquisites (including office space and location) available to the Executive immediately prior to such reduction; or

(v) a material reduction in the kind or level of employee benefits to which the Executive is entitled immediately prior to such reduction with the result that the Executive's overall benefits package is significantly reduced, unless such reduction is made in connection with a reduction in

the kind or level of employee benefits of employees of the Company generally.

A condition shall not be considered "Good Reason" unless the Executive gives the Company written notice of such condition within 90 days after such condition comes into existence and the Company fails to remedy such condition within 30 days after receiving the Executive's written notice. In addition, the Executive's resignation must occur within 12 months after the condition comes into existence.

(e) **Involuntary Termination**. For all purposes under this Agreement, "Involuntary Termination" shall mean either (i) the Company terminates the Executive's Employment with the Company for a reason other than Cause or Permanent Disability and a Separation occurs, or (ii) the Executive resigns his Employment for Good Reason and a Separation occurs.

(f) **Permanent Disability**. For all purposes under this Agreement, "Permanent Disability" shall mean the Executive's inability to perform the essential functions of the Executive's position, with or without reasonable accommodation, for a period of at least 120 consecutive days because of a physical or mental impairment.

(g) **Proprietary Information**. For all purposes under this Agreement, "Proprietary Information" shall mean any and all confidential and/or proprietary knowledge, data or information of the Company. By way of illustration but not limitation, Proprietary Information includes (i) trade secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques; and (ii) information regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; and (iii) information regarding the skills and compensation of other employees of the Company.

(h) **Restricted Business**. For all purposes under this Agreement, "Restricted Business" shall mean the design, development, marketing or sales of software, or any other process, system, product, or service marketed, sold or under development by the Company at the time Executive's Employment with the Company ends.

(i) **Restricted Territory**. For all purposes under this Agreement, "Restricted Territory" shall mean any state, county, or locality in the United States in which the Company conducts business.

(j) **Separation**. For all purposes under this Employment Agreement, "Separation" means a "separation from service," as defined in the regulations under Section 409A of the Code.

11. **Miscellaneous Provisions.**

(a) **Notice**. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, when delivered by FedEx with delivery charges prepaid, or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Executive, mailed notices shall be addressed to him at the home address that he most recently communicated to the

Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(b) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Executive and by an authorized officer of the Company (other than the Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Whole Agreement**. This Agreement and the Proprietary Information and Inventions Agreement supersede and replace any prior agreements, representations or understandings (whether oral or written and whether express or implied) between the Executive and the Company and constitute the complete agreement between the Executive and the Company regarding the subject matter set forth herein.

(d) **Choice of Law and Severability**. This Agreement shall be interpreted in accordance with the laws of the State of New Jersey (except their provisions governing the choice of law). If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is rendered illegal by any present or future statute, law, ordinance or regulation (collectively the “Law”), then such provision shall be curtailed or limited only to the minimum extent necessary to bring such provision into compliance with the Law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

(e) **No Assignment**. This Agreement and all rights and obligations of the Executive hereunder are personal to the Executive and may not be transferred or assigned by the Executive at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company’s obligations hereunder in connection with any sale or transfer of all or a substantial portion of the Company’s assets to such entity.

(f) **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.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

Lawrence R. Irving

SYNCHRONOSS TECHNOLOGIES, INC.

By

Stephen G. Waldis
President and Chief Executive Officer

Exhibit 10.15

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of December , 2011, by and between Robert Garcia (the "Executive") and Synchronoss Technologies, Inc., a Delaware corporation (the "Company"). Executive and the Company agree that the Employment Agreement dated as of December 31, 2008 between the Company and the Executive shall be terminated as of December 31, 2011. Except as otherwise provided herein, defined terms are set forth in Section 10 below.

1. **Duties and Scope of Employment.**

(a) Position. For the term of his employment under this Agreement (the "Employment"), the Company agrees to continue to employ the Executive in the position of President and Chief Operating Officer. The Executive shall report to the Company's Chief Executive Officer or his or her designee.

(b) **Obligations to the Company**. During his Employment, the Executive (i) shall devote his full business efforts and time to the Company, (ii) shall not engage in any other employment, consulting or other business activity that would create a conflict of interest with the Company, (iii) shall not assist any person or entity in competing with the Company or in preparing to compete with the Company, and (iv) shall comply with the Company's policies and rules, as they may be in effect from time to time.

(c) **No Conflicting Obligations**. The Executive represents and warrants to the Company that he is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with his obligations under this Agreement. The Executive represents and warrants that he will not use or disclose, in connection with his Employment, any trade secrets or other proprietary information or intellectual property in which the Executive or any other person has any right, title or interest and that his Employment will not infringe or violate the rights of any other person. The Executive represents and warrants to the Company that he has returned all property and confidential information belonging to any prior employer.

(d) **Commencement Date**. The Executive has previously commenced full-time Employment. This Agreement shall govern the terms of Executive's Employment effective as of January 1, 2012 (the "Commencement Date") through the Term (as defined in Section 5(a) below).

2. **Compensation**

(a) **Salary**. The Company shall pay the Executive as compensation for his services a base salary at a gross annual rate of not less than $400,000. Such salary shall be payable in accordance with the Company's standard payroll procedures. (The annual compensation specified in this Subsection (a), together with any increases in such compensation that the Company may grant from time to time, is referred to in this Agreement as "Base Salary.").

(b) **Incentive Bonuses**. The Executive shall be eligible for an annual incentive bonus with a target amount equal to 75% of his Base Salary (the "Target Bonus"). The Executive's bonus (if

any) shall be awarded based on criteria established by the Company's Board of Directors (the "Board") or its Compensation Committee. The Executive shall not be entitled to an incentive bonus if he is not employed by the Company on the last day of the fiscal year for which such bonus is payable. Any bonus for a fiscal year shall be paid within 2½ months after the close of that fiscal year. The determinations of the Board or its Compensation Committee with respect to such bonus shall be final and binding.

3. **Vacation and Employee Benefits.** During his Employment, the Executive shall be eligible for paid vacations in accordance with the Company's vacation policy, as it may be amended from time to time, with a minimum of 20 vacation days per year. During his Employment, the Executive shall be eligible to participate in the employee benefit plans maintained by the Company, subject in each case to the generally applicable terms and conditions of the plan in question and to the determinations of any person or committee administering such plan.

4. **Business Expenses.** During his Employment, the Executive shall be authorized to incur necessary and reasonable travel, entertainment and other business expenses in connection with his duties hereunder. The Company shall reimburse the Executive for such expenses upon presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company's generally applicable policies. Notwithstanding anything to the contrary herein, except to the extent any expense or reimbursement provided pursuant to this Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code, (a) the amount of expenses eligible for reimbursement provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to the Executive in any other calendar year, (b) the reimbursements for expenses for which the Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, and (c) the right to payment or reimbursement hereunder may not be liquidated or exchanged for any other benefit.

5. **Term of Employment.**

(a) **Employment Term**. The Company hereby employs Executive to render services to the Company in the position and with the duties and responsibilities described in Section 1 for the period commencing on the Commencement Date and ending upon the earlier of (i) three (3) years from such date, and (ii) the date Executive's Employment is terminated in accordance with Section 5(b) (the "Term"). After the initial three-year term of this Agreement Executive's Employment shall be "at will" and either Executive or the Company shall be entitled to terminate Executive's Employment at any time and for any reason, with or without cause. However, this Agreement will not govern the terms of Executive's employment after the Term.

(b) **Termination of Employment**. The Company may terminate the Executive's Employment at any time and for any reason (or no reason), and with or without Cause, by giving the Executive 30 days' advance notice in writing. The Executive may terminate his Employment by giving the Company 30 days' advance notice in writing. The Executive's Employment shall terminate automatically in the event of his death. The termination of the Executive's Employment shall not limit or otherwise affect his obligations under Section 7.

(c) **Rights Upon Termination**. Upon Executive's termination of Employment for any reason, Executive shall be entitled to the compensation, benefits and reimbursements described in Sections 1, 2, 3, and 4 for the period preceding the effective date of such termination. Upon the termination of Executive's Employment under certain circumstances, Executive may be entitled to additional severance pay benefits described in Section 6. The payments under this Agreement shall fully discharge all responsibilities of the Company to the Executive. This Agreement shall terminate when all obligations of the parties hereunder have been satisfied.

