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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2012

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

For the transition period from to

Commission file number: 001-34785

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

Delaware	**20-4988129**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
780 3rd Ave. 15th Floor, New York, NY	**10017**
(Address of principal executive offices)	**(Zip Code)**

(212) 309-7549
(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 $0.01 per share	NYSE MKT
Warrants to purchase Common Stock	NYSE MKT

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

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

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

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

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

As of November 14, 2012, 80,328,144 shares of the registrant's common stock were outstanding

VRINGO, INC.

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Explanatory Note

On July 19, 2012, Vringo, Inc., a Delaware corporation ("Vringo" or "Legal Parent"), closed a merger transaction (the "Merger") with Innovate/Protect, Inc., a privately held Delaware corporation ("I/P"), pursuant to an Agreement and Plan of Merger, dated as of March 13, 2012 (the "Merger Agreement"), by and among Vringo, I/P and VIP Merger Sub, Inc., a wholly-owned subsidiary of Vringo ("Merger Sub"). Pursuant to the Merger Agreement, I/P became a wholly-owned subsidiary of Vringo through a merger of I/P with and into Merger Sub (which was renamed Innovate/Protect, Inc.), and the former stockholders of I/P received shares of Vringo that constituted more than a majority of the outstanding shares of Vringo.

The Merger has been accounted for as a reverse acquisition under which I/P was considered the acquirer of Vringo. As such, the financial statements of I/P are treated as the historical financial statements of the combined company, with the results of Vringo being included from July 19, 2012.

All references in this Quarterly Report on Form 10-Q to "we," "us" and "our" refer to Vringo, Inc., a Delaware corporation, and its consolidated subsidiaries for periods after the closing of the Merger, and to I/P and its consolidated subsidiaries for periods prior to the closing of the Merger unless the context requires otherwise.

Part I — FINANCIAL INFORMATION

Item 1. Financial Statements

Vringo, Inc. and Subsidiaries
(a Development Stage Company)
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in thousands)

	Note	September 30, 2012 U.S.$	December 31, 2011 U.S.$
Current assets			
Cash and cash equivalents		**9,549**	5,212
Accounts receivable		**155**	—
Prepaid expenses and other current assets		**606**	26
Total current assets		**10,310**	5,238
Long-term deposit		**54**	—
Property and equipment, at cost, net of $22 and $1 accumulated depreciation and amortization, as of September 30, 2012 and December 31, 2011, respectively		**262**	8
Intangible assets, net	4,6	**34,559**	3,068
Goodwill	4	**69,511**	—
Total assets		**114,696**	8,314

The accompanying notes form an integral part of these consolidated financial statements.

Vringo, Inc. and Subsidiaries
(a Development Stage Company)
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in thousands except share and per share data)

	Note	September 30, 2012 U.S.$	December 31, 2011 U.S.$
Current liabilities			
Deferred short-term tax liabilities, net	4	**648**	—
Accounts payable and accrued expenses		**2,976**	449
Accrued employee compensation		**844**	—
Current portion, note payable—related party	5	—	2,000
Total current liabilities		**4,468**	2,449
Long-term liabilities			
Deferred long-term tax liabilities	4	**2,837**	—
Derivative liabilities on account of warrants	3	**17,280**	—
Note payable—related party	5	—	1,200
Total long-term liabilities		**20,117**	1,200
Commitments and contingencies	9		
Series A Convertible Preferred stock, $0.0001 par value per share; 0 and 10,000,000 authorized; 0 and 6,968 issued; 0 and 6,968 outstanding, as of September 30, 2012 and December 31, 2011, respectively	7	—	1,800
Stockholders' equity	8		
Series A Convertible Preferred stock, $0.01 par value per share; 5,000,000 and 0 authorized; 6,673 and 0 issued; none outstanding, as of September 30, 2012 and December 31, 2011, respectively		—	—
Common stock, $0.01 par value per share 150,000,000 authorized; 64,809,694 and 16,972,977 issued and outstanding as of September 30, 2012 and December 31, 2011, respectively		**648**	170
Additional paid-in capital		**99,053**	5,449
Deficit accumulated during the development stage		**(9,590)**	(2,754)
Total stockholders' equity		**90,111**	2,865
Total liabilities and stockholders' equity		**114,696**	8,314

The accompanying notes form an integral part of these consolidated financial statements.

Vringo, Inc. and Subsidiaries
(a Development Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(in thousands except share and per share data)

	Three months ended September 30,		Nine months ended September 30,	Period from June 8, 2011 (inception) to September 30,	Cumulative from June 8, 2011 (inception) to September 30,
	2012	2011	2012	2011	2012
	U.S.$	U.S.$	U.S.$	U.S.$	U.S.$
Revenue	**266**	—	**266**	—	266
Costs and Expenses					
Cost of revenue*	**3,415**	547	**5,976**	561	7,536
Research and development*	**997**	—	**997**	—	997
Marketing, general and administrative*	**6,364**	323	**7,508**	762	8,694
Total operating expenses	**10,776**	870	**14,481**	1,323	17,227
Operating loss	**(10,510)**	(870)	**(14,215)**	(1,323)	(16,961)
Non-operating income	**82**	—	**82**	—	82
Non-operating expenses	**(12)**	(4)	**(19)**	(4)	(27)
Gain on revaluation of derivative warrants	**7,240**	—	**7,240**	—	7,240
Loss before taxes on income	**(3,200)**	(874)	**(6,912)**	(1,327)	(9,666)
Income tax benefit	**76**	—	**76**	—	76
Net loss	**(3,124)**	(874)	**(6,836)**	(1,327)	(9,590)
Basic net loss per common share	**(0.06)**	(0.16)	**(0.27)**	(0.25)	(0.52)
Diluted net loss per common share	**(0.18)**	(0.16)	**(0.40)**	(0.25)	(0.60)
Weighted average number of shares used in computing net loss per common share:					
Basic:	**48,790,819**	5,365,225	**25,611,159**	5,221,328	18,445,471
Diluted:	**58,227,100**	5,365,225	**35,047,440**	5,221,328	27,891,752
*** Includes stock based compensation expense, as follows:**					
Cost of revenue	**318**	—	**318**	—	318
Research and development	**452**	—	**452**	—	452
Marketing, general and administrative	**4,592**	50	**4,762**	373	5,236
	5,362	50	**5,532**	373	6,006

The accompanying notes form an integral part of these consolidated financial statements.

Vringo, Inc. and Subsidiaries
(a Development Stage Company)
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)
(in thousands)

	Series A Convertible Preferred Stock	Common stock	Additional paid-in capital	Deficit accumulated during the development stage	Total
	U.S.$	U.S.$	U.S.$	U.S.$	U.S.$
Balance as of June 8, 2011 (Inception)	**—**	**—**	**—**	**—**	**—**
Issuance of shares of common stock	—	170	4,975	**—**	5,145
Stock based compensation	—	—	474	**—**	474
Net loss for the period	—	—	—	(2,754)	(2,754)
Balance as of December 31, 2011	**—**	**170**	**5,449**	**(2,754)**	**2,865**
Conversion of Series A Preferred Convertible Preferred stock, classified as mezzanine equity	—	**8**	**68**	—	**76**
Stock based compensation, including grant of shares to consultants	—	**3**	**5,529**	—	**5,532**
Recording of Legal Parent's equity instruments upon Merger, net of issuance cost of $463, see Note 4	*—	**152**	**54,809**	—	**54,961**
Conversion of Series A Preferred Convertible Preferred stock, classified as equity	*—	**201**	**(201)**	—	—
Exercise of warrants	—	**16**	**2,178**	—	**2,194**
Exercise of stock options	—	**2**	**169**	—	**171**
Issuance of shares in connection with a financing round, net of issuance cost of $52	—	**96**	**31,052**	—	**31,148**
Net loss for the period	—	—	—	**(6,836)**	**(6,836)**
Balance as of September 30, 2012	—	**648**	**99,053**	**(9,590)**	**90,111**

* Represents amounts less than $1.

The accompanying notes form an integral part of these consolidated financial statements.

Vringo, Inc. and Subsidiaries
(a Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

	Nine months ended September 30, 2012 U.S.$	Period from June 8, 2011 (inception) to September 30, 2011 U.S.$	Cumulative from June 8, 2011 (inception) to September 30, 2012 U.S.$
Cash flows from operating activities			
Net loss	**(6,836)**	(1,327)	(9,590)
Adjustments to reconcile net cash flows used in operating activities:			
Items not affecting cash flows			
Depreciation and amortization	**1,211**	170	1,540
Change in deferred tax assets and liabilities	**(162)**	—	(162)
Stock based compensation expense	**5,532**	373	6,006
Decrease in fair value of warrants	**(7,240)**	—	(7,240)
Exchange rate gains	**(6)**	—	(6)
Changes in current assets and liabilities			
Increase in receivables, prepaid expenses and other current assets	**(504)**	(15)	(530)
Increase in payables and accruals	**2,043**	545	2,491
Net cash used in operating activities	**(5,962)**	(254)	(7,491)
Cash flows from investing activities			
Acquisition of property and equipment	**(151)**	(5)	(160)
Acquisition of patents	**(22,548)**	(3,395)	(25,943)
Increase in deposits	**(46)**	—	(46)
Cash acquired as part of acquisition of Vringo (1)	**3,326**	—	3,326
Net cash used in investing activities	**(19,419)**	(3,400)	(22,823)

The accompanying notes form an integral part of these consolidated financial statements.

Vringo, Inc. and Subsidiaries
(a Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

	Nine months ended September 30, 2012 U.S.$	Period from June 8, 2011 (inception) to September 30, 2011 U.S.$	Cumulative from June 8, 2011 (inception) to September 30, 2012 U.S.$
Cash flows from financing activities			
Financing round net of issuance cost of $52	**31,148**	—	31,148
Proceeds from issuance (repayment) of note payable—related party	**(3,200)**	3,200	—
Proceeds from issuance of preferred stock	**—**	1,800	1,800
Proceeds from issuance of common stock	**—**	2,360	5,145
Exercise of options	**171**	—	171
Exercise of warrants	**1,598**	—	1,598
Net cash provided by financing activities	**29,717**	7,360	39,862
Effect of exchange rate changes on cash and cash equivalents	**1**	—	1
Increase in cash and cash equivalents	**4,337**	3,706	9,549
Cash and cash equivalents at beginning of period	**5,212**	—	—
Cash and cash equivalents at end of period	**9,549**	3,706	9,549
Supplemental disclosure of cash flows information			
Interest paid	**9**	—	17
Income taxes paid	**14**	—	14
Non-cash investing and financing transactions			
Conversion of Series A Convertible Preferred stock, classified as mezzanine equity, into common stock, prior to the Merger	**76**	—	76
Conversion of Series A Convertible Preferred stock, classified as mezzanine equity, into common stock, upon Merger	**1,724**	—	1,724
Conversion of Series A Convertible Preferred stock, classified as equity, into common stock, post-Merger	**201**	—	201
Stock subscription receivable	**—**	325	—
Conversion of derivative warrants	**596**	**—**	596
(1) Cash acquired as part of acquisition of Vringo			
Working capital (excluding cash and cash equivalents)			739
Long term deposit			(8)
Fixed assets, net			(124)
Goodwill			(69,511)
Intangible assets			(10,133)
Fair value of Legal Parent's shares of common stock and vested $0.01 options			58,211
Fair value of warrants and vested stock options			17,443
Long-term liabilities			6,709
			3,326

The accompanying notes form an integral part of these consolidated financial statements.

Vringo, Inc. and Subsidiaries
(a Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(in thousands, except for share and per share data)

Note 1—General

Vringo, Inc., together with its consolidated subsidiaries (the "Company"), is engaged in the innovation, development and monetization of mobile technologies and intellectual property. Vringo's intellectual property portfolio consists of over 500 patents and patent applications covering telecom infrastructure, internet search, and mobile technologies. The patents and patent applications have been developed internally and acquired from third parties. Vringo also operates a global platform for the distribution of mobile social applications and services.

On July 19, 2012, Vringo, Inc., a Delaware corporation ("Vringo" or "Legal Parent"), closed a merger transaction (the "Merger") with Innovate/Protect, Inc., a privately held Delaware corporation ("I/P"), pursuant to an Agreement and Plan of Merger, dated as of March 13, 2012 (the "Merger Agreement"), by and among Vringo, I/P and VIP Merger Sub, Inc., a wholly owned subsidiary of Vringo ("Merger Sub"). Pursuant to the Merger Agreement, I/P became a wholly-owned subsidiary of Vringo through a merger of I/P with and into Merger Sub, and the former stockholders of I/P received shares of Vringo that constituted a majority of the outstanding shares of Vringo.

Because former I/P stockholders owned, immediately following the Merger, approximately 67.61% of the combined company on a fully diluted basis and as a result of certain other factors, I/P was deemed to be the acquiring company for accounting purposes and the transaction was accounted for as a reverse acquisition in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). Accordingly, the Company's financial statements for periods prior to the Merger reflect the historical results of I/P, and not Vringo's historical results prior to the Merger, and the Company's financial statements for all periods from July 19, 2012 reflect the results of the combined company.

Unless specifically noted otherwise, as used throughout these consolidated financial statements, the term "Company" refers to the combined company after the Merger and the business of I/P before the Merger. The terms I/P and Vringo refer to such entities' standalone businesses prior to the Merger.

I/P (a Development Stage Company) was incorporated on June 8, 2011 under the laws of Delaware as Labrador Search Corporation.

The accompanying financial statements have been prepared on a basis which assumes that the Company will continue as a "going concern", which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. There is no certainty, however, in its ability to successfully monetize its intellectual property assets through licensing or litigation. In addition, there is no certainty in its ability to successfully develop and/or market its products. The Company has incurred significant losses since its inception, and it might continue to operate at a net loss in the foreseeable future. For the three and nine month periods ended September 30, 2012, and for the cumulative period from inception of I/P (June 8, 2011) until September 30, 2012, the Company incurred net losses of $3,124, $6,836 and $9,590, respectively. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Based on current operating plans, the current resources of the Company, after taking into account the net funds received in a subsequent to balance sheet date private registered direct offering, in the total amount of approximately $44,900, as well as $8,332 received, subsequent to balance sheet date, from the exercise of the Company's convertible equity instruments, are expected to be sufficient for at least the next twelve months. The Company may choose to raise additional funds in connection with any future acquisition of additional intellectual property assets, operating businesses or other assets that it may choose to pursue. There can be no assurance, however, that any such opportunities will materialize. Moreover, any potential financing would likely be dilutive to the Company's stockholders.

As of September 30, 2012, approximately $609 of the Company's net assets were located outside of the United States. In addition, the Company owns patents issued outside of the United States.

Note 2—Significant Accounting and Reporting Policies

(a) Basis of presentation

The accompanying consolidated financial statements include the accounts of I/P, Legal Parent and their wholly-owned subsidiaries, and are presented in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). All significant intercompany balances and transactions have been eliminated in consolidation. These financial statements include the results of operations of I/P and subsidiaries for all periods presented, with the results of operations of the Legal Parent and its subsidiaries for the period from July 19, 2012 (the effective date of the Merger) through September 30, 2012. Moreover, common stock amounts presented for comparative periods differ from those previously presented by I/P, due to application of accounting requirements applicable to a reverse acquisition.

The accompanying unaudited consolidated financial statements were prepared in accordance with U.S. GAAP and instructions to Form 10-Q and, therefore, do not include all disclosures necessary for a complete presentation of financial position, results of operations, and cash flows in conformity with generally accepted accounting principles. These financial statements should be read in conjunction with the consolidated financial statements and related notes for the year ended December 31, 2011 contained in the Company's definitive proxy statement/prospectus filed with the Securities and Exchange Commission ("SEC") on June 21, 2012. The results of operations for the three and nine month period ended September 30, 2012, are not necessarily indicative of the results that may be expected for the entire fiscal year or for any other interim period.

(b) Development stage enterprise

The Company's principal activities to date have been focused on enforcement and development of its intellectual property, as well as on the research and development of its products. To date, the Company has not generated any significant revenues from its planned principal operations. Accordingly, the Company's financial statements are presented as those of a development stage enterprise.

(c) Translation into U.S. dollars

The currency of the primary economic environment in which the operations of the Company are conducted is the U.S. dollar ("dollar" or "U.S. $"). Therefore, the dollar has been determined to be the Company's functional currency. Transactions in foreign currencies (primarily in New Israeli Shekels or "NIS") are recorded at the exchange rate as of the transaction date. All exchange gains and losses from re-measurement of monetary balance sheet items denominated in non-dollar currencies are reflected as finance expense in the statement of operations, as they arise.

(d) Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from such estimates. Significant items subject to such estimates and assumptions include valuation of assets assumed and liabilities incurred as part of the Merger, useful lives of the Company's tangible and intangible assets, valuation of its derivative warrants, valuation of its share-based compensation, deferred tax assets and liabilities, income tax uncertainties and other contingencies.

(e) Intangible assets

Intangible assets include technology (see Note 4) recorded at fair value, and patents purchased, recorded based on the cost to acquire them. These assets are amortized over their remaining estimated useful lives. Useful lives of intangible assets are periodically evaluated for reasonableness and the assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable.

Note 2—Significant Accounting and Reporting Policies—(cont'd)

(f) Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is reviewed for impairment at least annually, and when triggering events occur, in accordance with the provisions of *FASB ASC Topic 350, Intangibles - Goodwill and Other*. The goodwill impairment test is a two-step test. Under the first step, the fair value of the reporting unit is compared with its carrying value (including goodwill). If the fair value of the reporting unit is less than its carrying value, an indication of goodwill impairment exists for the reporting unit and the entity must perform step two of the impairment test (measurement). Under step two, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to an acquisition price allocation and the residual fair value after this allocation is the implied fair value of the reporting unit goodwill. Fair value of the reporting unit is determined using a discounted cash flow analysis. If the fair value of the reporting unit exceeds its carrying value, step two does not need to be performed.

(g) Legal costs

Legal costs incurred in connection with ongoing litigation are expensed as occurred.