(d) **Rights Upon Death**. If Executive's Employment ends due to death, Executive's estate shall be entitled to receive an amount equal to his target bonus for the fiscal year in which his death occurred, prorated based on the number of days he was employed by the Company during that fiscal year. All amounts under this Section 5(d) shall be paid on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's date of death.

(e) **Rights Upon Permanent Disability**. If Executive's Employment ends due to Permanent Disability and a Separation occurs, Executive shall be entitled to receive (i) an amount equal to his Target Bonus for the fiscal year in which his Employment ended, prorated based on the number of days he was employed by the Company during that fiscal year, and (ii) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation. The amounts payable under this Section 5(e) shall be paid on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's Separation.

6. **Termination Benefits.**

(a) **Preconditions**. Any other provision of this Agreement notwithstanding, Subsections (b) and (c) below shall not apply unless the Executive:

(i) Has executed a general release of all claims the Executive may have against the Company or persons affiliated with the Company (substantially in the form attached hereto as Exhibit A) (the "Release");

(ii) Has returned all property of the Company in the Executive's possession; and

(iii) If requested by the Board, has resigned as a member of the Board and as a member of the boards of directors of all subsidiaries of the Company, to the extent applicable.

The Executive must execute and return the Release within the period of time set forth in the Release (the "Release Deadline"). The Release Deadline will in no event be later than 50 days after the Executive's Separation. If the Executive fails to return the Release on or before the Release Deadline or if the Executive revokes the Release, then the Executive will not be entitled to the benefits described in this Section 6.

(b) **Severance Pay in the Absence of a Change in Control**. If, during the term of this Agreement and prior to the occurrence of a Change in Control or more than 12 months following a Change in Control, the Company terminates the Executive's Employment with the Company for a reason other than Cause or Permanent Disability and a Separation occurs, then the

Company shall pay the Executive a lump sum severance payment equal to (i) one and one-half times his Base Salary in effect at the time of the termination of Employment, (ii) his average annual bonus based on the actual amounts received in the immediately preceding two years and (iii) the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation. If, during the term of this Agreement and prior to the occurrence of a Change in Control or more than 12 months following a Change in Control, Executive resigns his Employment for Good Reason and a Separation occurs, then the Company shall pay the Executive a lump sum severance payment equal to (i) one times his Base Salary in effect at the time of the termination of Employment (ii) his average annual bonus based on the actual amounts received in the immediately preceding two years and a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation. . Notwithstanding anything herein to the contrary, in the event that the Executive Employment is terminated for a reason other than Cause or Permanent Disability or the Executive resigns his Employment for Good Reason under this Subsection (b) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use his Target Bonus in the year of termination if such termination under this Subsection (b) occurs in the first year of employment with the Company and the actual bonus the Executive received during the first year of employment with the Company if such termination under this Subsection (b) occurs in the second year of employment with the Company. However, the amount of the severance payment under this Subsection (b) shall be reduced by the amount of any severance pay or pay in lieu of notice that the Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(c) **Severance Pay in Connection with a Change in Control** . If, during the term of this Agreement and within 12 months following a Change in Control, the Executive is subject to an Involuntary Termination, then (i) the Company shall pay the Executive a lump sum severance payment equal to (x) two times his Base Salary in effect at the time of the termination of Employment plus two times the Executive's average bonus received in the immediately preceding two years and (y) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation , (ii) the vesting of all stock options and shares of restricted stock granted by the Company and held by the Executive shall be accelerated in full as of the date of the Involuntary Termination. Notwithstanding anything herein to the contrary, in the event that the Executive is subject to an Involuntary Termination under this Subsection (c) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use his Target Bonus in the year of the Involuntary Termination if such termination under this Subsection (c) occurs in the first year of employment with the Company and the actual bonus the Executive received during the first year of employment with the Company if such termination under this Subsection (c) occurs in the second year of employment with the Company. However, the amount of the severance payment

under this Subsection (c) shall be reduced by the amount of any severance pay or pay in lieu of notice that the Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(d) **Commencement of Severance Payments**. Payment of the severance pay provided for under this Agreement will be made on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's Separation, but only if the Executive has complied with the release and other preconditions set forth in Subsection (a) (to the extent applicable).

7. **Non-Solicitation and Non-Disclosure.**

(a) **Non-Solicitation**. During the period commencing on the date of this Agreement and continuing until the second anniversary of the date the Executive's Employment terminated for any reason, the Executive shall not directly or indirectly, personally or through others, solicit or attempt to solicit (on the Executive's own behalf or on behalf of any other person or entity) either (i) the employment of any employee or consultant of the Company or any of the Company's affiliates or (ii) the business of any customer of the Company or any of the Company's affiliates in a manner that could constitute engaging in sale of goods or services in or for a Restricted Business or otherwise interferes with Company's relationship with such customer.

(b) **Non-Competition**. As one of the Company's executive and management personnel and officer, Executive has obtained extensive and valuable knowledge and confidential information concerning the business of the Company, including certain trade secrets the Company wishes to protect. Executive further acknowledges that during his Employment he will have access to and knowledge of Proprietary Information. To protect the Company's Proprietary Information, Executives agrees that during his Employment with the Company, whether full-time or half-time and for a period of 24 months after his last day of Employment with the Company, he will not directly or indirectly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), or have any ownership interest in, or participate in the financing, operation, management or control of, any person, firm, corporation or business that engages in a Restricted Business in a Restricted Territory. It is agreed that ownership of (i) no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation, or (ii) any stock he presently owns shall not constitute a violation of this provision.

(c) **Reasonable**. Executive agrees and acknowledges that the time limitation on the restrictions in this Section 7, combined with the geographic scope, is reasonable. Executive also acknowledges and agrees that this provision is reasonably necessary for the protection of Proprietary Information, that through his Employment he shall receive adequate consideration for any loss of opportunity associated with the provisions herein, and that these provisions provide a reasonable way of protecting the Company's business value which will be imparted to him. If any restriction set forth in this Section 7 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

(d) **Non-Disclosure**. The Executive has entered into a Proprietary Information and Inventions Agreement with the Company, which is incorporated herein by this reference.

8. **Successors.**

(a) **Company's Successors**. This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which becomes bound by this Agreement.

(b) **Employee's Successors**. This Agreement and all rights of the Executive hereunder shall inure to the benefit of, and be enforceable by, the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

9. **Taxes.**

(a) **Withholding Taxes**. All payments made under this Agreement shall be subject to reduction to reflect applicable withholding and payroll taxes or other deductions required to be withheld by law.

(b) **Tax Advice**. The Executive is encouraged to obtain his own tax advice regarding his compensation from the Company. The Executive agrees that the Company does not have a duty to design its compensation policies in a manner that minimizes the Executive's tax liabilities, and the Executive shall not make any claim against the Company or the Board related to tax liabilities arising from the Executive's compensation.

(c) **Parachute Taxes**. Notwithstanding anything in this Agreement to the contrary, if it shall be determined that any payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise ("Total Payments") to be made to Executive would otherwise exceed the amount (the "Safe Harbor Amount") that could be received by Executive without the imposition of an excise tax under Section 4999 of Code, then the Total Payments shall be reduced to the extent, and only to the extent, necessary to assure that their aggregate present value, as determined in accordance the applicable provisions of Section 280G of the Code and the regulations thereunder, does not exceed the greater of the following dollar amounts (the "Benefit Limit"): (i) the Safe Harbor Amount, or (ii) the greatest after-tax amount payable to Executive after taking into account any excise tax imposed under section 4999 of the Code on the Total Payments. All determinations to be made under this subparagraph (c) shall be made by an independent public accounting firm selected by the Company before the date of the Change of Control (the "Accounting Firm"). In determining whether such Benefit Limit is exceeded, the Accounting Firm shall make a reasonable determination of the value to be assigned to the restrictive covenants in effect for Executive pursuant to Section 7 of this Agreement, and the amount of his potential parachute payment under Section 280G of the Code shall reduced by the value of those restrictive covenants to the extent consistent with Section 280G of the Code and the regulations thereunder. To the extent a reduction to the Total Payments is required to be made in accordance with this subparagraph (c), such reduction and/or cancellation of

acceleration of equity awards shall occur in the order that provides the maximum economic benefit to Executive. In the event that acceleration of equity awards is to be reduced, such acceleration of vesting also shall be canceled in the order that provides the maximum economic benefit to Executive. Notwithstanding the foregoing, any reduction shall be made in a manner consistent with the requirements of section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this subparagraph (c) shall be borne solely by the Company. The Company agrees to indemnify and hold harmless the Accounting Firm from any and all claims, damages and expenses resulting from or relating to its determinations pursuant to this subparagraph (c), except for claims, damages or expenses resulting from the gross negligence or willful misconduct of the Accounting Firm.

(d) **Section 409A**. Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. If the Company determines that the Executive is a "specified employee" under Section 409A(a)(2)(B)(i) of the Code at the time of his Separation, then (i) the severance payments under Section 6, to the extent that they are subject to Section 409A of the Code, shall commence on the first business day following (A) expiration of the six-month period measured from the Executive's Separation, or (B) the date of the Executive's death, and (ii) the installments that otherwise would have been paid prior to such date will be paid in a lump sum when such payments commence.

10. **Definitions.**

(a) **Cause**. For all purposes under this Agreement, "Cause" shall mean:

(i) An unauthorized use or disclosure by the Executive of the Company's confidential information or trade secrets, which use or disclosure causes material harm to the Company;

(ii) A material breach by the Executive of any material agreement between the Executive and the Company;

(iii) A material failure by the Executive to comply with the Company's written policies or rules;

(iv) The Executive's conviction of, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State thereof;

(v) The Executive's gross negligence or willful misconduct which causes material harm to the Company;

(vi) A continued failure by the Executive to perform reasonably assigned duties after receiving written notification of such failure from the Board; or

(vii) A failure by the Executive to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested the Executive's cooperation.

(b) **Change of Control**. For all purposes under this Agreement, "Change of Control" shall mean the occurrence of:

(i) The acquisition, by a person or persons acting as a group, of the Company's stock that, together with other stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the Company;

(ii) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of 30% or more of the total voting power of the Company;

(iii) The replacement of a majority of the members of the Board, during any 12-month period, by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of such appointment or election; or

(iv) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of the Company's assets having a total gross fair market value (determined without regard to any liabilities associated with such assets) of 80% or more of the total gross fair market value of all of the assets of the Company (determined without regard to any liabilities associated with such assets) immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, a Change of Control shall not be deemed to occur unless such transaction also qualifies as an event under Treas. Reg. §1.409A-3(i)(5)(v) (change in the ownership of a corporation), Treas. Reg. §1.409A-3(i)(5)(vi) (change in the effective control of a corporation), or Treas. Reg. §1.409A-3(i)(5)(vii) (change in the ownership of a substantial portion of a corporation's assets).

(c) **Code**. For all purposes under this Agreement, "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) **Good Reason**. For all purposes under this Agreement, "Good Reason" shall mean:

(i) a change in the Executive's position with the Company that materially reduces his level of authority or responsibility;

(ii) a reduction in the Executive's base salary by more than 10% unless pursuant to a Company-wide salary reduction affecting all Executives proportionately;

(iii) relocation of the Executive's principal workplace by more than 50 miles;

(iv) a substantial reduction, without good business reasons, of the facilities and perquisites (including office space and location) available to the Executive immediately prior to such reduction; or

(v) a material reduction in the kind or level of employee benefits to which the Executive is entitled immediately prior to such reduction with the result that the Executive's overall benefits package is significantly reduced, unless such reduction is made in connection with a reduction in

the kind or level of employee benefits of employees of the Company generally.

A condition shall not be considered "Good Reason" unless the Executive gives the Company written notice of such condition within 90 days after such condition comes into existence and the Company fails to remedy such condition within 30 days after receiving the Executive's written notice. In addition, the Executive's resignation must occur within 12 months after the condition comes into existence.

(e) **Involuntary Termination**. For all purposes under this Agreement, "Involuntary Termination" shall mean either (i) the Company terminates the Executive's Employment with the Company for a reason other than Cause or Permanent Disability and a Separation occurs, or (ii) the Executive resigns his Employment for Good Reason and a Separation occurs.

(f) **Permanent Disability**. For all purposes under this Agreement, "Permanent Disability" shall mean the Executive's inability to perform the essential functions of the Executive's position, with or without reasonable accommodation, for a period of at least 120 consecutive days because of a physical or mental impairment.

(g) **Proprietary Information**. For all purposes under this Agreement, "Proprietary Information" shall mean any and all confidential and/or proprietary knowledge, data or information of the Company. By way of illustration but not limitation, Proprietary Information includes (i) trade secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques; and (ii) information regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; and (iii) information regarding the skills and compensation of other employees of the Company.

(h) **Restricted Business**. For all purposes under this Agreement, "Restricted Business" shall mean the design, development, marketing or sales of software, or any other process, system, product, or service marketed, sold or under development by the Company at the time Executive's Employment with the Company ends.

(i) **Restricted Territory**. For all purposes under this Agreement, "Restricted Territory" shall mean any state, county, or locality in the United States in which the Company conducts business.

(j) **Separation**. For all purposes under this Employment Agreement, "Separation" means a "separation from service," as defined in the regulations under Section 409A of the Code.

11. **Miscellaneous Provisions.**

(a) **Notice**. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, when delivered by FedEx with delivery charges prepaid, or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Executive, mailed notices shall be addressed to him at the home address that he most recently communicated to the

Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(b) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Executive and by an authorized officer of the Company (other than the Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Whole Agreement**. This Agreement and the Proprietary Information and Inventions Agreement supersede and replace any prior agreements, representations or understandings (whether oral or written and whether express or implied) between the Executive and the Company and constitute the complete agreement between the Executive and the Company regarding the subject matter set forth herein.

(d) **Choice of Law and Severability**. This Agreement shall be interpreted in accordance with the laws of the State of New Jersey (except their provisions governing the choice of law). If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is rendered illegal by any present or future statute, law, ordinance or regulation (collectively the “Law”), then such provision shall be curtailed or limited only to the minimum extent necessary to bring such provision into compliance with the Law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

(e) **No Assignment**. This Agreement and all rights and obligations of the Executive hereunder are personal to the Executive and may not be transferred or assigned by the Executive at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company’s obligations hereunder in connection with any sale or transfer of all or a substantial portion of the Company’s assets to such entity.

(f) **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.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

Robert Garcia

SYNCHRONOSS TECHNOLOGIES, INC.

By

Stephen G. Waldis
Chief Executive Officer

Exhibit 10.16

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of December , 2011, by and between Christopher Putnam (the "Executive") and Synchronoss Technologies, Inc., a Delaware corporation (the "Company"). Executive and the Company agree that the Employment Agreement dated as of December 31, 2008 between the Company and the Executive shall be terminated as of December 31, 2011. Except as otherwise provided herein, defined terms are set forth in Section 10 below.

1. **Duties and Scope of Employment.**

(a) **Position**. For the term of his employment under this Agreement (the "Employment"), the Company agrees to continue to employ the Executive in the position of Executive Vice President of Sales. The Executive shall report to the Company's President or Chief Executive Officer or his or her designee.

(b) **Obligations to the Company**. During his Employment, the Executive (i) shall devote his full business efforts and time to the Company, (ii) shall not engage in any other employment, consulting or other business activity that would create a conflict of interest with the Company, (iii) shall not assist any person or entity in competing with the Company or in preparing to compete with the Company, and (iv) shall comply with the Company's policies and rules, as they may be in effect from time to time.

(c) **No Conflicting Obligations**. The Executive represents and warrants to the Company that he is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with his obligations under this Agreement. The Executive represents and warrants that he will not use or disclose, in connection with his Employment, any trade secrets or other proprietary information or intellectual property in which the Executive or any other person has any right, title or interest and that his Employment will not infringe or violate the rights of any other person. The Executive represents and warrants to the Company that he has returned all property and confidential information belonging to any prior employer.

(d) **Commencement Date**. The Executive has previously commenced full-time Employment. This Agreement shall govern the terms of Executive's Employment effective as of January 1, 2012 (the "Commencement Date") through the Term (as defined in Section 5(a) below).