(h) Net loss per share data

Basic net loss per share is computed by dividing the net loss for the period by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by dividing the net loss for the period by the weighted-average number of shares of common stock plus dilutive potential common stock considered outstanding during the period. Such dilutive shares consist of incremental shares that would be issued upon exercise of the Company's derivative warrants (see also Note 3). The table below presents the computation of basic and diluted net losses per common share:

	Three months ended September 30,		Nine months ended September 30,	Period from June 8, 2011 (inception), to September 30,	Cumulative from June 8, 2011 (inception) to September 30,
	2012	2011	2012	2011	2012
	(in thousands, except share and per share data)				
Basic Numerator:					
Net loss attributable to shares of common stock	**(3,124)**	(874)	**(6,836)**	(1,327)	(9,590)
Basic Denominator:					
Weighted average number of shares of common stock outstanding during the period	**48,437,587**	5,365,225	**25,493,415**	5,221,328	18,386,492
Weighted average number of penny stock options	**353,232**	—	**117,744**	—	68,979
Basic common stock share outstanding	**48,790,819**	5,365,225	**25,611,159**	5,221,328	18,445,471
Basic net loss per common stock share	**(0.06)**	(0.16)	**(0.27)**	(0.25)	(0.52)
Diluted Numerator:					
Net loss attributable to shares of common stock	**(10,364)**	(874)	**(14,076)**	(1,327)	(16,830)
Diluted Denominator:					
Weighted average number of shares of common stock outstanding during the period	**57,873,868**	5,365,225	**34,929,696**	5,221,328	27,822,773
Weighted average number of penny stock options	**353,232**	—	**117,744**	—	68,979
Diluted common stock share outstanding	**58,227,100**	5,365,225	**35,047,440**	5,221,328	27,891,752
Diluted net loss per common stock share	**(0.18)**	(0. 16)	**(0.40)**	(0.25)	(0.60)

Note 2—Significant Accounting and Reporting Policies—(cont'd)

At September 30, 2012, the Company excluded from the calculation of its diluted net loss the following potentially dilutive securities: (i) 21,026,636 shares of common stock underlying shares of Series A Convertible Preferred stock prior to their conversion in full into shares of common stock during the period; (ii) 7,317,817 Series 2 Warrants to purchase 7,317,817 shares of common stock of the Company; (iii) 712,716 non-Preferential Reload Warrants to purchase 712,716 shares of common stock of the Company; (iv) 4,784,000 IPO Warrants to purchase 4,784,000 shares of common stock of the Company; (v) 9,160,429 of both vested and unvested options at $0.96-$5.50 exercise price, to purchase 9,160,429 shares of common stock of the Company; (vi) 3,126,667 unvested Restricted Stock Units ("RSU") to purchase 3,126,667 shares of common stock of the Company and (vii) 30,250 unvested $0.01 options at to purchase 30,250 shares of common stock of the Company; (viii) 108,625 shares granted, but not vested. Also, the Company excluded from the calculation of its diluted net loss the following potentially dilutive securities outstanding as of September 30, 2011: (i) 21,026,636 shares of common stock underlying shares of Series A Convertible Preferred stock prior to their conversion in full into shares of common stock during the period; (ii) 250,000 Warrants to purchase 754,400 shares of common stock of the Company; (iii) 41,178 options to purchase 41,178 shares of common stock of the Company; and (iv) 4,455,154 shares of common stock granted, but not yet vested.

(i) Impact of recently issued accounting standards

In July 2012, the FASB issued *ASU 2012-02, Balance Sheet (Topic 350), Intangibles-Goodwill and Other*, which allows an organization to first assess qualitative factors to determine whether it is necessary to perform the quantitative impairment test for indefinite-lived intangible assets. An organization that elects to perform a qualitative assessment is required to perform the quantitative impairment test for an indefinite-lived intangible asset if it is more likely than not that the asset is impaired. This is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted. The Company does not expect the adoption of ASU 2012-02 to have a material impact on its financial position, results of operations, or cash flows.

(j) Reclassification

Certain comparative figures were reclassified to conform to the Company's post-Merger presentation.

Note 3—Fair Value Measurements

The Company measures fair value in accordance with ASC 820-10, "*Fair Value Measurements and Disclosures*" (formerly SFAS 157, "*Fair Value Measurements*"). ASC 820-10 clarifies that fair value is an exit price, representing the amount that would be received by selling an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. As a basis for considering such assumptions, ASC 820-10 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The Company measures its derivative liabilities at fair value. The Special Bridge Warrants, Conversion Warrants, Preferential Reload Warrants and Series 1 Warrants (as they are defined in Note 8) are classified within Level 3 because they are valued using the Black-Scholes-Merton and the Monte-Carlo models (as all of these warrants include down-round protection clauses), which utilize significant inputs that are unobservable in the market such as the expected stock price volatility and the dividend yield, and the remaining period of time the warrants will be outstanding before they expire.

(in thousands, except for share and per share data)

Note 3—Fair Value Measurements—(cont'd)

The following table presents the Company's assets and liabilities measured at fair value on a recurring basis as of September 30, 2012, aggregated by the level in the fair-value hierarchy within which those measurements fall:

		Fair value measurement at reporting date using		
Description	**September 30, 2012**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
	U.S.$ thousands			
Liabilities				
Derivative liabilities on account of warrants	**17,280**	—	—	17,280
Total liabilities	**17,280**	—	—	17,280

The following table presents the Company's assets and liabilities measured at fair value on a recurring basis as of December 31, 2011, aggregated by the level in the fair-value hierarchy within which those measurements fall:

		Fair value measurement at reporting date using		
Description	**December 31, 2011**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
	U.S.$ thousands			
Liabilities				
Derivative liabilities on account of warrants	—	—	—	—
Total liabilities	—	—	—	—

(in thousands, except for share and per share data)

Note 3—Fair Value Measurements—(cont'd)

In addition to the above, the Company's financial instruments at September 30, 2012 and December 31, 2011 consisted of cash and accounts payable, as well as accounts receivable and long term deposits, at September 30, 2012 only. The carrying amounts of all the aforementioned financial instruments approximate fair value. The following table summarizes the changes in the Company's liabilities measured at fair value using significant unobservable inputs (Level 3) during the three and nine month periods ended September 30, 2012 (as there was no such activity in 2011):

	Level 3	
	2012	2011
	U.S.$	U.S.$
Balance at January 1,	—	—
Balance at July 1,	—	—
Derivative warrants recorded in connection with the Merger, July 19, 2012	**25,116**	—
Fair value adjustment prior to exercise of warrants, included in statement of operations	**(386)**	—
Exercise of derivative warrants	**(596)**	—
Fair value adjustment at end of period, included in statement of operations	**(6,854)**	—
Balance at September 30,	**17,280**	—

Valuation processes for Level 3 Fair Value Measurements

Fair value measurement of the derivative liability on account of Special Bridge Warrants, Conversion Warrants, Preferential Reload Warrants and Series 1 Warrants (as defined in Note 8) fall within Level 3 of the fair value hierarchy. The fair value measurements are evaluated by management to ensure that changes are consistent with expectations of management based upon the sensitivity and nature of the inputs.

Description	Valuation Technique	Unobservable Inputs	Range
Special Bridge Warrants, Conversion Warrants, Preferential Reload Warrants and the Series 1 Warrants	Black-Scholes-Merton and the Monte-Carlo models	Volatility	63.75% – 67.43%
		Risk free interest rate	0.27% – 0.63%
		Expected term, in years	2.25 – 4.80
		Dividend yield	0%
		Probability and timing of down-round triggering event	15% occurrence in December 2012

Sensitivity of Level 3 measurements to changes in significant unobservable inputs

The inputs to estimate the fair value of the Company's derivative warrant liability are the current market price of the Company's common stock, the exercise price of the warrant, its remaining expected term, the volatility of the Company's common stock market price, the Company's estimations regarding the probability and timing of a down-round protection triggering event and the risk-free interest rate. Significant changes in any of those inputs in the isolation can result in a significant change in the fair value measurement. Generally, a positive change in the market price of the Company's common stock, and an increase in the volatility of the Company's shares of common stock, or an increase in the remaining term of the warrant, or an increase of a probability of a down-round triggering event would each result in a directionally similar change in the estimated fair value of the Company's warrants and thus an increase in the associated liability and vice-versa. An increase in the risk-free interest rate or a decrease in the positive differential between the warrant's exercise price and the market price of the Company's shares of common stock would result in a decrease in the estimated fair value measurement of the warrants and thus a decrease in the associated liability. The Company has not, nor plans to, declare dividends on its common stock, and thus, there is no change in the estimated fair value of the warrants due to the dividend assumption.

(in thousands, except for share and per share data)

Note 4 – Business Combination

On July 19, 2012, I/P consummated the Merger with the Legal Parent, as also described in Note 1. The consideration consisted in full of various equity instruments, such as: shares of common stock, options, preferred stock and warrants. The purpose of the Merger was to increase the combined company's intellectual property portfolio and array of products, as well as to gain access to capital markets. Upon completion of the Merger, (i) all then outstanding 6,169,661 shares common stock of I/P, par value $0.0001 per share, were exchanged for 18,617,569, shares of the Company's common stock, par value $0.01 per share, and (ii) all outstanding shares of Series A Convertible Preferred Stock of I/P, par value $0.0001 per share, were exchanged for 6,673 shares of the Legal Parent's Series A Convertible Preferred Stock, which shares were convertible into 20,136,445 shares of common stock of the Legal Parent. In addition, the Legal Parent issued to the holders of I/P capital stock an aggregate of 15,959,838 warrants to purchase an aggregate of 15,959,838 shares of the Company's common stock with an exercise price of $1.76 per share. In addition, all outstanding and unexercised options to purchase I/P common stock, whether vested or unvested, were converted into 41,178 options to purchase the Company's common stock. Immediately following the completion of the Merger, the former stockholders of I/P owned approximately 55.04% of the outstanding common stock of the combined company (or 67.61% of the outstanding shares of the Company's common stock, calculated on a fully diluted basis), and the Legal Parent's stockholders prior to the Merger owned approximately 44.96% of the outstanding common stock of the combined company (or 32.39% of the outstanding shares of our common stock calculated on a fully diluted basis). For accounting purposes, I/P was identified as the accounting "acquirer", as it is defined in *FASB Topic ASC 805*. The total purchase price of $75,654 was allocated to the assets acquired and liabilities assumed of the Legal Parent. Registration and issuance cost, in the total amount of $463 was recorded against the additional paid-in capital.

	Allocation of Purchase Price
Current assets, net of current liabilities	2,587
Long-term deposit	8
Property and equipment	124
Technology	10,133
Goodwill	69,511
Total assets acquired	**82,363**
Fair value of outstanding warrants granted by Legal Parent prior to the Merger, classified as a long-term derivative liability	(3,162)
Deferred tax liability, in respect of the acquired technology	(3,547)
Total liabilities assumed	**(6,709)**
	75,654
Measurement of consideration:	
Fair value of vested stock options granted to employees, management and consultants, classified as equity	7,364
Fair value of outstanding warrants granted by the Legal Parent prior to the Merger, classified as equity	10,079
Fair value of Vringo shares of common stock and vested $0.01 options granted to employees, management and consultants	58,211
Total estimated purchase price	**75,654**

(in thousands, except for share and per share data)

Note 4 – Business Combination—(cont'd)

The fair values of the identified intangible assets were estimated using an income approach. Under the income approach, an intangible asset's fair value is equal to the present value of future economic benefits to be derived from ownership of the asset. Indications of value are developed by discounting future net cash flows to their present value at market-based rates of return. The goodwill recognized as a result of the acquisition is primarily attributable to the value of the workforce and other intangible asset arising as a result of name, reputation, customer loyalty, location, products, and similar factors which could not be separately identified. The useful life of the intangible assets for amortization purposes was determined considering the period of expected cash flows used to measure the fair value of the intangible assets adjusted as appropriate for the entity-specific factors including legal, regulatory, contractual, competitive economic or other factors that may limit the useful life of intangible assets. Goodwill recognized is expected not to be deductible for income tax purposes. The Company is currently evaluating the impact of the Merger on its tax assets.

The Company's consolidated statements of operations include revenues attributable to the Legal Parent in the total amount of $166 and a net loss of $371, for the three and nine months ended September 30, 2012. Had the acquisition taken place on June 8, 2011, the revenue in the consolidated statement of operations and the consolidated net loss would have been as follows:

	2012		2011	
	Revenue	Net Loss	Revenue	Net Loss
	U.S.$	U.S.$	U.S.$	U.S.$
Three month period	281	(6,632)	182	(3,194)
Nine month period (in 2011, from inception through September 30, 2011)	487	(17,997)	280	(4,100)

Pro forma adjustments consist of amortization of acquired technology asset, net of changes in respective deferred tax liability. The above pro forma disclosure excludes the possible impact of valuation of equity and derivative instruments valued in connection with the Merger. The amortization, net, for the three and nine month periods ended September 30, 2012 was $827 and $270, respectively. The amortization, net, for the three month period and for the period from inception of I/P through September 30, 2011 was $270 and $338, respectively.

Note 5 – Note Payable – Related Party

On June 22, 2011, I/P issued a senior secured note payable, in the total amount of $3,200, to one of its principal stockholders, Hudson Bay Master Fund Ltd. ("Hudson Bay") (the "Note"). The Note accrued interest at 0.46% per annum. After the Merger was consummated, on July 19, 2012, the Note was amended and restated and the holder was able to exercise any and all rights and remedies pursuant to such amended and restated Note, including with respect to any optional redemption provisions contained therein. The amended and restated Note was to mature on June 22, 2013 and I/P had granted Hudson Bay a security interest in all of its tangible and intangible assets, in order to secure I/P's obligations under the senior secured note. After the consummation of the Merger, the Note became an obligation of the Company, as it is to guarantee I/P's obligations. On August 15, 2012, the Company repaid in full the outstanding balance, as well as the then accrued and unpaid interest of $2.

(in thousands, except for share and per share data)

Note 6 – Acquired Intangible Assets, Net

As of September 30, 2012, intangible assets, net consisted of the following:

	Amount	Weighted Average Life - Years
	U.S.$	U.S.$
Acquired technology (see a below)	9,795	6 years
Patents (see b below)	24,764	4.8-9.93 years
Total	**34,559**	

a. Acquired technology:

Fair value of $10,133 allocated to technology, as also described in Note 4, is amortized over its estimated useful life of 6 years. During the three and nine month periods, total amortization expense of $338 was recorded by the Company.

b. Patents:

In August 2012, the Company purchased from Nokia a portfolio consisting of various patents and patent applications worldwide. The portfolio encompasses a broad range of technologies relating to telecom infrastructure, including communication management, data and signal transmission, mobility management, radio resources management and services. The total consideration paid for the portfolio was $22,000. In addition, the Company capitalized certain costs related to the acquisition of patents in the total amount of $578. Under the terms of the purchase agreement, to the extent that the gross revenue generated by such portfolio exceeds $22,000, the Company is obligated to pay a royalty of 35% of such excess. The Company has not recorded any amounts in respect of this contingent consideration, for which appropriate estimations are not yet available.

In addition, the Company's patent portfolio includes patents purchased in June 2011 from Lycos. The gross carrying amount of those patents is comprised of the original purchase price of $3,200 and $195 of associated patent acquisition costs.

During the three and nine month periods ended September 30, 2012, the Company recorded an amortization expense of $542 and $852, respectively. During the three month period ended September 30, 2011 and the period from June 8, 2011 (inception of I/P) through September 30, 2011, the Company recorded an amortization expense of $14 and $157, respectively. For subsequent events, see Note 11.

Estimated amortization expense for each of the five succeeding years, based upon intangible assets owned at September 30, 2012 is as follows:

	U.S.$
Period ending December 31,	
2012 (three months ending December 31, 2012)	1,244
2013	4,960
2014	4,960
2015	4,960
2016 and thereafter	18,435
	34,559

(in thousands, except for share and per share data)

Note 7 – Series A Convertible Preferred Stock

Prior to the Merger, I/P was authorized to issue up to 10,000,000 shares of preferred stock, par value $0.0001, of which 6,968 shares of preferred stock were designated as Series A Convertible Preferred Stock with such rights and preferences designated in the relevant Certificate of Designations (the "Series A Preferred Stock"). In June 2011, I/P issued 6,968 shares of Series A Preferred Stock to Hudson Bay for $1,800. The Series A Preferred Stock had a liquidation preference of $1,250 per share and was otherwise convertible, at the option of the holder, into 6,968,000 shares of I/P's common stock at a conversion price of $1 per common share received, subject to adjustment for anti-dilution and other corporate events. In 2012, prior to the Merger, 295 shares of Series A Convertible Preferred Stock were converted to 295,000 shares of common stock of I/P.

Prior to the Merger, the Series A Convertible Preferred Stock was classified as mezzanine equity, because certain cash redemption triggering events were outside the control of the Company. Upon the Merger, the remaining 6,673 Series A Preferred stock shares were exchanged for 6,673 shares of equity-classified new Series A Convertible Preferred Stock, $0.01 par value ("New Series A Convertible Preferred Stock"), issued by Legal Parent to former stockholders of I/P, as part of the Merger. The shares of New Series A Convertible Preferred Stock were convertible into 20,136,445 shares of the Legal Parent's shares of common stock and were classified as equity, as a cash based redemption event is only triggered by events which are fully in the control of the Company. In July and August 2012, following the consummation of the Merger, all outstanding shares of New Series A Convertible Preferred Stock were converted.

Note 8—Stockholders' Equity

Shares

The following table summarizes information about the Company's issued and outstanding common stock from inception of I/P through September 30, 2012. Pre-Merger common stock share amounts and balance sheet disclosures were retrospectively restated to reflect Vringo's equity instruments after the Merger:

	Shares of common stock
Balance as of June 8, 2011 (Inception)	—
Issuance of shares of common stock	16,972,977
Balance as of December 31, 2011	**16,972,977**
Conversion of Series A Preferred Convertible Preferred stock, classified as mezzanine equity	890,192
Grant of shares to consultants, compensation expense of $704 was recorded	265,000
Legal Parent's shares of common stock, recorded upon Merger	15,206,118
Exercise of 250,000 warrants, issued and exercised prior to the Merger	754,400
Post-Merger exercise of warrants	816,005
Exercise of stock options and RSUs	168,557
Conversion of Series A Preferred Convertible Preferred stock, classified as equity	20,136,445
Issuance of shares of common stock in connection with $31,200 received in a private financing round, net of issuance cost of $52	9,600,000
Balance as of September 30, 2012	**64,809,694**

Following the Merger with the Legal Parent, the vesting of shares of common stock with repurchase rights, granted in 2011, to I/P's management and directors was fully accelerated. As a result, an additional 2,702,037 shares previously issued became vested and an additional compensation expense of $294 was recorded. See also Note 4.

(in thousands, except for share and per share data)

Note 8—Stockholders' Equity — (cont'd)

New Equity Incentive Plan

On July 19, 2012, following the Merger with the Legal Parent, the Company's stockholders approved the 2012 Employee, Director and Consultant Equity Incentive Plan ("2012 Plan"), replacing the existing 2006 Stock Option Plan of the Legal Parent, and the remaining 9,100,000 authorized shares thereunder were cancelled. The 2012 Plan was approved in order to ensure full compliance with legal and tax requirements under U.S. law. The number of shares subject to the 2012 Plan is the sum of: (i) 15,600,000 shares of common stock, which constitutes 6,500,000 new shares and 9,100,000 previously authorized but unissued shares under the 2006 Stock Option Plan and (ii) any shares of common stock that are represented by awards granted under the Legal Parent's 2006 Stock Option Plan that are forfeited, expire or are cancelled without delivery of shares of common stock or which result in the forfeiture of shares of common stock back to the Company, or the equivalent of such number of shares after the administrator, in its sole discretion, has interpreted the effect of any stock split, stock dividend, combination, recapitalization or similar transaction in accordance with the 2012 Plan; provided, however, that no more than 3,200,000 shares shall be added to the 2012 Plan.

Stock options and RSUs

Following the Merger, the Board approved the acceleration of vesting of certain options granted to certain officers and directors of the Legal Parent. As a result, an additional 908,854 options have vested.

On July 26, 2012, the Board approved the granting of 4,975,000 options to management, directors and employees of the Company at an exercise price of $3.72 per share. These options will vest quarterly over a three year period. In addition, the Board also approved the granting of 15,000 options at an exercise price of $3.72 per share to one of the Company's consultants. These options will vest over a one year period. In addition, certain options granted to officers, directors and certain key employees are subject to acceleration of vesting of 75% - 100% (according to the agreement signed with each grantee), upon a subsequent change of control.

In addition, on July 26, 2012, the Board approved the granting of 3,105,000 RSUs to management, directors and key employees of the Company. These RSUs will vest quarterly over three year and one year periods (dependent upon the agreement made with each grantee). The Board also approved the granting of 25,000 RSUs to certain of the Company's consultants. These RSUs will vest over a 6-12 month period (according to the agreement signed with each grantee).

In addition, on August 8, 2012, the Board approved the granting of 500,000 options to a member of its management, at an exercise price of $3.44 per share. These options will vest quarterly over a three year period.

During the period from inception through September 30, 2011, no RSUs were granted. The following table summarizes information about RSU activity for the nine month period ended September 30, 2012:

	No. of RSUs
Outstanding at January 1, 2012	—
Assumed at the Merger	—
Granted following the Merger	3,130,000
Exercised	(3,333)
Expired	—
Forfeited	—
Outstanding at September 30, 2012	**3,126,667**
Exercisable at September 30, 2012	—

(in thousands, except for share and per share data)

Note 8—Stockholders' Equity — (cont'd)

The following table summarizes information about option activity for the nine month period ended September 30, 2012:

	No. of options	Weighted average exercise price	Exercise price range	Weighted average grant date fair value
		U.S.$	U.S.$	U.S.$
Outstanding at January 1, 2012	41,178	3.00	3.00	1.83
Assumed at the Merger	4,391,170	2.43	0.01 – 5.50	2.61
Grants after the Merger	5,490,000	3.69	3.44 – 3.72	2.63
Exercised	(165,334)	1.03	0.01 – 1.65	3.13
Expired	(12,000)	5.50	5.50	0.99
Forfeited	(53,000)	0.01	0.01	3.69
Outstanding at September 30, 2012	**9,692,014**	3.18	0.01 – 5.50	2.60
Exercisable at September 30, 2012	**3,980,826**			

For the three month periods ended September 30, 2012 and 2011, the Company recorded a total stock compensation expense of $5,363 and $50, respectively. For the nine month period ended September 30, 2012 and for the period from June 8, 2011 through September 30, 2011, the Company recorded stock compensation expense of $5,532 and $373, respectively. Cumulative from inception through September 30, 2012, the Company has recorded stock compensation expense of $6,006, in respect of stock options granted.

As of September 30, 2012, there was approximately $24,248 of total unrecognized share-based payment cost related to non-vested options, shares and RSUs, granted under the incentive stock option plans. Overall, the cost is expected to be recognized on a straight line basis, over an estimated 4 year period. As of September 30, 2012, there were approximately 7,045,000 shares of common stock available for grant under the 2012 Plan. For subsequent events, see also Note 11.

Warrants

The following table summarizes information about warrant activity for the nine month period ended September 30, 2012:

	No. of warrants	Weighted average exercise price	Exercise price range
		U.S.$	U.S.$
Outstanding at January 1, 2012	(*) 250,000	1.00	1.00
Recorded pursuant to the Merger	22,695,411	2.45	0.94 - 5.06
Exercised	(1,066,005)	1.76	1.76
Outstanding at September 30, 2012	21,879,406	1.25	0.94 – 5.06

(*) Represents warrants issued and exercised prior to the Merger. 754,400 shares of the Legal Parent's common stock issued upon Merger.

(in thousands, except for share and per share data)

Note 8—Stockholders' Equity — (cont'd)

The Company's outstanding warrants, after the Merger, consist of the following:

(a) Series 1 and Series 2 Warrants

As part of the Merger, on July 19, 2012, the Legal Parent issued to I/P's stockholders 8,299,116 warrants at an exercise price of $1.76 per share and contractual term of 5 years ("Series 1 Warrant"). These warrants bear down-round protection clauses and as a result, they were classified as a long-term derivative liability and recorded at fair value. In addition, I/P's stockholders received another 7,660,722 warrants at an exercise price of $1.76 per share and contractual term of 5 years ("Series 2 Warrant"). As the Series 2 Warrants do not have down-round protection clauses, they were classified as equity. Following the Merger and through September 30, 2012, 371,440 Series 1 Warrants and 342,873 Series 2 Warrants were exercised.

(b) Conversion Warrants, Special Bridge Warrants and Reload Warrants

On July 19, 2012, the date of the Merger, Legal Parent's outstanding warrants included: (i) 148,390 Special Bridge Warrants, at an exercise price of $0.94 per share, with a remaining contractual term of 2.44 years; (ii) 101,445 Conversion Warrants, at an exercise price of $0.94 per share, with a remaining contractual term of 2.44 years; (iii) 887,330 Preferential Reload Warrants, at an exercise price of $1.76 per share, with a remaining contractual term of 4.55 years; and (iv) 814,408 non-Preferential Reload Warrants, at an exercise price of $1.76 per share, with a remaining contractual term of 4.55 years. Following the Merger and through September 30, 2012, 101,692 non-Preferential Reload Warrants were exercised.

(c) IPO Warrants

Upon completion of its initial public offering, the Legal Parent issued 4,784,000 warrants at an exercise price of $5.06 per share. These warrants are publicly traded and are exercisable until June 21, 2015, at an exercise price of $5.06 per share. As of September 30, 2012, all of these warrants were outstanding.

Note 9—Commitments and Contingencies

The Company retains the services of law firms that specialize in intellectual property licensing, enforcement and patent law. These law firms may be retained on an hourly fee, contingent fee, or blended fee basis. In a contingency fee arrangement, law firms are paid a scaled percentage of any negotiated fees, settlements or judgments awarded, based on how and when the fees, settlements or judgments are obtained. For subsequent events, see also Note 11.

In July 2012, the Company signed a rental agreement for its new headquarters in New York. According to the new agreement, the Company shall pay an annual fee of approximately $137 (subject to certain adjustments). The term of the lease agreement is 3 years and 1 month.

Future minimum lease payments under non-cancelable operating leases for office space and automobiles, as of September 30, 2012, are as follows:

	U.S.$
Year ending December 31,	
2012 (three months ending December 31, 2012)	61
2013	200
2014	146
2015	104
	511

Rental expense for operating leases for both office space and automobiles for the nine months ended September 30, 2012 and for the period since inception through September 30, 2011 was $69 and $4, respectively. Rental expense for operating leases for both office space and automobiles for the three months ended September 30, 2012 and 2011 was $48 and $4, respectively.

Note 10—Risks and Uncertainties

(a) Failure to maintain or protect the Company's patents assets or other intellectual property may significantly impair its return on investment from such assets and harm its brand, business and results.

(b) The Company's commenced legal proceedings are expected to be time consuming and costly, which may adversely affect its financial condition and its ability to operate its business.

(c) A significant portion of the Company's current business operations are reliant on the patents acquired from Lycos and Nokia. Its failure to successfully monetize these patents through litigation or via licensing may have a significant adverse effect on its financial condition.

(d) New legislation, regulations or rulings that impact the patent enforcement process or the rights of patent holders, could negatively affect the Company's current business model. For example, limitations on the ability to bring patent enforcement claims, limitations on potential liability for patent infringement, lower evidentiary standards for invalidating patents, increases in the cost to resolve patent disputes and other similar developments could negatively affect the Company's ability to assert its patent or other intellectual property rights.

(e) The Company's products are subject to regulation in the markets in which the service operates. Regulatory changes can adversely affect the Company's ability to generate revenue from its products in that market.

(f) The wireless industry in which the Company conducts its business is characterized by rapid technological changes, frequent new product innovations, changes in customer requirements and expectations and evolving industry standards.

(g) The Company may be held liable to cover a significant portion of the legal costs incurred by its defendants in European legal proceedings, should the outcome of the respective proceeding be unfavorable for the Company.

(h) Financial instruments which potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents with various major financial institutions. These major financial institutions are located in the United States and Israel, and the Company's policy is designed to limit exposure to any one institution. With respect to accounts receivable, the Company is subject to a concentration of credit risk, as a majority of its outstanding trade receivables relate to sales to a limited number of customers.

(i) A portion of the Company's expenses are denominated in NIS. The Company expects this level of NIS expenses to continue for the foreseeable future. If the value of the U.S. dollar weakens against the value of NIS, there will be a negative impact on the Company's operating costs. In addition, to the extent the Company holds monetary assets and liabilities that are denominated in currencies other than the U.S. dollar, the Company will be subject to the risk of exchange rate fluctuations.

Note 11—Subsequent Events

(a) On October 4, 2012, the Company entered into subscription agreements with several investors with respect to the registered direct offering and sale by the Company of an aggregate of 10,344,998 shares of the Company's common stock, par value $0.01 per share, at a purchase price of $4.35 per share in a privately negotiated transaction in which no party acted as an underwriter or placement agent. The net proceeds to the Company were approximately $44,900 after deducting estimated offering expenses payable by the Company. The Company intends to use the net proceeds from this offering for general corporate working capital purposes.

(b) On October 8, 2012, the Company's subsidiary filed a patent infringement lawsuit against a subsidiary of ZTE Corporation in the United Kingdom.

(c) On October 10, 2012, the Company's subsidiary in the United States entered into a patent purchase agreement, according to which the Company will issue to seller 160,600 unregistered shares of its common stock, as well as 20% from collected future revenue.

(d) On October 12, 2012, the Company entered into an agreement with certain of its warrant holders, pursuant to which such warrant holders exercised in cash 3,721,062 of their outstanding warrants, with an exercise price of $1.76 per share, and the Company granted such warrant holders unregistered warrants of the Company to purchase an aggregate of 3,000,000 shares of the Company's common stock, par value $0.01 per share, at an exercise price of $5.06 per share. The newly issued warrants do not bear down round protection clauses. The Company is still evaluating the accounting impact of this transaction; nevertheless, it expects the impact on its financial statements to be material.

(e) In addition, in October and November 2012, warrants to purchase an aggregate of 790,903 shares of the Company's common stock, at an exercise price of $1.76 per share, were exercised in cash by the Company's warrant holders, pursuant to which the Company received an additional $1,391.

(f) As of November 6, 2012, the vesting of all of the Legal Parents' pre-Merger granted options outstanding (except for separation grants) was accelerated by 50%, as the Company's market capitalization reached $250,000 for twenty of thirty consecutive trading days. The Company expects total, non-cash share based compensation expense of $328 to be recorded, due to the impact of acceleration of vesting of these options.

(g) On November 6, 2012, the Company received a verdict in its case against AOL, Inc., Google, Inc., IAC Search & Media, Inc., Gannett Company, Inc. and Target Corporation (collectively, "Defendants") with respect to the Defendants' infringement of the asserted claims of U.S. Patent Nos. 6,314,420 and 6,775,664 (collectively, the "Patents"). After finding that the asserted claims of the Patents were both valid and infringed by Google, the jury found that reasonable royalty damages should be based on a "running royalty", and that the running royalty rate should be 3.5%. After finding that the asserted claims of the Patents were both valid and infringed by the Defendants, the jury found that the following sums of money, if paid now in cash, would reasonably compensate I/P Engine for the Defendants past infringement as follows: Google: $15,800, AOL: $7,943, IAC: $6,650, Gannett: $4, Target: $99. I/P Engine and Defendants are allowed to file post-trial motions with the Court, the schedule for which has yet been determined. According to certain scaled fee agreements, I/P Engine will pay between 15% and 20% of any recovery to professional service providers. See also Note 9 above.

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

This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. The statements contained herein that are not purely 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 (the "Exchange Act"). Forward-looking statements are often identified by the use of words such as, but not limited to, "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "intend," "may," "will," "plan," "project," "seek," "should," "target," "will," "would," and similar expressions or variations intended to identify forward-looking statements. These statements are based on the beliefs and assumptions of our management based on information currently available to management. Such forward-looking statements are subject to risks, uncertainties and other important factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the section titled "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2011 as updated in our Quarterly Report on Form 10-Q for the period ended June 30, 2012 filed on August 14, 2012 and other public reports we filed with the Securities and Exchange Commissions, or the SEC. The forward-looking statements set forth herein speak only as of the date of this report. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. In this report, "Vringo," the "Company," "we," "us," and "our" refer to Vringo, Inc.

Overview

We were incorporated in Delaware on January 9, 2006 and commenced operations during the first quarter of 2006. In March 2006, we formed a wholly-owned subsidiary, Vringo (Israel) Ltd., primarily for the purpose of providing research and development services, as detailed in the intercompany service agreement. On July 19, 2012, Innovate/Protect, Inc. ("I/P") merged with us through an exchange of equity instruments of I/P for those of Vringo (the "Merger"). I/P is a holding company, incorporated under the laws of Delaware on June 8, 2011, as Labrador Search Corporation, which holds two wholly-owned subsidiaries: I/P Engine Inc., formed under the laws of Virginia on June 14, 2011, originally as Smart Search Labs Inc., which operates for the purpose of realizing economic benefits, and I/P Labs, Inc., incorporated in Delaware on June 8, 2011 originally as Scottish Terrier Capital Inc., which operated to acquire and develop other patented technologies or intellectual property. On August 31, 2012, we formed two wholly-owned subsidiaries, incorporated in Delaware: Vringo Labs, Inc. which operates to acquire and develop new patented technologies or intellectual property and Vringo Infrastructure, Inc., which operates for the purpose of realizing economic benefits from patent portfolio acquired from Nokia Corporation ("Nokia"), as further described below. In addition, on October 18, 2012, we formed a wholly-owned subsidiary in Germany, Vringo Germany GmbH, for the purpose of innovating, developing, and monetizing mobile technology and intellectual property in Germany.

As a combined company, our attempts are focused on maximizing the economic benefits from our growing intellectual property portfolio. We plan to add significant talent in technological innovation, and continue to enhance our technology capabilities to create, build and deliver mobile applications and services to our handset and mobile operator partners, as well as directly to consumers.

The combined company has two key areas of operation:

- maximization of the economic benefits from developed and acquired intellectual property, and
- delivery and monetization of mobile social applications.

We are a development stage company. The Merger has been accounted for as a reverse acquisition under which I/P was considered the acquirer of Vringo. As such, the financial statements of I/P are treated as the historical financial statements of the combined company, with the results of Vringo being included from July 19, 2012.

From inception of I/P (June 8, 2011) to date, we have raised approximately $84,862,000. These amounts have been used to finance our operations, as until now, we have not yet generated any significant revenues. From inception of I/P through September 30, 2012, we recorded losses of approximately $9,590,000 and net cash outflow from operations of approximately $7,491,000. Our average monthly cash burn rate from operations for the three and nine month period ended September 30, 2012 was approximately $1,110,000 and $662,000, respectively.

As of November 14, 2012, we had approximately $60,500,000 in cash and cash equivalents. Based on current operating plans, we expect to have sufficient funds for at least the next twelve months. In addition, we may choose to raise additional funds in connection with potential acquisitions of patent portfolios or other intellectual property assets that we may pursue. There can be no assurance, however, that any such opportunities will materialize.

As of September 30, 2012, we had 26 full time employees and two part-time employees.

Intellectual Property

As a combined company, we focus on the economic benefits of intellectual property assets through acquiring or internally developing patents or other intellectual property assets (or interests therein) and then monetize such assets through a variety of value enhancing initiatives, including, but not limited to:

- licensing,
- customized technology solutions,
- strategic partnerships, and
- litigation.

Upon formation in June 2011, I/P acquired its initial patent assets from Lycos through its wholly-owned subsidiary, I/P Engine. Such assets were comprised of eight patents relating to information filtering and search technologies. As part of our strategy to monetize the patents acquired from Lycos, I/P Engine commenced litigation against AOL, Inc., Google, Inc., IAC Search & Media, Inc., Gannett Company, Inc. and Target Corporation (collectively, "Defendants").

Trial commenced on October 16, 2012, and the case was submitted to the jury on November 1, 2012. On November 6, 2012, the jury unanimously returned a verdict as follows: (i) I/P Engine had proven by a preponderance of the evidence that the Defendants infringed the asserted claims of the patents; and (ii) Defendants had not proven by clear and convincing evidence that the asserted claims of the patents are invalid by anticipation. The jury also found certain specific facts related to the ultimate question of whether the patents are invalid as obvious. Based on such facts , the Court will issue a ruling on obviousness. We believe that the jury’s factual findings will support a finding that the patents are not invalid as obvious. After finding that the asserted claims of the Patents were both valid and infringed by Google, the jury found that reasonable royalty damages should be based on a "running royalty", and that the running royalty rate should be 3.5%.

After finding that the asserted claims of the Patents were both valid and infringed by the Defendants, the jury found that the following sums of money, if paid now in cash, would reasonably compensate I/P Engine for the Defendants past infringement as follows: Google: $15,800,000, AOL: $7,943,000, IAC: $6,650,000, Gannett: $4,322, Target: $98,833. I/P Engine and Defendants are allowed to file post-trial motions with the court, the schedule for which has yet been determined.