2. **Compensation**

(a) **Salary**. The Company shall pay the Executive as compensation for his services a base salary at a gross annual rate of not less than $330,000. Such salary shall be payable in accordance with the Company's standard payroll procedures. (The annual compensation specified in this Subsection (a), together with any increases in such compensation that the Company may grant from time to time, is referred to in this Agreement as "Base Salary.").

(b) **Incentive Bonuses**. The Executive shall be eligible for an annual incentive bonus with a target amount equal to 90% of his Base Salary (the "Target Bonus"). The Executive's bonus (if

any) shall be awarded based on criteria established by the Company's Board of Directors (the "Board") or its Compensation Committee. The Executive shall not be entitled to an incentive bonus if he is not employed by the Company on the last day of the fiscal year for which such bonus is payable. Any bonus for a fiscal year shall be paid within 2½ months after the close of that fiscal year. The determinations of the Board or its Compensation Committee with respect to such bonus shall be final and binding.

3. **Vacation and Employee Benefits.** During his Employment, the Executive shall be eligible for paid vacations in accordance with the Company's vacation policy, as it may be amended from time to time, with a minimum of 20 vacation days per year. During his Employment, the Executive shall be eligible to participate in the employee benefit plans maintained by the Company, subject in each case to the generally applicable terms and conditions of the plan in question and to the determinations of any person or committee administering such plan.

4. **Business Expenses.** During his Employment, the Executive shall be authorized to incur necessary and reasonable travel, entertainment and other business expenses in connection with his duties hereunder. The Company shall reimburse the Executive for such expenses upon presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company's generally applicable policies. Notwithstanding anything to the contrary herein, except to the extent any expense or reimbursement provided pursuant to this Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code, (a) the amount of expenses eligible for reimbursement provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to the Executive in any other calendar year, (b) the reimbursements for expenses for which the Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, and (c) the right to payment or reimbursement hereunder may not be liquidated or exchanged for any other benefit.

5. **Term of Employment.**

(a) **Employment Term**. The Company hereby employs Executive to render services to the Company in the position and with the duties and responsibilities described in Section 1 for the period commencing on the Commencement Date and ending upon the earlier of (i) three (3) years from such date, and (ii) the date Executive's Employment is terminated in accordance with Section 5(b) (the "Term"). After the initial three-year term of this Agreement Executive's Employment shall be "at will" and either Executive or the Company shall be entitled to terminate Executive's Employment at any time and for any reason, with or without cause. However, this Agreement will not govern the terms of Executive's employment after the Term.

(b) **Termination of Employment**. The Company may terminate the Executive's Employment at any time and for any reason (or no reason), and with or without Cause, by giving the Executive 30 days' advance notice in writing. The Executive may terminate his Employment by giving the Company 30 days' advance notice in writing. The Executive's Employment shall terminate automatically in the event of his death. The termination of the Executive's Employment shall not limit or otherwise affect his obligations under Section 7.

(c) **Rights Upon Termination**. Upon Executive's termination of Employment for any reason, Executive shall be entitled to the compensation, benefits and reimbursements described in Sections 1, 2, 3, and 4 for the period preceding the effective date of such termination. Upon the termination of Executive's Employment under certain circumstances, Executive may be entitled to additional severance pay benefits described in Section 6. The payments under this Agreement shall fully discharge all responsibilities of the Company to the Executive. This Agreement shall terminate when all obligations of the parties hereunder have been satisfied.

(d) **Rights Upon Death**. If Executive's Employment ends due to death, Executive's estate shall be entitled to receive an amount equal to his target bonus for the fiscal year in which his death occurred, prorated based on the number of days he was employed by the Company during that fiscal year. All amounts under this Section 5(d) shall be paid on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's date of death.

(e) **Rights Upon Permanent Disability**. If Executive's Employment ends due to Permanent Disability and a Separation occurs, Executive shall be entitled to receive (i) an amount equal to his Target Bonus for the fiscal year in which his Employment ended, prorated based on the number of days he was employed by the Company during that fiscal year, and (ii) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation. The amounts payable under this Section 5(e) shall be paid on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's Separation.

6. **Termination Benefits.**

(a) **Preconditions**. Any other provision of this Agreement notwithstanding, Subsections (b) and (c) below shall not apply unless the Executive:

(i) Has executed a general release of all claims the Executive may have against the Company or persons affiliated with the Company (substantially in the form attached hereto as Exhibit A) (the "Release");

(ii) Has returned all property of the Company in the Executive's possession; and

(iii) If requested by the Board, has resigned as a member of the Board and as a member of the boards of directors of all subsidiaries of the Company, to the extent applicable.

The Executive must execute and return the Release within the period of time set forth in the Release (the "Release Deadline"). The Release Deadline will in no event be later than 50 days after the Executive's Separation. If the Executive fails to return the Release on or before the Release Deadline or if the Executive revokes the Release, then the Executive will not be entitled to the benefits described in this Section 6.

(b) **Severance Pay in the Absence of a Change in Control**. If, during the term of this Agreement and prior to the occurrence of a Change in Control or more than 12 months following a Change in Control, the Company terminates the Executive's Employment with the Company for a reason other than Cause or Permanent Disability and a Separation occurs, then the

Company shall pay the Executive a lump sum severance payment equal to (i) one and one-half times his Base Salary in effect at the time of the termination of Employment, (ii) his average annual bonus based on the actual amounts received in the immediately preceding two years and (iii) the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation. If, during the term of this Agreement and prior to the occurrence of a Change in Control or more than 12 months following a Change in Control, Executive resigns his Employment for Good Reason and a Separation occurs, then the Company shall pay the Executive a lump sum severance payment equal to (i) one times his Base Salary in effect at the time of the termination of Employment (ii) his average annual bonus based on the actual amounts received in the immediately preceding two years and a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation. . Notwithstanding anything herein to the contrary, in the event that the Executive Employment is terminated for a reason other than Cause or Permanent Disability or the Executive resigns his Employment for Good Reason under this Subsection (b) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use his Target Bonus in the year of termination if such termination under this Subsection (b) occurs in the first year of employment with the Company and the actual bonus the Executive received during the first year of employment with the Company if such termination under this Subsection (b) occurs in the second year of employment with the Company. However, the amount of the severance payment under this Subsection (b) shall be reduced by the amount of any severance pay or pay in lieu of notice that the Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(c) **Severance Pay in Connection with a Change in Control**. If, during the term of this Agreement and within 12 months following a Change in Control, the Executive is subject to an Involuntary Termination, then (i) the Company shall pay the Executive a lump sum severance payment equal to (x) two times his Base Salary in effect at the time of the termination of Employment plus two times the Executive's average bonus received in the immediately preceding two years and (y) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation , (ii) the vesting of all stock options and shares of restricted stock granted by the Company and held by the Executive shall be accelerated in full as of the date of the Involuntary Termination. Notwithstanding anything herein to the contrary, in the event that the Executive is subject to an Involuntary Termination under this Subsection (c) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use his Target Bonus in the year of the Involuntary Termination if such termination under this Subsection (c) occurs in the first year of employment with the Company and the actual bonus the Executive received during the first year of employment with the Company if such termination under this Subsection (c) occurs in the second year of employment with the Company. However, the amount of the severance payment

under this Subsection (c) shall be reduced by the amount of any severance pay or pay in lieu of notice that the Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(d) **Commencement of Severance Payments**. Payment of the severance pay provided for under this Agreement will be made on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's Separation, but only if the Executive has complied with the release and other preconditions set forth in Subsection (a) (to the extent applicable).

7. **Non-Solicitation and Non-Disclosure.**

(a) **Non-Solicitation**. During the period commencing on the date of this Agreement and continuing until the second anniversary of the date the Executive's Employment terminated for any reason, the Executive shall not directly or indirectly, personally or through others, solicit or attempt to solicit (on the Executive's own behalf or on behalf of any other person or entity) either (i) the employment of any employee or consultant of the Company or any of the Company's affiliates or (ii) the business of any customer of the Company or any of the Company's affiliates in a manner that could constitute engaging in sale of goods or services in or for a Restricted Business or otherwise interferes with Company's relationship with such customer.