On August 9, 2012, we entered into a patent purchase agreement with Nokia, pursuant to which, Nokia agreed to sell us a portfolio consisting of over 500 patents and patent applications worldwide, including 109 issued United States patents. We agreed to compensate Nokia with a cash payment and certain ongoing rights in revenues generated from the patent portfolio. The portfolio encompasses a broad range of technologies relating to telecom infrastructure, including communication management, data and signal transmission, mobility management, radio resources management and services. Thirty-one of the 124 patent families acquired have been declared essential by Nokia to wireless communications standards. Standards represented in the portfolio are commonly known as 2G, 2.5G, 3G and 4G and related technologies and include GSM, WCDMA, T63, T64, DECT, IETF, LTE, SAE, and OMA. The purchase price for the portfolio was $22,000,000, plus capitalized acquisition costs of $578,000. To the extent that the gross revenue (as defined in the purchase agreement) generated by such portfolio exceeds $22,000,000, a royalty of 35% of such excess is due to be paid to Nokia. The $22,000,000 cash payment was made to Nokia on August 10, 2012. The purchase agreement provides that Nokia and its affiliates will retain a non-exclusive, worldwide and fully paid-up license (without the right to grant sublicenses) to the portfolio for the sole purpose of supplying (as defined in the purchase agreement) Nokia’s products. The purchase agreement also provides that if we bring a proceeding against Nokia or its affiliates within seven years, Nokia shall have the right to re-acquire the patent portfolio for a nominal amount. Further, if we either sell to a third party any assigned essential cellular patent, or more than a certain portion of the other assigned patents (other than in connection with a change of control of our company), or file an action against a telecom provider to enforce any of the assigned patents (other than in response to any specified action filed by a telecom provider against us or our affiliate) which action is not withdrawn after notice from Nokia, then we will be obligated to pay to Nokia a substantial impairment payment. Because all of the foregoing actions are within our sole control, we do not expect to be obligated to pay any such impairment payment.

As one of the means of realizing the value of the patents acquired from Nokia, on October 5, 2012, our wholly-owned subsidiary, Vringo Infrastructure, Inc., filed suit in the UK High Court of Justice, Chancery Division, Patents Court, alleging infringement of European Patents (UK) 1,212,919; 1,166,589; and 1,808,029. Declarations have been filed at the European Telecommunications and Standards Institute (ETSI) that cover the patents. The complaint alleges that ZTE's cellular network elements fall within the scope of all three patents, and ZTE's GSM/UMTS multi-mode wireless handsets also fall within the scope of the '029 patent. On October 23, 2012, counsel for ZTE acknowledged service. ZTE (UK) formal response to the complaint is anticipated by November 22, 2012. A case management conference where among other matters, the schedule for the suit will be set, is anticipated in January 2013.

We continue to grow our technology portfolio. From September 4 through October 12, 2012, as part of our efforts to develop new technology assets in the mobile and social media space, inventors working for Vringo filed 9 provisional patent applications covering a wide range of technologies including: Determining content relevance based on a user’s relationships; Using mobile technologies as sleep aids; Combining social media and on-line videos; Improving mobile security using facial recognition technology; Monitoring usage patterns of mobile devices and computers to make recommendations; Technology that allows to post call information to social media; Technology to assist in prioritizing electronic communications; Technology that rewards a user’s specific wireless device activity. Additionally, Vringo’s existing mobile portfolio continues to mature; including the grant on August 1, 2012 of EP 1,982,549 and on October 23, 2012 of USP 8,295,205.

As part of our efforts to develop new technology in the telecom infrastructure space, we filed 12 continuation applications in the US. In addition, we filed a continuation-in-part application that combines internally developed innovation in the DRM space with telecom infrastructure. Further, through our wholly owned subsidiary, Vringo Labs, Inc., we filed a patent application relating to wireless energy charging.

On October 10, 2012, I/P Engine entered into a patent purchase agreement, pursuant to which we issued seller 160,600 unregistered shares of Vringo common stock, as well as a 20% royalty from collected future revenue. The portfolio comprises U.S. Patent numbers 7,831,512 and 8,315,949, and US application number 13/653,894. This intellectual property relates to the placement of advertisements on web pages when there is a vacancy for an advertisement, and such advertisement is placed via a bidding process.

Mobile Social Applications

We have developed a platform for the distribution of mobile applications. We believe that our technology and business relationships will allow us to distribute new applications and services through:

- mobile operators,
- handset makers, and
- application storefronts.

Our video ringtone platform has been operating since 2008 and remains the primary source of subscription revenues among our mobile products and we continue to develop business for this product with mobile operators and content providers. Our solution, which encompasses a suite of mobile and PC-based tools, enables users to create, download and share video ringtones and provides our business partners with a consumer-friendly and easy-to-integrate monetization platform.

The revenue model for our video ringtone service offered through the carriers is a subscription-based model where users pay a monthly fee for access to our service and additional fees for premium content.

Our Vringo video ringtone mobile app also functions as a standalone direct-to-consumer offering. Our free version has been released as an ad-supported application on the Google Play marketplace and is still available in markets where we have not entered into commercial arrangements with carriers or other partners.

As of November 14, 2012, we have commercial video ringtone services with nine carriers and partners. We are currently in discussions with several other mobile carriers and we will be pursuing additional agreements with mobile carriers over the next 12, with a focus on Android-based apps as the cornerstone for future subscriber services. Separately, we continue to expand the distribution of our free to the user ad-supported mobile application.

Our Facetones® social ringtone platform generates social visual ringtone content automatically by aggregating and displaying a user's friends' pictures from social networks and then displaying as a video ringtone, as well as a video ringback tone. These ringtones do not replace, but rather enhance, standard ringtone and ringback tones with relevant, current social content that is visually displayed. The product is available to consumers on several operating systems, most notably is Android and is delivered in various configurations, with a variety of monetization methods. As of August 31, 2012, the Facetones® free ad-supported version had more than 1,500,000 downloads and is generating more than 2,500,000 advertising impressions on a weekly basis. Facetones® is offered directly to consumers via leading mobile application stores and download sites where both for purchase versions, as well as ad-supported free versions are available. Our revenue model is based on proceeds received from advertisers, as well as from related development projects and potential payment of royalties, as described below.

We also continue to pursue business for Facetones® together with handset manufacturers. We have developed five separate versions of Facetones in partnership with Nokia. In January 2012, we launched Facetones® for iPhone which generates, as of the end of February 2012, close to a 1,000 daily downloads without any promotion. In November 2011, we announced an agreement with ZTE Corporation, the largest handset maker in China and fourth-largest globally, to preload the Facetones® application on Android handsets manufactured by ZTE. ZTE is to pay a royalty for each preloaded device, the first of which launched with the release of ZTE's GrandX handsets in the United Kingdom in August 2012.

Our Fan Loyalty platform was launched in mid-2011 by co-branding our Fan-Loyalty application with Star Academy 8, the largest music competition in the Middle East and Nokia, the world's largest handset maker. The Fan Loyalty application for Star Academy was made available exclusively for download on the Ovi Store, and had more than 200,000 downloads during the season. In the first quarter of 2012, we entered into an agreement with Endemol, a producer of entertainment and reality TV programming, to collaborate on additional sponsored versions of this application.

Recent Financing Activity

On October 4, 2012, we entered into subscription agreements with several investors with respect to the registered direct offer and sale by us of an aggregate of 10,344,998 shares of our common stock, par value $0.01 per share, at a purchase price of $4.35 per share in a privately negotiated transaction in which no party acted as an underwriter or placement agent. The net proceeds were approximately $44,900,000, after deducting estimated offering expenses payable by us. We intend to use the net proceeds from this offering for general corporate working capital purposes.

In October 2012, we entered into an agreement with certain of our warrant holders, pursuant to which such warrant holders exercised in cash 3,721,062 of their outstanding warrants, with an exercise price of $1.76 per share, and we issued such warrant holders unregistered warrants to purchase an aggregate of 3,000,000 of our shares of common stock, par value $0.01 per share, at an exercise price of $5.06 per share. The newly issued warrants do not bear down round protection clauses. We are still evaluating the accounting impact of this transaction; nevertheless, we expect such impact on our financial statements to be material.

In addition, in October and November 2012, warrants to purchase an aggregate of 790,903 shares of our common stock, at an exercise price of $1.76 per share, were exercised by our warrant holders, pursuant to which we received an additional $1,391,989.

Merger

On July 19, 2012, we consummated the Merger with I/P. I/P merged with and into VIP Merger Sub, Inc., a wholly owned subsidiary of Vringo (“Merger Sub”), with Merger Sub being the surviving corporation through an exchange of capital stock of I/P for our capital stock. Upon completion of the Merger, (i) all of the 6,169,661 outstanding shares of common stock of I/P, par value $0.0001 per share were converted into 18,617,569 shares of our common stock, par value $0.01; and (ii) all share outstanding of Series A Convertible Preferred Stock of I/P, par value $0.0001 per share, were converted into 20,136,445 shares of our Series A Convertible Preferred Stock. The preferred stock issued, has the powers, designations, preferences and other rights as set forth in a Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock filed by us prior to closing. In addition, we issued to the holders of I/P capital stock (on a pro rata as-converted basis) an aggregate of 15,959,838 warrants to purchase an aggregate of 15,959,838 shares of our common stock with an exercise price of $1.76 per share.

Immediately following the completion of the Merger, the former stockholders of I/P owned approximately 55.04% of the outstanding common stock of the combined company, and our current stockholders owned approximately 44.96% of the outstanding common stock of the combined company. On a fully diluted basis, the former stockholders of I/P owned approximately 67.61% of the outstanding common stock of the combined company, and our current stockholders owned approximately 32.39% of the outstanding common stock of the combined company.

For accounting purposes, I/P was identified as the accounting “acquirer”, as it is defined in FASB Topic ASC 805. As a result, in the post-combination consolidated financial statements, as of the third quarter 2012, I/P’s assets and liabilities are presented at its pre-combination amounts, and our assets and liabilities are recognized and measured in accordance with the guidance for business combinations in ASC 805. See also Notes 4 and 8 to the accompanying financial statements.

Hudson Bay Note

On June 22, 2011, I/P issued a senior secured note payable, in the total amount of $3,200,000, to one of its principal stockholders, Hudson Bay Master Fund Ltd. (“Hudson Bay”) (the “Note”). The Note accrued interest at 0.46% per annum. After the Merger was consummated, on July 19, 2012, the Note was amended and restated and the holder was able to exercise any and all rights and remedies pursuant to such amended and restated Note, including with respect to any optional redemption provisions contained therein. The amended and restated Note was to mature on June 22, 2013 and I/P had granted Hudson Bay a security interest in all of its tangible and intangible assets, in order to secure I/P’s obligations under the senior secured note. After the consummation of the Merger, the Note became our obligation, as it is to guarantee I/P’s obligations after the Merger. On August 15, 2012, we repaid the outstanding balance in full.

Grants of Stock Options and RSUs

Immediately following the Merger, the vesting of shares of common stock granted prior to the Merger to I/P's officers and directors was fully accelerated. As a result, an additional 2,702,037 shares previously issued became vested. In addition, our board of directors approved the granting of 265,000 shares to certain consultants, as well as the acceleration of vesting of 908,854 options granted to certain officers and directors of Vringo. Finally, according to resolution made by our board of directors in January 2012, upon Merger, the vesting of all Vringo pre-Merger outstanding options was accelerated by one year.

On July 26, 2012, our board of directors approved the granting of 4,975,000 options to management, directors and employees at an exercise price of $3.72 per share. These options will vest quarterly over a three year period. In addition, the board also approved the granting of 15,000 options at an exercise price of $3.72 per share to one of our consultants. These options will vest over a one year period. Certain options granted to officers, directors and certain key employees are subject to acceleration of vesting of 75% - 100% (according to the agreement signed with each grantee), upon subsequent change of control. Moreover, on July 26, 2012, the board of directors approved the granting of 3,105,000 RSUs to management, directors and key employees. These RSUs will vest quarterly over a three and year periods (dependent on the agreement made with each grantee). In addition, we approved the granting of 25,000 RSUs to two of our consultants. These RSUs will vest over a 6-12 month period (according to the agreement signed with each grantee).

On August 8, 2012, the board of directors approved the granting of 500,000 options to a member of our management, at an exercise price of $3.44 per share. These options will vest quarterly over a three year period.

As of November 6, 2012, the vesting of all of Vringo's pre-Merger granted options outstanding (except for separation grants) was accelerated by 50%, as our market capitalization reached $250,000,000 for twenty of thirty consecutive trading days.

Revenue

We recognize revenue when all the conditions for revenue recognition are met: (i) persuasive evidence of an arrangement exists, (ii) collection of the fee is probable, (iii) the sales price is fixed and determinable and (iv) delivery has occurred or services have been rendered. Intellectual property rights for patented technologies may include some combination of the following: (i) the grant of a non-exclusive, retroactive and future license to manufacture and/or sell products covered by patented technologies owned or controlled by operating subsidiaries, (ii) a covenant-not-to-sue, (iii) the release of the licensee from certain claims, and (iv) dismissal of any pending litigation. Our subscription service arrangements are evidenced by a written document signed by both parties. Our revenues from monthly subscription fees, content purchases and advertisement revenues are recognized when we have received confirmation that the amount is due to us, which provides proof that the services have been rendered, and making collection probable. We recognize revenue from non-refundable up-front fees relating to set-up and billing integration across the period of the contract for the subscription service as these fees are part of hosting solution that we provide to the carrier. The hosting is provided on our servers for the entire period of the arrangement with this carrier, and the revenues relating to the monthly subscription, set-up fees and billing integration have been recognized over the period in the agreement. We also recognize revenue from development projects, based on percentage of completion, if the required criteria are met, or when the project is completed.

Cost of revenue

Cost of revenues mainly include the costs and expenses incurred in connection with our patent licensing and enforcement activities, contingent legal fees paid to external patent counsels, other patent-related legal expenses paid to external patent counsel, licensing and enforcement related research, consulting and other expenses paid to third parties, the amortization of patent-related acquisition costs and of the acquired technology. Cost of revenue also includes third party expenses directly related to providing our service in launched markets. In addition, these costs include royalty fees for content sales and amortization of prepaid content licenses. Cost of revenue does not include expenses related to product development, integration, and support. These costs are included in research and development and marketing expenses.

Research and development expenses

Research and development expenses consist primarily of salary expenses of our development and quality assurance engineers in our research and development facility in Israel, outsourcing of certain development activities, preparation of patent filings, server and support functions for our development environment.

Marketing, general and administrative expenses

Marketing, general and administrative expenses include the cost of management, administrative and marketing personnel, public relations, advertising, overhead/office cost and various professional fees, as well as insurance, depreciation and amortization.

Non-operating income (expenses)

Non-operating income (expenses) includes transaction gains (losses) from foreign exchange rate differences, interest on deposits, bank charges, as well as fair value adjustments of derivative liabilities on account of the Preferential Reload Warrants, Special Bridge Warrants, Series 1 Warrants and the Conversion Warrants, which are highly influenced by our stock price at the period end (revaluation date).

Income taxes

Our effective tax rate differs from the statutory federal rate primarily due to differences between income and expense recognition prescribed by income tax regulations and generally accepted accounting principles. We utilize different methods and useful lives for depreciating and amortizing property and equipment and different methods and timing for certain expenses. Furthermore, permanent differences arise from certain income and expense items recorded for financial reporting purposes but not recognizable for income tax purposes. In addition, our income tax expense has been adjusted for the effect of foreign income from our wholly owned subsidiary in Israel. At September 30, 2012, deferred tax assets generated from our U.S. activities were offset by a valuation allowance because realization depends on generating future taxable income, which, in our estimation, is not more likely than not to be generated. The deferred tax assets and liabilities generated from our subsidiary in Israel's operations are not offset by an allowance, as in our estimation, they are more likely than not to be realized.

Our subsidiary in Israel generates net taxable income from services it provides to us. The subsidiary in Israel charges us for research, development, certain management and other services provided to us, plus a profit margin on such costs, which is currently 8%. In the zone where the production facilities of the subsidiary in Israel are located the statutory tax rate is 15% in 2011 and 2012 and expected to be 12.5% in 2013 and 2014, and 12% in 2015 and thereafter.

Results of Operations

Three and nine month periods ended September 30, 2012 compared to three month period ended September 30, 2012 and period from June 8, 2011 (inception of I/P) through September 30, 2011 and the development stage period, cumulative from inception of I/P through September 30, 2012

Revenue

	Three months ended September 30,			Nine months ended September 30,	Period from inception of I/P (June 8, 2011) through September 30,		Cumulative from inception to September 30,
	2012	2011	Change	2012	2011	Change	2012
Revenue	266,000	—	266,000	266,000	—	266,000	266,000

In the third quarter of 2012, following the consummation of the Merger, for the first time since inception of I/P, we recorded total revenues of $266,000. The recognized revenue consisted of: (i) subscription and content sales based revenue of $76,000, which represents legacy Vringo revenue from July 19, 2012, the date of the Merger, through September 30, 2012, (ii) revenue from a development project with Nokia of $90,000 and (iii) proceeds from partial settlement with AOL in the total amount of $100,000.

As a combined company, after the recently issued verdict in our litigation against AOL, Inc., Google, Inc., IAC Search & Media, Inc., Gannett Company, Inc., and Target Corporation for infringement of the Patents acquired from Lycos, we expect to generate revenue based on the verdict, although both sides have the right for an appeal, we also intend to continue to expand our planned operations through acquisitions and monetization of additional patents and other intellectual property. In particular, following the incorporation of our subsidiary in Germany and the acquisition of a patent portfolio from Nokia, we intend to expand our intellectual property monetization efforts in Europe. In October 2012, we filed litigation against a UK subsidiary of ZTE, with a goal of achieving a positive verdict or settlement, including, potentially, a licensing arrangement on terms beneficial to us.

We also expect to continue to generate a portion of our future revenues from: (i) Facetones® preloads, as well as from additional clients in the handset makers, (ii) Facetones® app, and Fan Loyalty application platforms, (iii) revenue-sharing agreements in India, Malaysia, Singapore, United Arab Emirates and UK, (iv) new revenue-sharing agreements for subscription-based services in new territories, (v) one-time service fees for customized production and development of the Facetones® and Fan Loyalty application platforms, and (vi) monetization of our intellectual property.

Cost of revenue

	Three months ended September 30,			Nine months ended September 30,	Period from inception of I/P (June 8, 2011) through September 30,		Cumulative from inception to September 30,
	2012	2011	Change	2012	2011	Change	2012
Cost of services provided	18,000	—	18,000	18,000	—	18,000	18,000
Amortization of intangibles	878,000	157,000	721,000	1,189,000	170,000	1,018,000	1,517,000
Operating legal	2,519,000	390,000	2,129,000	4,769,000	391,000	4,379,000	6,001,000
Total	3,415,000	547,000	2,868,000	5,976,000	561,000	5,415,000	7,536,000

During the three month period ended September 30, 2012, our cost of revenue was $3,415,000, which represents an increase of $2,868,000 (or 524%) compared to our cost of revenue for the three month period ended September 30, 2011. The increase in cost of revenue, compared to the third quarter of 2011, was mainly related to increased amortization of patents, due to the newly acquired patents from Nokia ($541,000, compared to $157,000 in 2011), as well as due to amortization of technology, the value to which was allocated upon consummation of the Merger ($338,000, compared to $0 in 2011). In addition, we incurred significant costs in connection with the commencement of I/P Engine patent trial on October 16, 2012 and share based compensation related costs ($318,000 in 2012 compared to $0 in 2011). Finally, the increase in cost of services, related to legacy Vringo mobile app services, reflects the costs recorded for the first time during the quarter, pursuant to the Merger with I/P.

During the nine month period ended September 30, 2012, our cost of revenue was $5,976,000, which represents an increase of $5,415,000 (or 962%) compared to our cost of revenue for the period from June 8, 2011 through September 30, 2011. The increase in cost of revenue, compared to the parallel period in 2011, was mainly related to increased amortization expenses related to the patents acquired from Nokia and Lycos ($852,000, compared to $171,000 in 2011), as well as to amortization of acquired technology ($338,000, compared to $0 in 2011). In addition, we incurred increased costs in connection with commencement of the Lycos patent trial on October 16, 2012 and share based compensation related costs ($318,000 in 2012 compared to $0 in 2011). Finally, the increase in cost of services, related to legacy Vringo mobile app services, reflects the costs accounted for the first time, pursuant to the Merger with I/P.

From inception through September 30, 2012, cost of revenue expenses amounted to $7,536,000. Of this amount, $18,000 was attributed to the cost of mobile services provided to our clients, $318,000 to share based compensation expense, $338,000 was attributed to amortization of the acquired technology, $5,682,000 was attributed to operating legal expenses, mainly related to I/P Engine patent litigation, and $1,180,000 was attributed to patent amortization.

We expect that cost of revenue will increase over time, as we diversify the portfolio of our products and increase our intellectual property. As most of these costs are incurred irrespective of our revenues, we expect our gross margin to increase as our revenues grow.

Research and development

	Three months ended September 30,			Nine months ended September 30,	Period from inception of I/P (June 8, 2011) through September 30,		Cumulative from inception to September 30,
	2012	2011	Change	2012	2011	Change	2012
Research and development	997,000	—	997,000	997,000	—	997,000	997,000

Research and development expenses, in the total amount of $997,000, recorded following the Merger with I/P, consist primarily of the cost of our development team ($454,000, compared to $0 in 2011) and share based compensation ($452,000, compared to $0 in 2011). We anticipate that our research and development costs will increase over time, as we seek to develop additional products and intellectual property to diversify and enhance our original core business.

Marketing, general and administrative

	Three months ended September 30,			Nine months ended September 30,	Period from inception of I/P (June 8, 2011) through September 30,		Cumulative from inception to September 30,
	2012	2011	Change	2012	2011	Change	2012
Marketing, general and administrative	6,364,000	323,000	6,041,000	7,508,000	762,000	6,746,000	8,694,000

During the three month period ended September 30, 2012, marketing, general and administrative expenses increased by $6,041,000 (or 1,870%), to $6,364,000, from $323,000 during the three month period ended September 30, 2011. Marketing general and administrative expenses increased mostly due to the increase in payroll expense ($941,000, compared to $81,000 in 2011), as well as due to an increase in non-cash share based compensation expense ($4,592,000, compared to $50,000 in 2011), increased merger and acquisition expense ($90,000, compared to $0 in 2011) and increased corporate legal expenses ($240,000, compared to $73,000).

During the nine month period ended September 30, 2012, marketing, general and administrative expenses increased by $6,746,000 (or 885%), to $7,508,000, from $762,000 during the period from inception of I/P through September 30, 2011. Marketing, general and administrative expenses increased mostly due to the increase in payroll expense ($1,274,000, compared to $88,000 in 2011), as well as due to increase in non-cash share based compensation expense ($4,762,000, compared to $373,000 in 2011), increased merger and acquisition expense ($267,000, compared to $0 in 2011) and increased corporate legal expenses ($310,000, compared to $178,000 in 2011).

From inception through September 30, 2012, general and administrative expenses totaled approximately $8,694,000. $1,493,000 was attributed to salaries and related expenses, $5,236,000 were attributed to share based payments, $267,000 was attributed to merger and acquisition activity, and $1,109,000 was attributed to various professional fees.

We expect that our general and administrative expenses will increase, as our expenses will incorporate full costs of the new management, on a post-Merger basis (accounted for from July 19, 2012). In addition, increased costs include increased administration, rent, office, accounting, legal and insurance costs.

Non-operating income (expense), Net

	Three months ended September 30,			Nine months ended September 30,	Period from inception of I/P (June 8, 2011) through September 30,		Cumulative from inception to September 30,
	2012	2011	Change	2012	2011	Change	2012
Non-operating Income, Net	7,310,000	(4,000)	7,314,000	7,303,000	(4,000)	7,307,000	7,295,000

Following the Merger, our non-operating income, net, included mainly the impact of changes in fair value of derivative warrants, the fair value of which is highly affected by our share price at the measurement date. Consequently, as of September 30, 2012, we recorded an income of $7,240,000 due to the decrease of our share price at quarter end, compared to the price on the date of the Merger. In 2011, and prior to the Merger, our non-operating expense consisted of bank charges, as well as of interest expense related to the note payable (see also Note 5 to the accompanying financial statements). Finally, our non-operating income/expense includes the impact of dollar/shekel fluctuations, in connection with which we recorded income of approximately $75,000 in the three and nine months of 2012.

Income tax benefit

	Three months ended September 30,			Nine months ended September 30,	Period from inception of I/P (June 8, 2011) through September 30,		Cumulative from inception to September 30,
	2012	2011	Change	2012	2011	Change	2012
Income tax benefit	76,000	—	76,000	76,000	—	76,000	76,000

During the three and nine month period ended September 30, 2012, we recorded an income tax benefit in the total amount of $76,000, compared to $0 in all previous periods. In general, taxes on income are mainly due to taxable profits generated by our subsidiary in Israel, as a result of the intercompany cost plus agreement between us and the subsidiary in Israel, whereby the subsidiary in Israel performs development and other services for us and is reimbursed for its expenses plus 8%. For financial statements purposes, these profits are eliminated upon consolidation. In addition, income tax benefit included $118,000 due to a decrease in deferred tax liability in respect of the acquired technology (see also Note 4 of the accompanying financial statements). In all periods since inception, we have fully offset our U.S. net deferred tax asset with a valuation allowance. Our lack of earning history and the uncertainty surrounding our ability to generate U.S. taxable income prior to the expiration of such deferred tax assets were the primary factors considered by management in establishing the valuation allowance.

We expect taxable income in our subsidiary in Israel, in 2012, under the terms of the intercompany agreement. We also expect our income tax expense will be offset by a tax benefit derived from the decrease in deferred tax liability related to the acquired technology, as discussed above.

Off-Balance Sheet Arrangements

We have no obligations, assets or liabilities which would be considered off-balance sheet arrangements. We do not participate in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements.

Liquidity and Capital Resources

As of September 30, 2012, we had a cash balance of $9,549,000 and approximately $5,842,000 in net working capital. The increase of $4,337,000 in our cash balance from December 31, 2011 was mainly due to $31,200,000 received in a private registered direct financing round and $1,769,000 from exercise of options and warrants, offset by net cash used by us in our business operations, in the total amount of approximately $5,962,000, $22,548,000 used to acquire Nokia patents, as well as $3,200,000 used to repay outstanding notes to Hudson Bay, as also described in Note 5 to the accompanying financial statements. As of September 30, 2012, our total stockholders' equity was $90,111,000, mainly increased by the net assets of Vringo recorded upon consummation of the Merger, offset by continued operating deficits from inception to date.

On October 4, 2012, we entered into subscription agreements with several investors with respect to the registered direct offer and sale by us of an aggregate of 10,344,998 shares of our common stock, par value $0.01 per share, at a purchase price of $4.35 per share in a privately negotiated transaction in which no party acted as an underwriter or placement agent. The net proceeds to us were approximately $44,900,000 after deducting estimated offering expenses payable by us. We intend to use the net proceeds from this offering for general corporate working capital purposes.

In October 2012, we entered into an agreement with certain of our warrant holders, pursuant to which such warrant holders exercised in cash 3,721,062 of their outstanding warrants, with an exercise price of $1.76 per share, and we issued such warrant holders unregistered warrants to purchase an aggregate of 3,000,000 of our shares of common stock, par value $0.01 per share, at an exercise price of $5.06 per share. The newly issued warrants do not bear down round protection clauses. We are still evaluating the accounting impact of this transaction; nevertheless, we expect such impact on our financial statements to be material.

In addition, in October and November 2012, 790,903 warrants at an exercise price of $1.76 were exercised by our warrant holders, pursuant to which we received an additional $1,391,989.

The accompanying financial statements have been prepared on a basis which assumes that we will continue as a “going concern”, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. As of November 14, 2012, we had approximately $60,500,000 in cash and cash equivalents. Based on current operating plans, we expect to have sufficient funds for at least the next twelve months. In addition, we may choose to raise additional funds in connection with potential acquisitions of patent portfolios or other intellectual property assets that we may pursue. There can be no assurance, however, that any such opportunities will materialize.

Cash flows

	Nine month period ended September 30, 2012	Period from June 8, 2011 to September 30, 2011	Change	Cumulative from June 8, 2011 to September 30, 2012
Net cash used in operating activities	(5,962,000)	(254,000)	(5,708,000)	(7,491,000)
Net cash used in investing activities	(19,419,000)	(3,400,000)	(16,019,000)	(22,823,000)
Net cash provided by financing activities	29,717,000	7,360,000	22,357,000	39,862,000

Operating activities

During the nine month period ended September 30, 2012, net cash used in operating activities totaled $5,962,000. During the period from inception through September 30, 2011, net cash used in operating activities totaled $254,000. The increase of $5,708,000 in cash used in operating activities was mainly due I/P’s incorporation in June 2011, the Merger with Vringo, and further development of our business. Operating activities include merger and acquisition related payments of $267,000 that reflect I/P’s and post-merger Vringo’s non-capitalized expenses.

We expect our net cash used in operating activities to increase due to further development of our business, development of our products and enhancement of our intellectual property. As we move towards greater revenue generation, we expect that these amounts will be offset over time by collection of funds generated by generated revenues.

Investing activities

During the nine month period ended September 30, 2012, net cash used in investing activities totaled $19,419,000. During the period from inception through September 30, 2011, net cash used in investing activities totaled $3,400,000. The increase in cash used in investing activities, in the total amount of $16,019,000 was primarily due to the purchase of the patent portfolio from Nokia, in the total amount of $22,548,000, compared to the cost of patents acquired from Lycos in 2011, for $3,395,000. Fixed asset purchases in the nine month period ended September 30, 2012 amounted to $151,000 compared to $5,000 for the period from inception of I/P through September 30, 2011, due to post-Merger relocation of our headquarters.

We expect that net cash used in investing activities will increase as we intend to continue to acquire additional intellectual property and upgrade our computers and software.

Financing activities

During the nine month period ended September 30, 2012, net cash provided by financing activities totaled $29,717,000, which relates to the August private financing round, in which we raised approximately, $31,148,000, offset by repayment of notes payable to Hudson Bay, and funds received from exercise of warrants and options in the total amount of $1,769,000. During the from inception of I/P through September 30, 2011, net cash provided by financing activities totaled $7,360,000, which included the receipt of notes payable from Hudson Bay and proceeds from the issuance of Series A Convertible Preferred Stock and shares of common stock in the total amount of $4,160,000.

As mentioned above, a significant portion of our issued and outstanding warrants are currently “in the money” and the shares of common stock underlying such warrants held by non-affiliates are freely tradable, with the potential of up to $21,904,382 of incoming funds. We may choose to raise additional funds in connection with any acquisition of patent portfolios or other intellectual property assets that we may pursue. There can be no assurance, however, that any such opportunity will materialize, moreover, any such financing would likely be dilutive to our current stockholders.

Future operations

We believe that through the Merger we will create a company with enhanced technology capabilities to create, build and deliver mobile applications and services to its handset and mobile operator partners as well as directly to consumers. We believe that the value of each company’s intellectual property portfolio will be enhanced through the combined company’s ability to license and enforce its intellectual property rights. Together with the executive team from I/P we anticipate the creation of additional products and services that will be distributed through our existing operator and handset relationships. We may choose to raise additional funds in connection with any potential acquisition of patent portfolios or other intellectual property assets that we may pursue. There can be no assurance, however, that any such opportunities will materialize, moreover, any such financing would likely be dilutive to our stockholders.

As one of the means of realizing the value of the patents on telecom infrastructure, on October 5, 2012, our wholly-owned subsidiary, Vringo Infrastructure, Inc., filed suit in the UK High Court of Justice, Chancery Division, Patents Court, alleging infringement of European Patents (UK) 1,212,919; 1,166,589; and 1,808,029. Declarations have been filed at the European Telecommunications and Standards Institute (ETSI) that cover the patents. The complaint alleges that ZTE's cellular network elements fall within the scope of all three patents, and ZTE's GSM/UMTS multi-mode wireless handsets also fall within the scope of the '029 patent. On October 23, 2012, counsel for ZTE acknowledged service. ZTE (UK) formal response to the complaint is anticipated by November 22, 2012. A case management conference where among other matters, the schedule for the suit will be set, is anticipated in January 2013.

On October 10, 2012, our subsidiary in the United States entered into a patent purchase agreement, as part of which we issued to seller 160,600 unregistered shares of our common stock, as well as a 20% royalty from collected future revenue.

We are currently in discussions with several potential strategic partners and mobile carriers and we will be pursuing additional agreements over the next 12 to 24 months. In addition, we are continuing to explore further opportunities for strategic business alliances, as well as, potential acquisition of patent portfolios or other intellectual property assets. However, there can be no assurance that any such opportunities may arise, or that any such opportunities will be consummated.

Critical Accounting Estimates

While our significant accounting policies are more fully described in the notes to our audited consolidated financial statements for the years ended December 31, 2011 contained in the definitive proxy statement/prospectus filed with the SEC on July 21, 2012, we believe the following accounting policies to be the most critical in understanding the judgments and estimates we use in preparing our consolidated financial statements.

Goodwill and intangible Assets

We accounted for the Merger in accordance with *FASB Topic ASC 805 "Business Combinations"* and for identified goodwill and technology in accordance with *FASB Topic ASC 350 "Intangibles - Goodwill and Other"*. Additionally, we review our long-lived assets for recoverability in accordance with *FASB Topic ASC 360 "Property, Plant and Equipment"*.

The identification and valuation of intangible assets and the determination of the estimated useful lives at the time of acquisition are based on various valuation methodologies including reviews of projected future cash flows. The use of alternative estimates and assumptions could increase or decrease the estimated fair value of our goodwill and other intangible assets, and potentially result in a different impact to our results of operations. Further, changes in business strategy and/or market conditions may significantly impact these judgments thereby impacting the fair value of these assets, which could result in an impairment of the goodwill and acquired intangible assets.

We evaluate our long-lived tangible and intangible assets for impairment in accordance with FASB Topic ASC 350 *"Intangibles - Goodwill and Other"* and FASB Topic ASC 360 *"Property, Plant and Equipment"* whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Goodwill is subject to an annual test for impairment, or for impairment testing up on the occurrence of triggering events. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. While we use available information to prepare our estimates and to perform impairment evaluations, the completion of annual impairment tests requires significant management judgments and estimates.

Valuation of Financial Instruments

On July 19, 2012, the date of the Merger, Vringo's outstanding warrants included: (i) 148,390 Special Bridge Warrants, at an exercise price of $0.94, with an expected remaining term of 2.44 years; (ii) 101,445 Conversion Warrants, at an exercise price of $0.94, with an expected remaining term of 2.44 years; (iii) 887,330 Preferential Reload Warrants, at an exercise price of $1.76, with an expected remaining term of 4.55 years; and (iv) 814,408 non-Preferential Reload Warrants, at an exercise price of $1.76, with an expected remaining term of 4.55 years. Following the Merger and through September 30, 2012, 101,692 non-Preferential Reload Warrants were exercised.

As part of the Merger, on July 19, 2012, we issued to I/P's stockholders 8,299,116 warrants at an exercise price of $1.76 and expected term of 5 years ("Series 1 Warrant"). These warrants bear down-round protection clauses, as a result, they were classified as a long-term derivative liability and recorded at fair value. In addition, I/P's stockholders received another 7,660,722 warrants at an exercise price of $1.76 and expected term of 5 years ("Series 2 Warrant"). As these warrants do not have down-round protection clauses, they were classified as equity. Following the Merger and through September 30, 2012, 371,440 Series 1 Warrants and 342,873 Series 2 Warrants were exercised. The following table represents the assumptions, valuation models and inputs used, as of September 30, 2012:

Description	Valuation Technique	Unobservable Inputs	Range
Special Bridge Warrants, Conversion Warrants, Preferential Reload Warrants and the Series 1 Warrants	Black-Scholes-Merton and the Monte-Carlo models	Volatility	63.75% – 67.43%
		Risk free interest rate	0.27% – 0.63%
		Expected term, in years	2.25 – 4.80
		Dividend yield	0%
		Probability and timing of down-round triggering event	15% occurrence in December 2012

Had we made different assumptions about the risk-free interest rate, volatility, the impact of the down-round provision, or the estimated time that the above-mentioned warrants will be outstanding before they are ultimately exercised, the recorded expense, our net loss and net loss per share amounts could have been significantly different.

Accounting for Stock-based Compensation

We account for stock-based awards under *ASC 718, "Compensation—Stock Compensation"*, which requires measurement of compensation cost for stock-based awards at fair value on the date of grant and the recognition of compensation over the service period in which the awards are expected to vest. In addition, for options granted to consultants, *FASB ASC 505*-50, "*Equity-Based Payments to Non Employees*" is applied. Under this pronouncement, the measurement date of the option occurs on the earlier of counterparty performance or performance commitment. The grant is revalued at every reporting date until the measurement date. The estimation of stock-based awards that will ultimately vest requires judgment, and to the extent actual results differ from our estimates, such amounts will be recorded as a cumulative adjustment in the period estimates are revised. We consider various factors when estimating expected forfeitures, including historical experience. Actual results may differ substantially from these estimates.

We determine the fair value of stock options granted to employees, directors and consultants using the Black-Scholes-Merton and the Monte-Carlo (for grants that include market conditions) valuation models, those require significant assumptions regarding the expected stock price volatility, the risk-free interest rate and the dividend yield, and the estimated period of time option grants will be outstanding before they are ultimately exercised. Due to insufficient history, we estimate our expected stock volatility incorporating historical stock volatility from comparable companies.

These option pricing models utilize various inputs and assumptions, which are highly subjective. Had we made different assumptions about risk-free interest rate, volatility, or the estimated time that the options will be outstanding before they are ultimately exercised, the recorded expense, our net loss and net loss per share amounts could have been significantly different. Had we used different assumptions, our results may have been significantly different.