(b) **Non-Competition**. As one of the Company's executive and management personnel and officer, Executive has obtained extensive and valuable knowledge and confidential information concerning the business of the Company, including certain trade secrets the Company wishes to protect. Executive further acknowledges that during his Employment he will have access to and knowledge of Proprietary Information. To protect the Company's Proprietary Information, Executives agrees that during his Employment with the Company, whether full-time or half-time and for a period of 24 months after his last day of Employment with the Company, he will not directly or indirectly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), or have any ownership interest in, or participate in the financing, operation, management or control of, any person, firm, corporation or business that engages in a Restricted Business in a Restricted Territory. It is agreed that ownership of (i) no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation, or (ii) any stock he presently owns shall not constitute a violation of this provision.

(c) **Reasonable**. Executive agrees and acknowledges that the time limitation on the restrictions in this Section 7, combined with the geographic scope, is reasonable. Executive also acknowledges and agrees that this provision is reasonably necessary for the protection of Proprietary Information, that through his Employment he shall receive adequate consideration for any loss of opportunity associated with the provisions herein, and that these provisions provide a reasonable way of protecting the Company's business value which will be imparted to him. If any restriction set forth in this Section 7 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

(d) **Non-Disclosure**. The Executive has entered into a Proprietary Information and Inventions Agreement with the Company, which is incorporated herein by this reference.

8. **Successors.**

(a) **Company's Successors**. This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which becomes bound by this Agreement.

(b) **Employee's Successors**. This Agreement and all rights of the Executive hereunder shall inure to the benefit of, and be enforceable by, the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

9. **Taxes.**

(a) **Withholding Taxes**. All payments made under this Agreement shall be subject to reduction to reflect applicable withholding and payroll taxes or other deductions required to be withheld by law.

(b) **Tax Advice**. The Executive is encouraged to obtain his own tax advice regarding his compensation from the Company. The Executive agrees that the Company does not have a duty to design its compensation policies in a manner that minimizes the Executive's tax liabilities, and the Executive shall not make any claim against the Company or the Board related to tax liabilities arising from the Executive's compensation.

(c) **Parachute Taxes**. Notwithstanding anything in this Agreement to the contrary, if it shall be determined that any payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise ("Total Payments") to be made to Executive would otherwise exceed the amount (the "Safe Harbor Amount") that could be received by Executive without the imposition of an excise tax under Section 4999 of Code, then the Total Payments shall be reduced to the extent, and only to the extent, necessary to assure that their aggregate present value, as determined in accordance the applicable provisions of Section 280G of the Code and the regulations thereunder, does not exceed the greater of the following dollar amounts (the "Benefit Limit"): (i) the Safe Harbor Amount, or (ii) the greatest after-tax amount payable to Executive after taking into account any excise tax imposed under section 4999 of the Code on the Total Payments. All determinations to be made under this subparagraph (c) shall be made by an independent public accounting firm selected by the Company before the date of the Change of Control (the "Accounting Firm"). In determining whether such Benefit Limit is exceeded, the Accounting Firm shall make a reasonable determination of the value to be assigned to the restrictive covenants in effect for Executive pursuant to Section 7 of this Agreement, and the amount of his potential parachute payment under Section 280G of the Code shall reduced by the value of those restrictive covenants to the extent consistent with Section 280G of the Code and the regulations thereunder. To the extent a reduction to the Total Payments is required to be made in accordance with this subparagraph (c), such reduction and/or cancellation of

acceleration of equity awards shall occur in the order that provides the maximum economic benefit to Executive. In the event that acceleration of equity awards is to be reduced, such acceleration of vesting also shall be canceled in the order that provides the maximum economic benefit to Executive. Notwithstanding the foregoing, any reduction shall be made in a manner consistent with the requirements of section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this subparagraph (c) shall be borne solely by the Company. The Company agrees to indemnify and hold harmless the Accounting Firm from any and all claims, damages and expenses resulting from or relating to its determinations pursuant to this subparagraph (c), except for claims, damages or expenses resulting from the gross negligence or willful misconduct of the Accounting Firm.

(d) **Section 409A**. Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. If the Company determines that the Executive is a "specified employee" under Section 409A(a)(2)(B)(i) of the Code at the time of his Separation, then (i) the severance payments under Section 6, to the extent that they are subject to Section 409A of the Code, shall commence on the first business day following (A) expiration of the six-month period measured from the Executive's Separation, or (B) the date of the Executive's death, and (ii) the installments that otherwise would have been paid prior to such date will be paid in a lump sum when such payments commence.

10. **Definitions.**

(a) **Cause**. For all purposes under this Agreement, "Cause" shall mean:

(i) An unauthorized use or disclosure by the Executive of the Company's confidential information or trade secrets, which use or disclosure causes material harm to the Company;

(ii) A material breach by the Executive of any material agreement between the Executive and the Company;

(iii) A material failure by the Executive to comply with the Company's written policies or rules;

(iv) The Executive's conviction of, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State thereof;

(v) The Executive's gross negligence or willful misconduct which causes material harm to the Company;

(vi) A continued failure by the Executive to perform reasonably assigned duties after receiving written notification of such failure from the Board; or

(vii) A failure by the Executive to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested the Executive's cooperation.

(b) **Change of Control**. For all purposes under this Agreement, "Change of Control" shall mean the occurrence of:

(i) The acquisition, by a person or persons acting as a group, of the Company's stock that, together with other stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the Company;

(ii) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of 30% or more of the total voting power of the Company;

(iii) The replacement of a majority of the members of the Board, during any 12-month period, by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of such appointment or election; or

(iv) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of the Company's assets having a total gross fair market value (determined without regard to any liabilities associated with such assets) of 80% or more of the total gross fair market value of all of the assets of the Company (determined without regard to any liabilities associated with such assets) immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, a Change of Control shall not be deemed to occur unless such transaction also qualifies as an event under Treas. Reg. §1.409A-3(i)(5)(v) (change in the ownership of a corporation), Treas. Reg. §1.409A-3(i)(5)(vi) (change in the effective control of a corporation), or Treas. Reg. §1.409A-3(i)(5)(vii) (change in the ownership of a substantial portion of a corporation's assets).

(c) **Code**. For all purposes under this Agreement, "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) **Good Reason**. For all purposes under this Agreement, "Good Reason" shall mean:

(i) a change in the Executive's position with the Company that materially reduces his level of authority or responsibility;

(ii) a reduction in the Executive's base salary by more than 10% unless pursuant to a Company-wide salary reduction affecting all Executives proportionately;

(iii) relocation of the Executive's principal workplace by more than 50 miles;

(iv) a substantial reduction, without good business reasons, of the facilities and perquisites (including office space and location) available to the Executive immediately prior to such reduction; or

(v) a material reduction in the kind or level of employee benefits to which the Executive is entitled immediately prior to such reduction with the result that the Executive's overall benefits package is significantly reduced, unless such reduction is made in connection with a reduction in

the kind or level of employee benefits of employees of the Company generally.

A condition shall not be considered “Good Reason” unless the Executive gives the Company written notice of such condition within 90 days after such condition comes into existence and the Company fails to remedy such condition within 30 days after receiving the Executive’s written notice. In addition, the Executive’s resignation must occur within 12 months after the condition comes into existence.

(e) **Involuntary Termination**. For all purposes under this Agreement, “Involuntary Termination” shall mean either (i) the Company terminates the Executive’s Employment with the Company for a reason other than Cause or Permanent Disability and a Separation occurs, or (ii) the Executive resigns his Employment for Good Reason and a Separation occurs.

(f) **Permanent Disability**. For all purposes under this Agreement, “Permanent Disability” shall mean the Executive’s inability to perform the essential functions of the Executive’s position, with or without reasonable accommodation, for a period of at least 120 consecutive days because of a physical or mental impairment.

(g) **Proprietary Information**. For all purposes under this Agreement, “Proprietary Information” shall mean any and all confidential and/or proprietary knowledge, data or information of the Company. By way of illustration but not limitation, Proprietary Information includes (i) trade secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques; and (ii) information regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; and (iii) information regarding the skills and compensation of other employees of the Company.