Accounting for Income Taxes

As part of the process of preparing our consolidated financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. This process involves management estimating our actual current tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within our consolidated balance sheet. We must then assess the likelihood that our deferred tax assets will be recovered from future taxable income and, to the extent we believe that recovery is not more likely than not, we must establish a valuation allowance. Significant management judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets. At September 30, 2012 and December 31, 2011, we have offset our U.S. net deferred tax asset with a valuation allowance. Our lack of earnings history and the uncertainty surrounding our ability to generate U.S. taxable income prior to the expiration of such deferred tax assets were the primary factors considered by management in establishing the valuation allowance. Also, refer to Note 14 of Vringo consolidated financial statements for the year ended December 31, 2011.

ASC 740, "*Income Taxes*", prescribes how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on a tax return. Additionally, for tax positions to qualify for deferred tax benefit recognition under ASC 740, the position must have at least a "more likely than not" chance of being sustained upon challenge by the respective taxing authorities, which criteria is a matter of significant judgment.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company and, therefore, we are not required to provide information required by this Item of Form 10-Q.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer (principal executive officer) and our Chief Financial Officer (principal financial officer), evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2012. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of September 30, 2012, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were ineffective for the reasons set forth below.

In the past, our management has identified a material weakness in our disclosure controls and procedures relating to insufficient controls in connection with recognition, valuation and accounting for equity, debt and derivative instruments. We have been enhancing our proficiency of the professional literature on these subjects. In addition, we are in the process of remediating this material weakness by broadening the role of external qualified valuation and accounting experts, to allow for our stronger oversight in this area.

Changes in Internal Controls

During the three month period ended September 30, 2012, there were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or Rule 15d-15 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II— OTHER INFORMATION

Item 1. Legal Proceedings.

I/P Engine

As one of the means of realizing the value of the patents acquired from Lycos, on September 15, 2011, I/P initiated (through I/P Engine) litigation in the United States District Court, Eastern District of Virginia, against AOL, Inc. (“AOL”), Google, Inc. (“Google”), IAC Search & Media, Inc. (“IAC”), Gannett Company, Inc. (“Gannett”), and Target Corporation (“Target”) for patent infringement regarding two of the patents acquired from Lycos (U.S. Patent Nos. 6,314,420 and 6,775,664) (together the “Defendants”). The case number is 2:11 CV 512-RAJ/FBS. The court docket for the case, including the parties’ briefs, is publicly available on the Public Access to Court Electronic Records website (“PACER”), www.pacer.gov, which is operated by the Administrative Office of the U.S. Courts.

On March 15, 2012, Google submitted a request to the USPTO for ex parte reexamination of U.S. Patent No. 6,314,420, one of the two patents-in-suit. The request was deposited on March 16, 2012 and was assigned Control No. 90/009,991. We expected Google to seek reexamination and believe this request is a standard and typical tactic used by defendants in patent litigation cases. The filing of a request for reexamination is the first step in a process that ordinarily takes several years. On July 18, 2012 the USPTO issued a determination ordering a reexamination. On September 25, 2012, the USPTO issued a first, non-final office action where it adopted the rejections proposed by Google. Our response is due by November 25, 2012.

Trial commenced on October 16, 2012 and the case was submitted to the jury on November 1, 2012. On November 6, 2012, the jury unanimously returned a verdict as follows: (i) I/P Engine had proven by a preponderance of the evidence that the Defendants infringed the asserted claims of the patents; and (ii) Defendants had not proven by clear and convincing evidence that the asserted claims of the patents are invalid by anticipation. The jury also found certain specific facts related to the ultimate question of whether the patents are invalid as obvious. Based on such facts, the Court will issue a ruling on obviousness. We believe that the jury’s factual findings will support a finding that the patents are not invalid as obvious. After finding that the asserted claims of the Patents were both valid and infringed, the jury found that reasonable royalty damages should be based on a "running royalty", and that the running royalty rate should be 3.5%.

After finding that the asserted claims of the Patents were both valid and infringed by the Defendants, the jury found that the following sums of money, if paid now in cash, would reasonably compensate I/P Engine for the Defendants past infringement as follows: Google: $15,800,000, AOL: $7,943,000, IAC: $6,650,000, Gannett: $4,322, Target: $98,833. I/P Engine and Defendants are allowed to file post-trial motions with the court, the schedule for which has yet been determined.

Vringo Infrastructure

As one of the means of realizing the value of the patents on telecom infrastructure, on October 5, 2012 our wholly-owned subsidiary, Vringo Infrastructure, Inc., filed suit in the UK High Court of Justice, Chancery Division, Patents Court, alleging infringement of European Patents (UK) 1,212,919; 1,166,589; and 1,808,029. Declarations have been filed at the European Telecommunications and Standards Institute (ETSI) that cover the patents. The complaint alleges that ZTE's cellular network elements fall within the scope of all three patents, and ZTE's GSM/UMTS multi-mode wireless handsets also fall within the scope of the '029 patent. On October 23, 2012, counsel for ZTE acknowledged service. ZTE (UK) formal response to the complaint is anticipated by November 22, 2012. A case management conference where among other matters, the schedule for the suit will be set, is anticipated in January 2013.

Item 1A. Risk Factors.

The risk factors set forth below update the risk factors in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011 as updated in our Quarterly Report on Form 10-Q for the period ended June 30, 2012 filed on August 14, 2012. In addition to the risk factors below, you should carefully consider the other risks highlighted elsewhere in this report or in our other filings with the Securities and Exchange Commission, which could materially affect our business, financial position and results of operations. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business, financial position and results of operations.

Our limited operating history makes it difficult to evaluate our current business and future prospects.

We are a development stage company and we generated no significant revenue to date. I/P, the accounting acquirer, was incorporated in June 2011, at which time it acquired its main patent assets. To date, our business focused mainly on prosecution based on these patents. Therefore we not only have a very limited operating history, but also a very limited track record in executing our business model which includes, among other things, creating, prosecuting, licensing, litigating or otherwise monetizing its patent assets. Our limited operating history makes it difficult to evaluate our current business model and future prospects.

In light of the costs, uncertainties, delays and difficulties frequently encountered by companies in the early stages of development with no operating history, there is a significant risk that we will not be able to:

- implement or execute our current business plan, or demonstrate that our business plan is sound; and/or
- raise sufficient funds in the capital markets to effectuate our business plan.

If we are unable to execute any one of the foregoing or similar matters relating to its operations, our business may fail.

We commenced legal proceedings against the major online search engines and communications companies, and we expect such proceedings to be time-consuming and costly, which may adversely affect our financial condition and our ability to operate our business.

To license or otherwise monetize the patent assets acquired, we commenced legal proceedings against the owners of online search engines and other companies (including AOL, Inc., Google, Inc., IAC Search & Media, Inc., Gannett Company, Inc., and Target Corporation), as well as against other leading communications companies, pursuant to which we allege that such companies infringe on one or more of our patents. Our viability is highly dependent on the outcome these litigations, and there is a risk that we may be unable to achieve the results we desire from such litigation, which failure would harm our business to a great degree. In addition, the defendants in these litigations have substantially more resources than we do, which could make our litigation efforts more difficult.

We anticipate that legal proceedings may continue for several years and may require significant expenditures for legal fees and other expenses. Disputes regarding the assertion of patents and other intellectual property rights are highly complex and technical. Once initiated, we may be forced to litigate against others to enforce or defend our intellectual property rights or to determine the validity and scope of other parties' proprietary rights. The defendants or other third parties involved in the lawsuits in which we are involved may allege defenses and/or file counterclaims in an effort to avoid or limit liability and damages for patent infringement. If such defenses or counterclaims are successful, they may preclude our ability to derive licensing revenue from the patents. A negative outcome of any such litigation, or one or more claims contained within any such litigation, could materially and adversely impact our business. Additionally, we anticipate that our legal fees and other expenses will be material and will negatively impact our financial condition and results of operations and may result in our inability to continue our business. Expenses are also dependent on the outcome of current processes. Our failure to monetize our patent assets would significantly harm our business.

While we believe that the patents acquired are being infringed by certain major online search engines and communications companies, there is a risk that a court will find the patents invalid, not infringed or unenforceable and/or that the U.S. Patent Office will either invalidate the patents or materially narrow the scope of their claims during the course of a re-examination. In addition, even with a positive trial court verdict, the patent may be invalidated, found not infringed or rendered unenforceable on appeal. This risk may occur either presently or from time to time in connection with future litigations we may bring. If this were to occur, it would have a material adverse effect on the viability of our company and our operations.

We believe that companies infringe on our patents, but recognize that obtaining and collecting a judgment against such infringers may be difficult or impossible. Patent litigation is inherently risky and the outcome is uncertain. Some of the parties we believe infringe on our patents are large and well-financed companies with substantially greater resources than ours. We believe that these parties would devote a substantial amount of resources in an attempt to avoid or limit a finding that they are liable for infringing our patents or, in the event liability is found, to avoid or limit the amount of associated damages. In addition, there is a risk that these parties may file re-examinations or other proceedings with the USPTO or other government agencies in an attempt to invalidate, narrow the scope or render unenforceable the patents we acquired.

Moreover, in connection with any of our present or future patent enforcement actions, it is possible that a defendant may request and/or a court may rule that we violated statutory authority, regulatory authority, federal rules, local court rules, or governing standards relating to the substantive or procedural aspects of such enforcement actions. In such event, a court may issue monetary sanctions against us or our operating subsidiaries or award attorneys' fees and/or expenses to one or more defendants, which could be material, and if we or our subsidiaries are required to pay such monetary sanctions, attorneys' fees and/or expenses, such payment could materially harm our operating results and its financial position.

In addition, it is difficult in general to predict the outcome of patent enforcement litigation at the trial level. There is a higher rate of appeals in patent enforcement litigation than more standard business litigation. Such appeals are expensive and time-consuming, and the outcomes of such appeals are sometimes unpredictable, resulting in increased costs and reduced or delayed revenue.

Finally, we believe that the more prevalent patent enforcement actions become, the more difficult it will be for us to license our patents without engaging in litigation. As a result, we may need to increase the number of our patent enforcement actions to cause infringing companies to license the patent or pay damages for lost royalties. This will adversely affect our operating results due to the high costs of litigation and the uncertainty of the results.

Our subsidiary, Vringo Infrastructure Inc., has commenced legal proceedings against ZTE (UK) Ltd. ("ZTE") and expects such litigation to be time-consuming and costly, which may adversely affect our financial position and our ability to operate our business.

To license or otherwise monetize the patent assets we acquired from Nokia, Vringo Infrastructure has commenced legal proceedings against ZTE, pursuant to which, Vringo Infrastructure alleges that ZTE infringe three of Vringo Infrastructure's patents. The defendant's parent company in the UK is much larger than Vringo and has substantially more resources, which could make our litigation efforts more difficult.

We anticipate that the above mentioned legal proceedings may continue for several years and may require significant expenditures for legal fees and other expenses. Disputes regarding the assertion of patents and other intellectual property rights are highly complex and technical. Once initiated, Vringo Infrastructure may be forced to litigate against others to enforce or defend their intellectual property rights or to determine the validity and scope of other parties' proprietary rights. ZTE may allege defenses and/or file counterclaims for inter alia revocation or file collateral litigations or initiate investigations in the UK or elsewhere in an effort to avoid or limit liability and damages for patent infringement. If such actions by ZTE are successful, they may preclude our ability to derive licensing revenue from the patents currently being asserted.

Additionally, we anticipate that its legal fees and other expenses will be material and will negatively impact our financial condition and results of operations and may result in its inability to continue its business. We estimate that our legal fees in the UK actions over the next twelve months will be approximately $2,400,000. Expenses thereafter are dependent on the outcome of the status of the litigation. Our failure to monetize our patent assets would significantly harm our business.

Further, should we be deemed the losing party in any of its applications to the Court in the UK Litigation or for the entire litigation, we may be held responsible for a substantial percentage of the defendant's legal fees for the relevant application or for the litigation. These fees may be substantial. To date, ZTE has asserted that its anticipated fees in defending the UK litigation may be approximately $3,100,000. However, should we be successful on any court applications or the entire litigation, ZTE would be responsible for a substantial percentage of our legal fees.

Further, if any of the patents in suit are found not infringed or invalid, it is highly unlikely that the relevant European patents (UK) could be viewed as essential and therefore necessarily infringed by all unlicensed market participants.

It is also possible that, in light of our litigation with ZTE, it will choose to suspend or sever its Facetones® related commercial relationship with us.

We may not be able to successfully monetize the patents we have acquired from Nokia and thus we may fail to realize all of the anticipated benefits of such acquisition.

There is no assurance that we will be able to successfully monetize the patent portfolio that we have acquired from Nokia. The acquisition of Nokia patents could fail to produce anticipated benefits, or could have other adverse effects that we currently do not foresee. Failure to successfully monetize these patent assets may have a material adverse effect on our business, financial condition and results of operations.

In addition, the acquisition of the patent portfolio is subject to a number of risks, including, but not limited to the following:

- There is a significant time lag between acquiring a patent portfolio and recognizing revenue from those patent assets. During that time lag, material costs are likely to be incurred that would have a negative effect on our results of operations, cash flows and financial position.

- The integration of a patent portfolio will be a time consuming and expensive process that may disrupt our operations. If our integration efforts are not successful, our results of operations could be harmed. In addition, we may not achieve anticipated synergies or other benefits from such acquisition.

Therefore, there is no assurance that we will realize enough revenues from the monetization of such patent portfolio we have acquired from Nokia in order to recoup our investment.

We may seek to internally develop additional new inventions and intellectual property, which would take time and would be costly. Moreover, the failure to obtain or maintain intellectual property rights for such inventions would lead to the loss of our investments in such activities.

Members of our management team have significant experience as inventors. As such, part of our business may include the internal development of new inventions or intellectual property that we will seek to monetize. However, this aspect of our business would likely require significant capital and would take time to achieve. Such activities could also distract our management team from its present business initiatives, which could have a material and adverse effect on our business. There is also the risk that our initiatives in this regard would not yield any viable new inventions or technology, which would lead to a loss of our investments in time and resources in such activities.

In addition, even if we are able to internally develop new inventions, in order for those inventions to be viable and to compete effectively, we would need to develop and maintain, and it would heavily rely on, a proprietary position with respect to such inventions and intellectual property. However, there are significant risks associated with any such intellectual property we may develop principally including the following:

- patent applications we may file may not result in issued patents or may take longer than we expect to result in issued patents;

- we may be subject to interference proceedings;

- we may be subject to opposition proceedings in the U.S. or foreign countries;

- any patents that are issued to us may not provide meaningful protection;

- we may not be able to develop additional proprietary technologies that are patentable;
- other companies may challenge patents issued to us;
- other companies may have independently developed and/or patented (or may in the future independently develop and patent) similar or alternative technologies, or duplicate our technologies;
- other companies may design around technologies we have developed; and
- enforcement of our patents would be complex, uncertain and very expensive.

We cannot be certain that patents will be issued as a result of any future applications, or that any of our patents, once issued, will provide us with adequate protection from competing products. For example, issued patents may be circumvented or challenged, declared invalid or unenforceable, or narrowed in scope. In addition, since publication of discoveries in scientific or patent literature often lags behind actual discoveries, we cannot be certain that we will be the first to make our additional new inventions or to file patent applications covering those inventions. It is also possible that others may have or may obtain issued patents that could prevent us from commercializing our products or require us to obtain licenses requiring the payment of significant fees or royalties in order to enable us to conduct its business. As to those patents that we may license or otherwise monetize, our rights will depend on maintaining its obligations to the licensor under the applicable license agreement, and we may be unable to do so. Our failure to obtain or maintain intellectual property rights for our inventions would lead to the loss of our investments in such activities, which would have a material and adverse effect on our company.

Moreover, patent application delays could cause delays in recognizing revenue from our internally generated patents and could cause us to miss opportunities to license patents before other competing technologies are developed or introduced into the market.

New legislation, regulations or court rulings related to enforcing patents could harm our business and operating results.

If Congress, the United States Patent and Trademark Office or courts implement new legislation, regulations or rulings that impact the patent enforcement process or the rights of patent holders, these changes could negatively affect our business model. For example, limitations on the ability to bring patent enforcement claims, limitations on potential liability for patent infringement, lower evidentiary standards for invalidating patents, increases in the cost to resolve patent disputes and other similar developments could negatively affect our ability to assert its patent or other intellectual property rights.

In addition, on September 16, 2011, the Leahy-Smith America Invents Act (or the Leahy-Smith Act), was signed into law. The Leahy-Smith Act includes a number of significant changes to United States patent law. These changes include provisions that affect the way patent applications will be prosecuted and may also affect patent litigation. The U.S. Patent Office is currently developing regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act will not become effective until one year or 18 months after its enactment. Accordingly, it is too early to tell what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued to us patents, all of which could have a material adverse effect on our business and financial condition.

Further, and in general, it is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become enacted as laws. Compliance with any new or existing laws or regulations could be difficult and expensive, affect the manner in which we conduct our business and negatively impact our business, prospects, financial condition and results of operations.

Acquisitions of additional patent assets may be time consuming, complex and costly, which could adversely affect our operating results.

Acquisitions of patent or other intellectual property assets, which are and will be critical to our business plan, are often time consuming, complex and costly to consummate. We may utilize many different transaction structures in its acquisitions and the terms of such acquisition agreements tend to be heavily negotiated. As a result, we expect to incur significant operating expenses and will likely be required to raise capital during the negotiations even if the acquisition is ultimately not consummated. Even if we are able to acquire particular patent assets, there is no guarantee that we will generate sufficient revenue related to those patent assets to offset the acquisition costs. While we will seek to conduct confirmatory due diligence on the patent assets we are considering for acquisition, we may acquire patent assets from a seller who does not have proper title to those assets. In those cases, we may be required to spend significant resources to defend our interest in the patent assets and, if we are not successful, our acquisition may be invalid, in which case we could lose part or all of its investment in the assets.

We may also identify patent or other intellectual property assets that cost more than we are prepared to spend with our own capital resources. We may incur significant costs to organize and negotiate a structured acquisition that does not ultimately result in an acquisition of any patent assets or, if consummated, proves to be unprofitable for us. These higher costs could adversely affect our operating results, and if we incur losses, the value of our securities will decline.

In addition, we may acquire patents and technologies that are in the early stages of adoption in the commercial, industrial and consumer markets. Demand for some of these technologies will likely be untested and may be subject to fluctuation based upon the rate at which our licensees will adopt its patents and technologies in their products and services. As a result, there can be no assurance as to whether technologies we acquire or develop will have value that it can monetize.

In certain acquisitions of patent assets, we may seek to defer payment or finance a portion of the acquisition price. This approach may put us at a competitive disadvantage and could result in harm to our business.