(h) **Restricted Business**. For all purposes under this Agreement, “Restricted Business” shall mean the design, development, marketing or sales of software, or any other process, system, product, or service marketed, sold or under development by the Company at the time Executive’s Employment with the Company ends.

(i) **Restricted Territory**. For all purposes under this Agreement, “Restricted Territory” shall mean any state, county, or locality in the United States in which the Company conducts business.

(j) **Separation**. For all purposes under this Employment Agreement, “Separation” means a “separation from service,” as defined in the regulations under Section 409A of the Code.

11. **Miscellaneous Provisions.**

(a) **Notice**. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, when delivered by FedEx with delivery charges prepaid, or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Executive, mailed notices shall be addressed to him at the home address that he most recently communicated to the

Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(b) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Executive and by an authorized officer of the Company (other than the Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Whole Agreement**. This Agreement and the Proprietary Information and Inventions Agreement supersede and replace any prior agreements, representations or understandings (whether oral or written and whether express or implied) between the Executive and the Company and constitute the complete agreement between the Executive and the Company regarding the subject matter set forth herein.

(d) **Choice of Law and Severability**. This Agreement shall be interpreted in accordance with the laws of the State of New Jersey (except their provisions governing the choice of law). If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is rendered illegal by any present or future statute, law, ordinance or regulation (collectively the "Law"), then such provision shall be curtailed or limited only to the minimum extent necessary to bring such provision into compliance with the Law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

(e) **No Assignment**. This Agreement and all rights and obligations of the Executive hereunder are personal to the Executive and may not be transferred or assigned by the Executive at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company's obligations hereunder in connection with any sale or transfer of all or a substantial portion of the Company's assets to such entity.

(f) **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.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

Christopher Putnam

SYNCHRONOSS TECHNOLOGIES, INC.

By

Stephen G. Waldis
President and Chief Executive Officer

Exhibit 10.17

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of December , 2011, by and between Biju Nair (the “Executive”) and Synchronoss Technologies, Inc., a Delaware corporation (the “Company”). Executive and the Company agree that the Employment Agreement dated as of September 1, 2011 between the Company and the Executive shall be terminated as of December 31, 2011. Except as otherwise provided herein, defined terms are set forth in Section 10 below.

1. **Duties and Scope of Employment.**

(a) **Position**. For the term of his employment under this Agreement (the “Employment”), the Company agrees to continue to employ the Executive in the position of Executive Vice President, of Product Management and Chief Strategy Officer. The Executive shall report to the Company’s President or Chief Executive Officer or his or her designee. The Executive’s principal workplace shall be Synchronoss’ corporate offices located in Bridgewater, New Jersey, and the Executive will be expected to be at these offices approximately 60% (or three out of five days of the business week), unless travel to subsidiaries and affiliates and current and prospective customers is necessary and appropriate to the performance of the Executive’s duties or the Executive is on paid time off.

(b) **Obligations to the Company**. During his Employment, the Executive (i) shall devote his full business efforts and time to the Company, (ii) shall not engage in any other employment, consulting or other business activity that would create a conflict of interest with the Company, (iii) shall not assist any person or entity in competing with the Company or in preparing to compete with the Company, and (iv) shall comply with the Company’s policies and rules, as they may be in effect from time to time.

(c) **No Conflicting Obligations**. The Executive represents and warrants to the Company that he is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with his obligations under this Agreement. The Executive represents and warrants that he will not use or disclose, in connection with his Employment, any trade secrets or other proprietary information or intellectual property in which the Executive or any other person has any right, title or interest and that his Employment will not infringe or violate the rights of any other person. The Executive represents and warrants to the Company that he has returned all property and confidential information belonging to any prior employer.

(d) **Commencement Date**. The Executive has previously commenced full-time Employment. This Agreement shall govern the terms of Executive’s Employment effective as of January 1, 2012 (the “Commencement Date”) through the Term (as defined in Section 5(a) below).

2. **Compensation**

(a) **Salary**. The Company shall pay the Executive as compensation for his services a base salary at a gross annual rate of not less than $320,000. Such salary shall be payable in accordance with the Company’s standard payroll procedures. (The annual compensation specified in this Subsection (a), together with any increases in such compensation that the Company may grant from time to time, is referred to in this Agreement as "Base Salary.").

(b) **Incentive Bonuses**. The Executive shall be eligible for an annual incentive bonus with a target amount equal to 60% of his Base Salary (the "Target Bonus"). The Executive's bonus (if any) shall be awarded based on criteria established by the Company's Board of Directors (the "Board") or its Compensation Committee. The Executive shall not be entitled to an incentive bonus if he is not employed by the Company on the last day of the fiscal year for which such bonus is payable. Any bonus for a fiscal year shall be paid within 2½ months after the close of that fiscal year. The determinations of the Board or its Compensation Committee with respect to such bonus shall be final and binding.

3. **Vacation and Employee Benefits.** During his Employment, the Executive shall be eligible for paid vacations in accordance with the Company's vacation policy, as it may be amended from time to time, with a minimum of 20 vacation days per year. During his Employment, the Executive shall be eligible to participate in the employee benefit plans maintained by the Company, subject in each case to the generally applicable terms and conditions of the plan in question and to the determinations of any person or committee administering such plan.

4. **Business Expenses.** During his Employment, the Executive shall be authorized to incur necessary and reasonable travel, entertainment and other business expenses in connection with his duties hereunder. The Company shall reimburse the Executive for such expenses upon presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company's generally applicable policies. Notwithstanding anything to the contrary herein, except to the extent any expense or reimbursement provided pursuant to this Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code, (a) the amount of expenses eligible for reimbursement provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to the Executive in any other calendar year, (b) the reimbursements for expenses for which the Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, and (c) the right to payment or reimbursement hereunder may not be liquidated or exchanged for any other benefit.

5. **Term of Employment.**

(a) **Employment Term**. The Company hereby employs Executive to render services to the Company in the position and with the duties and responsibilities described in Section 1 for the period commencing on the Commencement Date and ending upon the earlier of (i) three (3) years from such date, and (ii) the date Executive's Employment is terminated in accordance with Section 5(b) (the "Term"). After the initial three-year term of this Agreement Executive's Employment shall be "at will" and either Executive or the Company shall be entitled to terminate Executive's Employment at any time and for any reason, with or without cause. However, this Agreement will not govern the terms of Executive's employment after the Term.

(b) **Termination of Employment**. The Company may terminate the Executive's Employment at any time and for any reason (or no reason), and with or without Cause, by giving the Executive 30 days' advance notice in writing. The Executive may terminate his Employment by giving the Company 30 days' advance notice in writing. The Executive's Employment shall terminate automatically in the event of his death. The termination of the Executive's Employment shall not limit or otherwise affect his obligations under Section 7.

(c) **Rights Upon Termination**. Upon Executive's termination of Employment for any reason, Executive shall be entitled to the compensation, benefits and reimbursements described in Sections 1, 2, 3, and 4 for the period preceding the effective date of such termination. Upon the termination of Executive's Employment under certain circumstances, Executive may be entitled to additional severance pay benefits described in Section 6. The payments under this Agreement shall fully discharge all responsibilities of the Company to the Executive. This Agreement shall terminate when all obligations of the parties hereunder have been satisfied.

(d) **Rights Upon Death**. If Executive's Employment ends due to death, Executive's estate shall be entitled to receive an amount equal to his target bonus for the fiscal year in which his death occurred, prorated based on the number of days he was employed by the Company during that fiscal year. All amounts under this Section 5(d) shall be paid on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's date of death.

(e) **Rights Upon Permanent Disability**. If Executive's Employment ends due to Permanent Disability and a Separation occurs, Executive shall be entitled to receive (i) an amount equal to his Target Bonus for the fiscal year in which his Employment ended, prorated based on the number of days he was employed by the Company during that fiscal year, and (ii) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation. The amounts payable under this Section 5(e) shall be paid on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's Separation.

6. **Termination Benefits.**

(a) **Preconditions**. Any other provision of this Agreement notwithstanding, Subsections (b) and (c) below shall not apply unless the Executive:

(i) Has executed a general release of all claims the Executive may have against the Company or persons affiliated with the Company (substantially in the form attached hereto as Exhibit A) (the "Release");

(ii) Has returned all property of the Company in the Executive's possession; and

(iii) If requested by the Board, has resigned as a member of the Board and as a member of the boards of directors of all subsidiaries of the Company, to the extent applicable.