We have limited capital and may seek to negotiate acquisitions of patent or other intellectual property assets where we can defer payments or finance a portion of the acquisition price. These types of debt financing or deferred payment arrangements may not be as attractive to sellers of patent assets as receiving the full purchase price for those assets in cash at the closing of the acquisition. As a result, we might not compete effectively against other companies in the market for acquiring patent assets, many of whom have greater cash resources than we have. In addition, any failure to satisfy our debt repayment obligations may result in adverse consequences to its operating results.

Any failure to maintain or protect our patent assets or other intellectual property rights could significantly impair our return on investment from such assets and harm our brand, business and operating results.

Our ability to operate our business and compete in the intellectual property market largely depends on the superiority, uniqueness and value of our patent assets and other intellectual property. To protect our proprietary rights, we rely on and will rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with its employees and third parties, and protective contractual provisions. No assurances can be given that any of the measures we undertake to protect and maintain our assets will have any measure of success.

Following the acquisition of patent assets, we will likely be required to spend significant time and resources to maintain the effectiveness of those assets by paying maintenance fees and making filings with the United States Patent and Trademark Office. We may acquire patent assets, including patent applications, which require us to spend resources to prosecute the applications with the United States Patent and Trademark Office. Further, there is a material risk that patent related claims (such as, for example, infringement claims (and/or claims for indemnification resulting therefrom), unenforceability claims, or invalidity claims) will be asserted or prosecuted against us, and such assertions or prosecutions could materially and adversely affect our business. Regardless of whether any such claims are valid or can be successfully asserted, defending such claims could cause us to incur significant costs and could divert resources away from our other activities.

Despite our efforts to protect its intellectual property rights, any of the following or similar occurrences may reduce the value of our intellectual property:

- our applications for patents, trademarks and copyrights may not be granted and, if granted, may be challenged or invalidated;
- issued trademarks, copyrights, or patents may not provide us with any competitive advantages versus potentially infringing parties;
- our efforts to protect our intellectual property rights may not be effective in preventing misappropriation of our technology; or
- our efforts may not prevent the development and design by others of products or technologies similar to or competitive with, or superior to those we acquire and/or prosecute.

Moreover, we may not be able to effectively protect our intellectual property rights in certain foreign countries where we may do business in the future or from which competitors may operate. If we fail to maintain, defend or prosecute our patent assets properly, the value of those assets would be reduced or eliminated, and our business would be harmed.

Weak global economic conditions may cause infringing parties to delay entering into licensing agreements, which could prolong our litigation and adversely affect its financial condition and operating results.

After giving effect to the Merger, should our warrants outstanding as of November 14, 2012, be exercised (including the warrants issued in connection with the Merger), there would be an additional 20,346,640 shares of common stock eligible for trading in the public market. In addition, we currently have incentive equity instruments outstanding to purchase 9,284,362 shares of our common stock granted to our management, employees, directors and consultants. In addition, the vesting of all Vringo pre-Merger options are subject to further acceleration in case our common stock reaches certain price or market capitalization targets for 20 of 30 consecutive trading dates, as follows: (i) 75% acceleration if either the price of the our common stock is at least $10 or our market capitalization is $500,000,000 or more; and (ii) 100% acceleration if either the price of our common stock is at least $20 or our market capitalization is at least $1,000,000,000. Certain options that are outstanding have exercise prices that are below, and in some cases significantly below, recent market prices. Such securities, if exercised, will increase the number of issued and outstanding shares of common stock. Therefore, the sale, or even the possibility of sale, of the shares of common stock underlying the warrants and options could have an adverse effect on the market price for our securities or on our ability to obtain future financing. The average weighted exercise price of all currently outstanding warrants and options, as of November 14, 2012, is $3.01 per share.

Future sales of our shares of common stock by our stockholders could cause the market price of our common stock to drop significantly, even if our business is otherwise performing well.

As of November 9, 2012, we had 80,328,144 shares of common stock issued and outstanding, excluding shares of common stock issuable upon exercise of warrants or options. As shares saleable under Rule 144 are sold or as restrictions on resale need, the market price of our common stock could drop significantly, if the holders of restricted shares sell them, or are perceived by the market as intending to sell them. This decline in our stock price could occur even if our business is otherwise performing well.

If we are unable to adequately protect our intellectual property, we may not be able to compete effectively. In addition, the possibility of extensive delays in the patent issuance process could effectively reduce the term during which a marketed product is protected by patents.

We may need to obtain licenses to patents or other proprietary rights from third parties. We may not be able to obtain the licenses required under any patents or proprietary rights or they may not be available on acceptable terms. If we do not obtain required licenses, we may encounter delays in product development or find that the development, manufacture or sale of products requiring licenses could be foreclosed. We may, from time to time, support and collaborate in research conducted by universities and governmental research organizations. We may not be able to acquire exclusive rights to the inventions or technical information derived from these collaborations, and disputes may arise over rights in derivative or related research programs conducted by us or in such collaborators.

Our ability to compete depends in part upon the strength of its proprietary rights in our technologies, brands and content. We rely on a combination of U.S. and foreign patents, copyrights, trademark, trade secret laws and license agreements to establish and protect our intellectual property and proprietary rights. The efforts we have taken to protect our intellectual property and proprietary rights may not be sufficient or effective at stopping unauthorized use of our intellectual property and proprietary rights. In addition, effective trademark, patent, copyright and trade secret protection may not be available or cost-effective in every country in which our services are made available through the Internet. There may be instances where we are not able to fully protect or utilize its intellectual property in a manner that maximizes competitive advantage. If we are unable to protect our intellectual property and proprietary rights from unauthorized use, the value of its products may be reduced, which could negatively impact our business. Our inability to obtain appropriate protections for our intellectual property may also allow competitors to enter our markets and produce or sell the same or similar products. In addition, protecting our intellectual property and other proprietary rights is expensive and diverts critical managerial resources. If any of the foregoing were to occur, or if we are otherwise unable to protect our intellectual property and proprietary rights, our business and financial results could be adversely affected.

If we are forced to resort to legal proceedings to enforce our intellectual property rights, the proceedings could be burdensome and expensive. In addition, our proprietary rights could be at risk if we are unsuccessful in, or cannot afford to pursue, those proceedings. We also rely on trade secrets and contract law to protect some of its proprietary technology. We entered into confidentiality and invention agreements with its employees and consultants. Nevertheless, these agreements may not be honored and they may not effectively protect our right to its un-patented trade secrets and know-how. Moreover, others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets and know-how.

If we or our users infringe on the intellectual property rights of third parties, we may have to defend against litigation and pay damages and our business and prospects may be adversely affected.

If a third party were to assert that our products infringe on its patent, copyright, trademark, right of publicity, right of privacy, trade secret or other intellectual property rights, we could incur substantial litigation costs and be forced to pay substantial damages. Third-party infringement claims, regardless of their outcome, would not only consume significant financial resources, but would also divert our management time and attention. Such claims or the lack of available access to certain sites or content could also cause our customers or potential customers to purchase competitors' products if such competitors have access to the sites or contents that we are lacking or defer or limit their purchase or use of our products or services until resolution of the claim. In connection with any such claim or litigation, our mobile carriers and other partners may decide to re-assess their relationships with us, especially if they perceive that they may have potential liability or if such claimed infringement is a possible breach of our agreement with such mobile carrier. If any of our products are found to violate third-party intellectual property rights, we may have to re-engineer one or more of its products, or we may have to obtain licenses from third parties to continue offering its products without substantial re-engineering. Our efforts to re-engineer or obtain licenses could require significant expenditures of time and money and may not be successful. Accordingly, any claims or litigation regarding our infringement of intellectual property of a third party by us or our users could have a material adverse effect on our business and prospects.

Third party infringement claims could also significantly limit the Vringo Studio products and the content available in Vringo's content library. The Vringo Studio tool allows users to access video from multiple sites on the web or from their computer and allows them to then edit and send these video clips to their mobile phones as customized video ringtones. These websites could choose to block Vringo from accessing their content for violating their terms of service by allowing users to download clips or for any other reason, which could significantly limit the availability of content in the Vringo Studio. Additionally, while we employ special software that seeks to determine whether a clip is copyrighted or otherwise restricted, it is not feasible for us to determine whether users of Vringo Studio own or acquire appropriate intellectual property permissions to use each clip before it is downloaded. Therefore, we require users of the Vringo Studio to certify that they have the rights to use the content that they desire to send to their phone. Additionally, while the majority of the clips in our content library are either licensed by us directly or are public domain or creative commons, our content library contains certain clips which we have not licensed from the content owner. As a result, we may receive cease-and-desist letters, or other threats of litigation, from website hosts and content owners asserting that we are infringing on their intellectual property or violating the terms and conditions of their websites. In such a case, we will remove or attempt to obtain licenses for such content or obtain additional content from other websites. However, there is no assurance that we will be able to enter into license agreements with content owners. Consequently, we may be forced to remove a portion of our content from the Vringo studio library and significantly limit the availability of content in the Vringo Studio. This would negatively impact our user experience and may cause users to cancel our service and make our service less attractive to its partners.

If we are unable to enter into or maintain distribution arrangements with major mobile carriers and/or other partners and develop and maintain our existing strategic relationships with mobile carriers, we will be unable to distribute our products effectively or generate significant revenue.

Our strategy for distributing our applications and services is dependent upon establishing distribution arrangements with major mobile carriers and other partners. We currently have distribution arrangements with Etisalat (Emirates Telecom), Orange (Everything Everywhere), Vodafone, Verizon, Maxis, Celcom (Axiata Berhard), Hungama Mobile and Du. We need to develop and maintain strategic relationships with these entities in order for them to market our service to their end users. While we have entered into agreements with the aforementioned mobile carriers pursuant to which our service may be made available to their end-users, such agreements are not exclusive and generally do not obligate the partner to market or distribute our service. In addition, a number of our distribution agreements allow the mobile carrier to terminate its rights under the agreement at any time and for any reason upon 30 days' notice. We are dependent upon the subsequent success of these partners in performing their responsibilities and sufficiently marketing our service. We cannot provide any assurance that we will be able to negotiate, execute and maintain favorable agreements and relationships with any additional partners, that the partners with whom we have a contractual relationship will choose to promote our service or that such partners will be successful and/or will not pursue alternative technologies.

If we are unsuccessful in entering into and maintaining content license agreements, our revenue will be negatively affected.

The success of our service is dependent upon its providing end-users with content they desire. An important aspect of this strategy is establishing licensing relationships with third party content providers that have desirable content. Content license agreements generally have a fixed term, may or may not include provisions for exclusivity and may require us to make significant minimum payments. We have entered into approximately 35 content license agreements with various content providers. While our business is not dependent on any particular content license agreement, there is no assurance that we will enter into a sufficient number of content license agreements or that the ones that we enter into will be profitable and will not be terminated early.

We may not be able to generate revenues from certain of our prepaid mobile customers.

We currently operate in markets that have a high percentage of prepaid mobile customers. Many of these users may not have a sufficient balance in their prepaid account when their free trial ends and we bill them to cover the charges for subscribing to its service. As a result, the subscriber numbers that we periodically disclose may not generate revenues at the expected level.

We are dependent on mobile carriers and other partners to make timely payments to us.

We receive our revenue from mobile carriers and other distribution partners who may delay payment to us, dispute amounts owed to us, or in some cases refuse to pay us at all. Many of these partners are in markets where we may have limited legal recourse to collect payments from these partners. Our failure to collect payments owed to it from our partners will have an adverse effect on our business and our results of operations.

We may not be able to continue to maintain our application on all of the operating systems that we currently support.

Some of our applications are compatible with various mobile operating systems including Android, Blackberry, Sony Ericsson, Symbian, Apple's iOS, Java, and Windows Mobile operating systems. While Windows Mobile, Blackberry and Android do not support video ringtones natively, our development team has enabled its application to work on many devices which utilize these operating systems. The user base for the video ringtone service is spread out amongst a number of smartphone and feature phone operating systems, with applications on each aforementioned operating system representing less than 5% of the total subscribers to our video ringtone platform. Our Facetones® platform, which represents less than 5% of our revenue for the three months ended September 30, 2012, is heavily reliant upon our Android devices users. Currently, over 96% of our Facetones® users utilize the Android operating system. In addition, our commercial agreement with ZTE is solely reliant on our ability to maintain our support for the Android operating system. Since these operating systems do not support our applications natively, any significant changes to these operating systems by their respective developers may prevent our application from working properly or at all on these systems. If we are unable to maintain our application on these operating systems or on any other operating systems, users of these operating systems will not be able to use our application, which could adversely affect our business and results of operations.

We operate in the digital content market where piracy of content is widespread.

Our business strategy is partially based upon users paying us for access to our content. If users believe they can obtain the same or similar content for free via other means including piracy, they may be unwilling to pay for our service. Additionally, since our own clips do not have any copy protection, they can theoretically be distributed by a paying user to a non-paying user without any additional payment to us. If users or potential users obtain our content or similar content without payment to us, our business and results of operations will be adversely affected.

Major network failures could have an adverse effect on our business.

Major equipment failures, natural disasters, including severe weather, terrorist acts, acts of war, cyber-attacks or other breaches of network or information technology security that affect third-party networks, transport facilities, communications switches, routers, microwave links, cell sites or other third-party equipment on which we rely, could cause major network failures and/or unusually high network traffic demands that could have a material adverse effect on our operations or its ability to provide service to our customers. These events could disrupt our operations, require significant resources to resolve, result in a loss of customers or impair our ability to attract new customers, which in turn could have a material adverse effect on our business, results of operations and financial condition.

Our data is hosted at a remote location. Although we have full alternative site data backed up, we do not have data hosting redundancy. Accordingly, we may experience significant service interruptions, which could require significant resources to resolve, result in a loss of customers or impair our ability to attract new customers, which in turn could have a material adverse effect on our business, results of operations and financial condition.

In addition, with the growth of wireless data services, enterprise data interfaces and Internet-based or Internet Protocol-enabled applications, wireless networks and devices are exposed to a greater degree to third-party data or applications over which we have less direct control. As a result, the network infrastructure and information systems on which we rely, as well as our customers' wireless devices, may be subject to a wider array of potential security risks, including viruses and other types of computer-based attacks, which could cause lapses in our service or adversely affect the ability of our customers to access its service. Such lapses could have a material adverse effect on our business and its results of operations.

Our business depends upon its ability to keep pace with the latest technological changes and our failure to do so could make us less competitive in our industry.

The market for our products and services is characterized by rapid change and technological change, frequent new product innovations, changes in customer requirements and expectations and evolving industry standards. Products using new technologies or emerging industry standards could make our products and services less attractive. Furthermore, our competitors may have access to technology not available to us, which may enable them to produce products of greater interest to consumers or at a more competitive cost. Failure to respond in a timely and cost-effective way to these technological developments may result in serious harm to our business and operating results. As a result, our success will depend, in part, on its ability to develop and market product and service offerings that respond in a timely manner to the technological advances available to our customers, evolving industry standards and changing preferences.

Our Facetones® application depends upon our continued access to Facebook® photos.

Our Facetones® application creates automated video slideshow using friends' photos from social media web sites, primarily from Facebook®, the world's leading social media site. Facetones® represented less than 5% of our revenue for the three months ended September 30, 2012; however, we believe that the rapid growth of our user base is critical to the value of our mobile application business. In the event Facebook® prohibits or restricts the ability of our application to access photos on its site, our business, financial condition, operating results and projected growth could be harmed. In February 2012, Vringo entered into an agreement with Facebook®, which clarifies our permitted use of the Facetones® mark and domain name.

Regulation concerning consumer privacy may adversely affect our business.

Certain technologies that we currently support, or may in the future support, are capable of collecting personally-identifiable information. We anticipate that as mobile telephone software continues to develop, it will be possible to collect or monitor substantially more of this type of information. A growing body of laws designed to protect the privacy of personally-identifiable information, as well as to protect against its misuse, and the judicial interpretations of such laws, may adversely affect the growth of our business. In the United States, these laws could include the Federal Trade Commission Act, the Electronic Communications Privacy Act, the Fair Credit Reporting Act and the Gramm-Leach Bliley Act, as well as various state laws and related regulations. In addition, certain governmental agencies, like the Federal Trade Commission, have the authority to protect against the misuse of consumer information by targeting companies that collect, disseminate or maintain personal information in an unfair or deceptive manner. In particular, such laws could limit our ability to collect information related to users or our services, to store or process that information in what would otherwise be the most efficient manner, or to commercialize new products based on new technologies. The evolving nature of all of these laws and regulations, as well as the evolving nature of various governmental bodies' enforcement efforts, and the possibility of new laws in this area, may adversely affect our ability to collect and disseminate or share certain information about consumers and may negatively affect Vringo's ability to make use of that information. If we fail to successfully comply with applicable regulations in this area, its business and prospects could be harmed.

Our ability to raise capital through equity or equity-linked transactions may be limited.

In order for us to raise capital privately through equity or equity-linked transactions, stockholder approval is required to enable us to issue more than 19.99% of our outstanding shares of common stock pursuant to the rules and regulations of the NYSE MKT (formerly, NYSE Amex). Should stockholders not approve such issuances, our sole means to raise capital would be through debt, which could have a material adverse effect on our balance sheet and overall financial condition.

If there are significant shifts in the political, economic and military conditions in Israel and its neighbors, it could have a material adverse effect on our business relationships and profitability.

Our research and development facility and finance department are located in Israel and some of our key personnel reside in Israel. Our business is directly affected by the political, economic and military conditions in Israel and its neighbors. Major hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners could have a material adverse effect on our existing business relationships and on our operating results and financial condition. Furthermore, several countries restrict business with Israeli companies, which may impair our ability to create new business relationships or to be, or become, profitable.

We may not be able to enforce covenants not-to-compete under current Israeli law, which may result in added competition.

We have non-competition agreements with all of our employees, almost all of which are governed by Israeli law. These agreements generally prohibit our employees from competing with or working for our competitors, during their term of employment and for up to 12 months after termination of their employment. However, Israeli courts may be reluctant to enforce non-compete undertakings of former employees and may not enforce those provisions, or only enforce those provisions for relatively brief periods of time in restricted geographical areas, and only when the employee has unique value specific to that employer's business and not just regarding the professional development of the employee. If we are not able to enforce non-compete covenants, we may be faced with added competition.

Because our current revenues are, and are expected to be, generated in U.S Dollars, British Pounds and Euros, while a portion of our expenses is, and is expected to be, incurred in British Pounds, Euros and in New Israeli Shekels, our results may be significantly affected by currency exchange rate fluctuations.

Our revenues are, and are expected to be, generated in U.S Dollars, Euros and in the British Pound, while significant salary related expenses are paid in New Israeli Shekels and expenses related to maintaining, prosecuting and enforcing the patents acquired from Nokia are expected to be paid in British Pounds and in Euros. As a result, we are exposed to the adverse effect of increased dollar-measured cost of our operations, as value of these currencies may materially fluctuate against the U.S Dollar, as it is affected by, among other things, changes in political and economic conditions. Fluctuations in the abovementioned exchange rates, or even the appearance of instability in any such exchange rate, could adversely affect our ability to operate our business.