The Executive must execute and return the Release within the period of time set forth in the Release (the "Release Deadline"). The Release Deadline will in no event be later than 50 days after the Executive's Separation. If the Executive fails to return the Release on or before the

Release Deadline or if the Executive revokes the Release, then the Executive will not be entitled to the benefits described in this Section 6.

(b) **Severance Pay in the Absence of a Change in Control** . If, during the term of this Agreement and prior to the occurrence of a Change in Control or more than 12 months following a Change in Control, the Company terminates the Executive's Employment with the Company for a reason other than Cause or Permanent Disability and a Separation occurs, then the Company shall pay the Executive a lump sum severance payment equal to (i) one and one-half times his Base Salary in effect at the time of the termination of Employment, (ii) his average annual bonus based on the actual amounts received in the immediately preceding two years and (iii) the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation. If, during the term of this Agreement and prior to the occurrence of a Change in Control or more than 12 months following a Change in Control, Executive resigns his Employment for Good Reason and a Separation occurs, then the Company shall pay the Executive a lump sum severance payment equal to (i) one times his Base Salary in effect at the time of the termination of Employment (ii) his average annual bonus based on the actual amounts received in the immediately preceding two years and a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation. . Notwithstanding anything herein to the contrary, in the event that the Executive Employment is terminated for a reason other than Cause or Permanent Disability or the Executive resigns his Employment for Good Reason under this Subsection (b) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use his Target Bonus in the year of termination if such termination under this Subsection (b) occurs in the first year of employment with the Company and the actual bonus the Executive received during the first year of employment with the Company if such termination under this Subsection (b) occurs in the second year of employment with the Company. However, the amount of the severance payment under this Subsection (b) shall be reduced by the amount of any severance pay or pay in lieu of notice that the Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(c) **Severance Pay in Connection with a Change in Control** . If, during the term of this Agreement and within 12 months following a Change in Control, the Executive is subject to an Involuntary Termination, then (i) the Company shall pay the Executive a lump sum severance payment equal to (x) two times his Base Salary in effect at the time of the termination of Employment plus two times the Executive's average bonus received in the immediately preceding two years and (y) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and his eligible dependents with respect to the Company's health insurance plans in which the Executive and his eligible dependents were participants as of the date of Separation , (ii) the vesting of all stock options and shares of restricted stock granted by the Company and held by the Executive shall be accelerated in full as of the date of the Involuntary Termination. Notwithstanding anything herein to the contrary, in the event that the Executive is subject to an Involuntary Termination under this

Subsection (c) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use his Target Bonus in the year of the Involuntary Termination if such termination under this Subsection (c) occurs in the first year of employment with the Company and the actual bonus the Executive received during the first year of employment with the Company if such termination under this Subsection (c) occurs in the second year of employment with the Company. However, the amount of the severance payment under this Subsection (c) shall be reduced by the amount of any severance pay or pay in lieu of notice that the Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(d) **Commencement of Severance Payments**. Payment of the severance pay provided for under this Agreement will be made on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's Separation, but only if the Executive has complied with the release and other preconditions set forth in Subsection (a) (to the extent applicable).

7. **Non-Solicitation and Non-Disclosure.**

(a) **Non-Solicitation**. During the period commencing on the date of this Agreement and continuing until the second anniversary of the date the Executive's Employment terminated for any reason, the Executive shall not directly or indirectly, personally or through others, solicit or attempt to solicit (on the Executive's own behalf or on behalf of any other person or entity) either (i) the employment of any employee or consultant of the Company or any of the Company's affiliates or (ii) the business of any customer of the Company or any of the Company's affiliates in a manner that could constitute engaging in sale of goods or services in or for a Restricted Business or otherwise interferes with Company's relationship with such customer.

(b) **Non-Competition**. As one of the Company's executive and management personnel and officer, Executive has obtained extensive and valuable knowledge and confidential information concerning the business of the Company, including certain trade secrets the Company wishes to protect. Executive further acknowledges that during his Employment he will have access to and knowledge of Proprietary Information. To protect the Company's Proprietary Information, Executives agrees that during his Employment with the Company, whether full-time or half-time and for a period of 24 months after his last day of Employment with the Company, he will not directly or indirectly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), or have any ownership interest in, or participate in the financing, operation, management or control of, any person, firm, corporation or business that engages in a Restricted Business in a Restricted Territory. It is agreed that ownership of (i) no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation, or (ii) any stock he presently owns shall not constitute a violation of this provision.

(c) **Reasonable**. Executive agrees and acknowledges that the time limitation on the restrictions in this Section 7, combined with the geographic scope, is reasonable. Executive also acknowledges and agrees that this provision is reasonably necessary for the protection of Proprietary Information, that through his Employment he shall receive adequate consideration for any loss of opportunity associated with the provisions herein, and that these provisions provide a reasonable way of protecting the Company's business value which will be imparted to him. If any restriction set forth in this Section 7 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

(d) **Non-Disclosure**. The Executive has entered into a Proprietary Information and Inventions Agreement with the Company, which is incorporated herein by this reference.

8. **Successors.**

(a) **Company's Successors**. This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which becomes bound by this Agreement.

(b) **Employee's Successors**. This Agreement and all rights of the Executive hereunder shall inure to the benefit of, and be enforceable by, the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

9. **Taxes.**

(a) **Withholding Taxes**. All payments made under this Agreement shall be subject to reduction to reflect applicable withholding and payroll taxes or other deductions required to be withheld by law.

(b) **Tax Advice**. The Executive is encouraged to obtain his own tax advice regarding his compensation from the Company. The Executive agrees that the Company does not have a duty to design its compensation policies in a manner that minimizes the Executive's tax liabilities, and the Executive shall not make any claim against the Company or the Board related to tax liabilities arising from the Executive's compensation.

(c) **Parachute Taxes**. Notwithstanding anything in this Agreement to the contrary, if it shall be determined that any payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise ("Total Payments") to be made to Executive would otherwise exceed the amount (the "Safe Harbor Amount") that could be received by Executive without the imposition of an excise tax under Section 4999 of Code, then the Total Payments shall be reduced to the extent, and only to the extent, necessary to assure that their aggregate present value, as determined in accordance the applicable provisions of Section 280G of the Code and the regulations thereunder, does not exceed the greater of the following dollar amounts (the "Benefit Limit"): (i) the Safe Harbor Amount, or (ii) the greatest after-tax amount payable to Executive after taking into account any excise tax imposed under section 4999 of the Code on the Total Payments. All determinations to be made under this subparagraph (c) shall be made by an independent public accounting firm selected by the Company before the date of the Change of Control (the "Accounting Firm"). In determining whether such Benefit Limit is exceeded, the

Accounting Firm shall make a reasonable determination of the value to be assigned to the restrictive covenants in effect for Executive pursuant to Section 7 of this Agreement, and the amount of his potential parachute payment under Section 280G of the Code shall reduced by the value of those restrictive covenants to the extent consistent with Section 280G of the Code and the regulations thereunder. To the extent a reduction to the Total Payments is required to be made in accordance with this subparagraph (c), such reduction and/or cancellation of acceleration of equity awards shall occur in the order that provides the maximum economic benefit to Executive. In the event that acceleration of equity awards is to be reduced, such acceleration of vesting also shall be canceled in the order that provides the maximum economic benefit to Executive. Notwithstanding the foregoing, any reduction shall be made in a manner consistent with the requirements of section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this subparagraph (c) shall be borne solely by the Company. The Company agrees to indemnify and hold harmless the Accounting Firm from any and all claims, damages and expenses resulting from or relating to its determinations pursuant to this subparagraph (c), except for claims, damages or expenses resulting from the gross negligence or willful misconduct of the Accounting Firm.

(d) **Section 409A**. Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. If the Company determines that the Executive is a "specified employee" under Section 409A(a)(2)(B)(i) of the Code at the time of his Separation, then (i) the severance payments under Section 6, to the extent that they are subject to Section 409A of the Code, shall commence on the first business day following (A) expiration of the six-month period measured from the Executive's Separation, or (B) the date of the Executive's death, and (ii) the installments that otherwise would have been paid prior to such date will be paid in a lump sum when such payments commence.

10. **Definitions.**

(a) **Cause**. For all purposes under this Agreement, "Cause" shall mean:

(i) An unauthorized use or disclosure by the Executive of the Company's confidential information or trade secrets, which use or disclosure causes material harm to the Company;

(ii) A material breach by the Executive of any material agreement between the Executive and the Company;

(iii) A material failure by the Executive to comply with the Company’s written policies or rules;

(iv) The Executive’s conviction of, or plea of “guilty” or “no contest” to, a felony under the laws of the United States or any State thereof;

(v) The Executive’s gross negligence or willful misconduct which causes material harm to the Company;

(vi) A continued failure by the Executive to perform reasonably assigned duties after receiving written notification of such failure from the Board; or

(vii) A failure by the Executive to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested the Executive's cooperation.

(b) **Change of Control**. For all purposes under this Agreement, "Change of Control" shall mean the occurrence of:

(i) The acquisition, by a person or persons acting as a group, of the Company's stock that, together with other stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the Company;

(ii) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of 30% or more of the total voting power of the Company;

(iii) The replacement of a majority of the members of the Board, during any 12-month period, by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of such appointment or election; or

(iv) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of the Company's assets having a total gross fair market value (determined without regard to any liabilities associated with such assets) of 80% or more of the total gross fair market value of all of the assets of the Company (determined without regard to any liabilities associated with such assets) immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, a Change of Control shall not be deemed to occur unless such transaction also qualifies as an event under Treas. Reg. §1.409A-3(i)(5)(v) (change in the ownership of a corporation), Treas. Reg. §1.409A-3(i)(5)(vi) (change in the effective control of a corporation), or Treas. Reg. §1.409A-3(i)(5)(vii) (change in the ownership of a substantial portion of a corporation's assets).

(c) **Code**. For all purposes under this Agreement, "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) **Good Reason**. For all purposes under this Agreement, "Good Reason" shall mean:

(i) a change in the Executive's position with the Company that materially reduces his level of authority or responsibility;

(ii) a reduction in the Executive's base salary by more than 10% unless pursuant to a Company-wide salary reduction affecting all Executives proportionately;

(iii) relocation of the Executive's principal workplace by more than 50 miles;

(iv) a substantial reduction, without good business reasons, of the facilities and perquisites (including office space and location) available to the Executive immediately prior to such reduction; or

(v) a material reduction in the kind or level of employee benefits to which the Executive is entitled immediately prior to such reduction with the result that the Executive's overall benefits package is significantly reduced, unless such reduction is made in connection with a reduction in the kind or level of employee benefits of employees of the Company generally.

A condition shall not be considered "Good Reason" unless the Executive gives the Company written notice of such condition within 90 days after such condition comes into existence and the Company fails to remedy such condition within 30 days after receiving the Executive's written notice. In addition, the Executive's resignation must occur within 12 months after the condition comes into existence.

(e) **Involuntary Termination**. For all purposes under this Agreement, "Involuntary Termination" shall mean either (i) the Company terminates the Executive's Employment with the Company for a reason other than Cause or Permanent Disability and a Separation occurs, or (ii) the Executive resigns his Employment for Good Reason and a Separation occurs.

(f) **Permanent Disability**. For all purposes under this Agreement, "Permanent Disability" shall mean the Executive's inability to perform the essential functions of the Executive's position, with or without reasonable accommodation, for a period of at least 120 consecutive days because of a physical or mental impairment.

(g) **Proprietary Information**. For all purposes under this Agreement, "Proprietary Information" shall mean any and all confidential and/or proprietary knowledge, data or information of the Company. By way of illustration but not limitation, Proprietary Information includes (i) trade secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques; and (ii) information regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; and (iii) information regarding the skills and compensation of other employees of the Company.

(h) **Restricted Business**. For all purposes under this Agreement, "Restricted Business" shall mean the design, development, marketing or sales of software, or any other process, system, product, or service marketed, sold or under development by the Company at the time Executive's Employment with the Company ends.

(i) **Restricted Territory**. For all purposes under this Agreement, "Restricted Territory" shall mean any state, county, or locality in the United States in which the Company conducts business.

(j) **Separation**. For all purposes under this Employment Agreement, "Separation" means a "separation from service," as defined in the regulations under Section 409A of the Code.

11. **Miscellaneous Provisions.**

(a) **Notice**. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, when delivered by FedEx with delivery charges prepaid, or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Executive, mailed notices shall be addressed to him at the home address that he most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(b) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Executive and by an authorized officer of the Company (other than the Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Whole Agreement**. This Agreement and the Proprietary Information and Inventions Agreement supersede and replace any prior agreements, representations or understandings (whether oral or written and whether express or implied) between the Executive and the Company and constitute the complete agreement between the Executive and the Company regarding the subject matter set forth herein.

(d) **Choice of Law and Severability**. This Agreement shall be interpreted in accordance with the laws of the State of New Jersey (except their provisions governing the choice of law). If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is rendered illegal by any present or future statute, law, ordinance or regulation (collectively the “Law”), then such provision shall be curtailed or limited only to the minimum extent necessary to bring such provision into compliance with the Law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

(e) **No Assignment**. This Agreement and all rights and obligations of the Executive hereunder are personal to the Executive and may not be transferred or assigned by the Executive at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company’s obligations hereunder in connection with any sale or transfer of all or a substantial portion of the Company’s assets to such entity.

(f) **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.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

Biju Nair

SYNCHRONOSS TECHNOLOGIES, INC.

By

Stephen G. Waldis
President and Chief Executive Officer

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Exhibit 21

Subsidiaries of Synchronoss Technologies, Inc.

Listed below are subsidiaries of Synchronoss Technologies, Inc. as of December 31, 2011 with their jurisdictions of organization shown in parentheses. Those subsidiaries not listed would not, in the aggregate, constitute a "significant subsidiary" of Synchronoss Technologies, Inc., as that term is defined in Rule 1-02(w) of Regulation S-X.

Subsidiary Name	Place of Incorporation of Organization
FusionOne, Inc.	Delaware
Wisor Telecom Corp.	Delaware
Synchronoss Technologies India Private Ltd.	India
Synchronoss Technologies Ireland Ltd.	Ireland
Miyowa SA	France

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Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-136088) pertaining to the 2006 Equity Incentive Plan,

(2) Registration Statement (Form S-3 No. 333-164619) of Synchronoss Technologies, Inc.,

(3) Registration Statement (Form S-8 No. 333-167000) pertaining to the 2006 Equity Incentive Plan,

(4) Registration Statement (Form S-8 No. 333-168745) pertaining to the 2010 New Hire Equity Incentive Plan, and

(5) Registration Statement (Form S-8 No. 333-179544) pertaining to the Employee Stock Purchase Plan;

of our reports dated February 27, 2012, with respect to the consolidated financial statements and schedule of Synchronoss Technologies, Inc. and the effectiveness of internal control over financial reporting of Synchronoss Technologies, Inc. included in this Annual Report (Form 10-K) of Synchronoss Technologies, Inc. for the year ended December 31, 2011.

/s/ Ernst & Young LLP
MetroPark, New Jersey

February 27, 2012

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen G. Waldis, certify that:

1. I have reviewed this Annual Report on Form 10-K of Synchronoss Technologies, Inc. for the year ended December 31, 2011;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ STEPHEN G. WALDIS

Stephen G. Waldis
Chief Executive Officer

Dated: February 27, 2012

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lawrence R. Irving, certify that:

1. I have reviewed this Annual Report on Form 10-K of Synchronoss Technologies, Inc. for the year ended December 31, 2011;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ LAWRENCE R. IRVING

Lawrence R. Irving
Chief Financial Officer

Dated: February 27, 2012

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Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

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Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Synchronoss Technologies Inc. (the "Company") on Form 10-K for the period ending December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steve Waldis, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ STEPHEN G. WALDIS

Stephen G. Waldis
Chief Executive Officer

February 27, 2012

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Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Synchronoss Technologies, Inc. (the "Company") on Form 10-K for the period ending December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lawrence Irving, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ LAWRENCE R. IRVING

Lawrence R. Irving
Chief Financial Officer

February 27, 2012