The termination or reduction of tax and other incentives that the Israeli government provides to domestic companies, such as our wholly-owned subsidiary, may increase the costs involved in operating a company in Israel.

The Israeli government currently provides tax and capital investment incentives to domestic companies, as well as grant and loan programs relating to research and development and marketing and export activities. Our wholly-owned Israeli subsidiary currently takes advantage of some of these programs. We cannot provide you with any assurance that such benefits and programs will continue to be available in the future to our Israeli subsidiary. In addition, it is possible that our subsidiary will fail to meet the criteria required for eligibility of future benefits. If such benefits and programs were terminated or further reduced, it could have an adverse effect on our business, operating results and financial condition.

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

On August 30, 2012, the Company issued 50,000 shares of its common stock to Chardan Capital Markets, LLC, pursuant to a consulting agreement. The issuance of the shares was made in reliance on the exemption from registration provided under Section 4(2) of the Securities Act of 1933, as amended.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

On November 12, 2012, the Company released H. Van Sinclair, a member of the board of directors of the Company, from certain restrictions on sales and other dispositions and public announcement or disclosure which were included in that certain Lock-Up Agreement, dated July 19, 2012, entered into between the Company and each of the directors and executive officers, as previously disclosed on the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 20, 2012 in connection with the establishment of a pre-arranged trading plan that complies with Rule 10b5-1 under the Exchange Act. The Lock-Up Agreement was filed as Exhibit 10.6 to the Current Report. All other provisions of the Lock-Up Agreement have remained unchanged.

H. Van Sinclair intends to establish a stock trading plan with respect to shares of common stock owned by him or underlying warrants, restricted stock units or stock options owned by him in accordance with Rule 10b5-1 under the Exchange Act. All of such transactions will be made subject to the volume limitations under Rule 144.

This trading plan is in addition to trading plans already established by members of the Board and officers on August 31, 2012, some of which may be amended from time to time. The transactions under these trading plans will be disclosed publicly through Form 144 and Form 4 filings with the Securities and Exchange Commission. The trading plans are designed to align the interests of directors and officers with the Company's investors by allowing them to monetize a portion of their equity positions in a systematic, nondiscretionary manner with the goal of minimal market impact, and compliance with federal securities laws and regulations adopted by the Securities and Exchange Commission.

Item 6. Exhibits.

Exhibit No.	Description
2.1	Agreement and Plan of Merger by and among Vringo, Inc., VIP Merger Sub, Inc. and I/P, Inc., dated as of March 12, 2012 (incorporated by reference from Exhibit 2.1 to our Current Report on Form 8-K filed on March 14, 2012)
3.1	Certificate of Amendment to Amended and Restated Certificate of Incorporation to effect an increase in authorized shares (incorporated by reference from Exhibit 3.1 to our Current Report on Form 8-K filed on July 20, 2012)
3.2	Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock (incorporated by reference from Exhibit 3.2 to our Current Report on Form 8-K filed on July 20, 2012)
4.1	Form of Series 1 Warrant (incorporated by reference from Annex F to our Registration Statement on Form S-4 (File No. 333-180609) originally filed with the SEC on April 6, 2012)
4.2	Form of Series 1 Warrant (incorporated by reference from Annex G to our Registration Statement on Form S-4 (File No. 333-180609) originally filed with the SEC on April 6, 2012)
10.1#*	Confidential Patent Purchase Agreement, dated August 9, 2012, by and between Vringo, Inc. and Nokia Corporation
10.2†*	Vringo, Inc. 2012 Employee, Director and Consultant Equity Incentive Plan
10.3	Form of Subscription Agreement, dated August 9, 2012, by and between Vringo, Inc. and each of the investors named therein (incorporated by reference from Exhibit 10.1 to our Current Report on Form 8-K filed on August 9, 2012)
10.4*	Lease, dated July 10, 2012, by and between Vringo, Inc. and Teachers Insurance and Annuity Association of America, for the benefit of its separate Real Estate Account Landlord
31.1*	Certification of Principal Executive Officer Pursuant to Rule 13-14(a) of the Securities Exchange Act of 1934, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rule 13-14(a) of the Securities Exchange Act of 1934, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.1***	The following information from Vringo's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 formatted in XBRL: (i) Unaudited Consolidated Statements of Operations for the three and nine months ended September 30, 2012, three month period ended September 30, 2011 and the period from inception of I/P (June 8, 2011) through September 30, 2011; (ii) Consolidated Balance Sheets as of September 30, 2012 (Unaudited) and December 31, 2011; (iii) Unaudited Consolidated Statements of Stockholders' Equity as of September

30, 2012; (iv) Unaudited Consolidated Statements of Cash Flows for the nine months ended September 30, 2012 and the Period from June 8, 2011 (inception) to September 30, 2011; and (v) Notes to Unaudited Consolidated Financial Statements tagged as blocks of text.

† Indicates management compensatory plan, contract or arrangement.

Confidential treatment has been requested with respect to certain portions of this exhibit, which portions have been omitted and filed separately with the Securities and Exchange Commission as part of an application for confidential treatment pursuant to the Securities and Exchange Act of 1934, as amended.

* Filed herewith.

** Furnished herewith.

*** Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on the 14th day of November, 2012.

VRINGO, INC.

By: /S/ ELLEN COHL

Ellen Cohl
Chief Financial Officer
(Principal Financial Officer)

CONFIDENTIAL PATENT PURCHASE AGREEMENT

This CONFIDENTIAL PATENT PURCHASE AGREEMENT (this "**Agreement**") is entered into on August 9, 2012 (the "**Effective Date**"), by and between Nokia Corporation, a company organized under the laws of Finland ("**Nokia**") and Vringo, Inc., a corporation organized under the laws of the State of Delaware ("**Purchaser**"). Nokia and Purchaser are herein referred to separately as "a party" or collectively as "the parties."

RECITALS

WHEREAS, Purchaser wishes to acquire certain patents and patent applications owned by Nokia, and Nokia wishes to sell such patents and patent applications to Purchaser in exchange for payments and consideration described herein.

NOW THEREFORE, in consideration of the mutual covenants and conditions stated herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as set forth herein.

AGREEMENT

1. DEFINITIONS

"**Affiliate**" means (a) with respect to Purchaser, any entity Controlling, Controlled by, or under common Control with Purchaser whether in the past, present or future for so long, and only for so long, as such Control exists; (b) with respect to Nokia, any entity Controlling, Controlled by, or under common Control with Nokia as of the Effective Date and for so long, and only for so long, thereafter as such Control continues to exist; (c) [***], and (d) with respect to any third party, any entity Controlling, Controlled by, or under common Control with such third party for so long, and only for so long, as such Control exists.

"**Agreement**" shall have the meaning set forth in the first paragraph hereto.

"**Applicable Law**" shall have the meaning set forth in Section 13.6(a).

"**Assign**" means to sell, assign, convey, delegate or otherwise transfer any right, title or interest in or to this Agreement, in each case whether directly or indirectly, expressly or impliedly, voluntarily or involuntarily, in one or a series of transactions, by contract, operation of law or otherwise (including without limitation by means of any merger, consolidation, recapitalization, liquidation, dissolution, Change of Control, transfer or sale of all or substantially all of a business, or similar transaction).

"**Assigned Patents**" means (a) all patents and patent applications listed in **Exhibit A** hereto; (b) all reissues, reexaminations, continuations, continuations-in-part, divisionals, renewals and extensions of such patents and patent applications (whether pending, issued, abandoned or filed prior to, on or after the Effective Date); (c) all patents and patent applications (i) to which any or all of the foregoing directly or indirectly claims priority to, or the benefit of, the filing date, or (ii) for which any or all of the foregoing directly or indirectly forms a basis for priority or otherwise provides the benefit of an earlier filing date; and (d) all foreign counterparts to any or all of the foregoing, and all utility models, certificates of invention, patent registrations and equivalent rights worldwide.

"**Change of Control**" shall mean any one or more of the following, whether directly or indirectly, voluntarily or involuntarily, by agreement, operation of law or otherwise, and whether by means of one transaction or a series of related transactions: (a) the acquisition of a party or any Affiliate Controlling such party by another entity (including, without limitation, by means of any stock acquisition, reorganization, merger, consolidation or similar business combination) other than a transaction or series of transactions in which the holders of the voting securities of such party or any Affiliate Controlling such party (as applicable) outstanding immediately prior to such transaction continue to retain (either by such voting securities remaining outstanding or by such voting securities being converted into voting securities of the surviving entity), as a result of securities of such party or any Affiliate Controlling such party (as applicable) held by such holders prior to such transaction, at least fifty percent (50%) of the total voting power represented by the voting securities of such party or any Affiliate Controlling such party (as applicable), or such surviving entity, outstanding immediately after such transaction or series of transactions; (b) the sale, lease, license, assignment, transfer or other conveyance or disposition of all or substantially all the business, properties or assets of such party; or (c) the commencement of any a proceeding under Title 11 of the United States Code (11 U.S.C. § 101 et seq.) or other insolvency, liquidation, reorganization, receivership, moratorium, dissolution or winding up or other similar proceeding of such party or any Affiliate Controlling such party.

"Claims" means claims, counterclaims and cross-claims, as well as any and all actions, causes of action, costs, damages, debts, demands, expenses, liabilities, losses, obligations, proceedings, and suits of every kind and nature, liquidated or unliquidated, fixed or contingent, in law, equity or otherwise and whether presently known or unknown.

[***].

"**Control**" means (a) direct or indirect ownership of more than fifty percent (50%) of the outstanding shares representing the right to vote for members of the board of directors or other managing officers of an entity, or (b) for an entity that does not have outstanding shares, more than fifty percent (50%) of the direct or indirect ownership interest representing the right to make decisions for such entity.

"**Customer(s)**" means direct and indirect distributors, resellers, dealers and customers (including end-user customers) of Licensed Products of Nokia, its Affiliates or NSN (in each case, solely to the extent acting in such capacity).

"**Effective Date**" shall have the meaning set forth in the first paragraph hereto.

Portions of this Exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Exchange Act of 1934, as amended.

"**Encumbrance**" means any lien, charge, claim, pledge, security interest, conditional sale agreement or other title retention agreement, lease, mortgage, security agreement, right, option, restriction, immunity, license, covenant, adverse claim or other encumbrance, including without limitation any (a) patent licenses or sublicenses, covenants not to assert and/or similar patent immunities; (b) rights to renew or extend pre-existing patent licenses exercised solely by third parties (such as legally binding options); and (c) releases for past infringement.

"**Enforcement Activities**" shall have the meaning set forth in Section 8.1.

"**Essential Cellular Patents**" means Assigned Patents which have been declared essential to the GSM/GPRS Standard or UMTS Standard, including Patents, listed in **Exhibit B**.

"**Existing Encumbrances**" means, in relation to the Assigned Patents, (a) pre-existing patent licenses, covenants not to assert and/or similar patent immunities, including the license to Nokia set forth herein; (b) rights to renew or extend pre-existing patent licenses exercised solely by third parties (such as legally binding options); (c) releases for past infringement; (d) pre-existing commitments or assurances pursuant to Nokia's or its Affiliates' standards- or specifications-related activities, and/or (e) [***], in each case of (a), (b), (c), (d) and (e) which transfer in connection with the transfer of the Assigned Patent(s) and/or which Nokia or any of its Affiliates has committed to maintain in connection with the transfer of such Assigned Patent(s), solely in the form they existed prior to the Effective Date.

[***].

"**Grantee**" shall have the meaning set forth in Section 6.1.

"**Grantor**" shall have the meaning set forth in Section 6.1.

"**Gross Revenue**" means (i) all cash and other tangible consideration collected and/or received by Purchaser or its Affiliates from third parties (including under patent licenses, covenants not to assert, releases from past infringement, other licenses and patent Sale (excluding any Sale that causes an Impairment Payment)) in consideration for the grant of rights or immunities under one or more of the Assigned Patents or Later Acquired Patents (whether in connection with or otherwise related to an agreement or other settlement that includes one or more Assigned Patents or Later Acquired Patents) and (ii) any withholdings by third parties from any such consideration collected by Purchaser, including contingency fee arrangements with attorneys relating to the Assigned Patents or Later Acquired Patents where such fee was withheld by such attorneys from any settlement amount. Any Gross Revenues collected under this Agreement in a currency other than US Dollars may be converted to US Dollars at the interbank rate as of the date on which such amount is collected and/or received by Purchaser.

"**GSM/GPRS Standard**" means the TDMA based GSM/GPRS specification as defined by ETSI and/or 3GPP prior to and at the time of the Effective Date as well as any updates or releases in respect of such GSM/GPRS Standard by ETSI, 3GPP and/or other relevant telecommunications standard setting bodies, as long as not fundamentally technically altering the character thereof, and includes E-GPRS (EDGE), GPRS/HSCSD/EDGE/EGSM and GSM850.

"**Impairment Event**" means any of the following by Purchaser or its Affiliate: (a)(i) the Sale of any Essential Cellular Patent to any third party, or (ii) the Sale to a third party in a single transaction of more than [***] percent ([***]%), or in aggregate [***] percent ([***]%), of the Assigned Patents (other than the Essential Cellular Patents); or (b) [***]. Notwithstanding the foregoing, an Impairment Event shall exclude (x) any Sale of an Assigned Patent (i) to any Affiliate of Purchaser, or (ii) in connection with the transfer or sale of all or substantially all of its business or assets to which this Agreement relates, or in the event of its merger, consolidation, recapitalization, liquidation, dissolution, Change of Control or similar transaction, provided that (A) any such assignee shall assume all obligations of Purchaser under this Agreement applicable to such Assigned Patent that is the subject of such Sale, and (B) if the Purchaser continues to be a separate legal entity after such Sale, Purchaser shall continue to be liable for all its obligations under this Agreement (including without limitation such Assigned Patent), and (y) [***].

"**Impairment Payment**" shall have the meaning set forth in Section 5.3.

"**Impairment Payment Amount**" means, with respect to an Impairment Event, the remainder of [***].

"**Initial Payment**" shall have the meaning set forth in Section 4.2.

"**Later Acquired Patents**" means any Patents which are acquired or controlled by Purchaser at any time after the Effective Date other than the Assigned Patents and which are received as consideration for rights acquired by a third party under the Assigned Patents or earlier Later Acquired Patents such as a patent license, covenant not to assert, release from past infringement, technology license and/or patent Sale (excluding any Sale that causes an Impairment Payment).

"**License**" shall have the meaning set forth in Section 6.1.

"**Licensed Products**" means all software, products and services of Nokia, its Affiliate or NSN, in each case that are designed, made, used, sold, offered for sale, imported and otherwise provided and disposed of by or for Nokia, its Affiliate or NSN (as applicable) as its own software, products and services.

"**Nokia**" shall have the meaning set forth in the first paragraph hereto.

"**NSN**" means Nokia Siemens Networks B.V., a private limited liability company incorporated under the laws of the Netherlands, including any and all Affiliates of such entity.

"**Patent**" means any and all (a) patents and patent applications; (b) reissues, reexaminations, continuations, continuations-in-part, divisionals, renewals and extensions of such patents and patent applications (whether pending, issued, abandoned or filed prior to, on or after the Effective Date); and (c) foreign counterparts to any or all of the foregoing, and all utility models, certificates of invention, patent registrations and equivalent rights worldwide.

"**Payment in Full Date**" shall have the meaning set forth in Section 3.1.

"Pre-Assignment Agreements" means any and all agreements relating to any Encumbrance on the Assigned Patents entered into by Purchaser or its Affiliates between the Effective Date and the date of assignment of the Assigned Patents to Nokia or its designee pursuant to Section 8.

"**Purchaser**" shall have the meaning set forth in the first paragraph hereto.

[***].

[***].

[***].

"**Reporting Quarter**" means a three-month accounting period ending on each of March 31, June 30, September 30, and December 31; provided, however, that the initial Reporting Quarter shall begin on the Effective Date and end on December 31, 2012.

"**Reporting Year**" means each period of four (4) consecutive Reporting Quarters beginning upon the Effective Date and ending upon the last day of the fourth Reporting Quarter thereafter.

"**Royalty**" shall have the meaning set forth in Section 4.3.

"**Sale**" shall mean the sale, transfer, assignment or exclusive license (with the right to enforce and grant sublicenses) of an Assigned Patent, and "**Sell**" shall mean to consummate a Sale.

"**Standards Organization**" means any standards organization, standards body, standards developing organization (SDO), standards setting organization (SSO), or any other organization, entity, association, body or other group of any type whatsoever that may impose upon an affiliated or associated member or participant an obligation or commitment to any Encumbrance on an Assigned Patent.

"**Supply**" shall have the meaning set forth in Section 6.1.

[***].

"**UMTS Standard**" means The Universal Mobile Telecommunications System Standard as promulgated by 3GPP and/or ETSI, as well as the TD-SCDMA, FOMA, HSPA, HSPA+, HSUPA and HSDPA Standards being derivative standards thereof.

[***] shall mean[***].

2. ASSIGNMENT OF PATENTS; COMPLIANCE WITH EXISTING ENCUMBRANCES

2.1 Patent Assignment. Nokia hereby sells and assigns to Purchaser, and Purchaser hereby acquires and accepts from Nokia, all right, title and interest in, to and under the Assigned Patents, including any and all inventions and discoveries claimed therein, any and all rights entitled by the original owner of the Assigned Patents and all rights to sue for past, present and future infringement, to collect royalties under such Assigned Patents, to prosecute all existing Assigned Patents worldwide, to apply for additional Assigned Patents worldwide and to have Assigned Patents issue in the name of Purchaser or its designated Affiliate. For the avoidance of doubt, no patent license or other agreements related to the Assigned Patents are being assigned to Purchaser under this Agreement.

2.2 Assignment of Causes of Action. Nokia hereby sells and assigns to Purchaser, and Purchaser hereby acquires and accepts from Nokia, all right, title and interest in, to and under all causes of action and enforcement rights of any type or nature whatsoever, whether known, unknown, currently pending, filed, or otherwise, for the Assigned Patents, including all rights to pursue damages, injunctive relief and other remedies for past, current and future infringement of the Assigned Patents.

2.3 Existing Encumbrances. The Assigned Patents are assigned and transferred subject to the Existing Encumbrances, and Purchaser hereby commits to respect such Existing Encumbrances, including without limitation Purchaser shall ensure that any subsequent sale, assignment, lien, mortgage or other transfer of the Assigned Patents by Purchaser or its future assignees, transferees or successors of any Assigned Patents shall be made subject to Existing Encumbrances. For the avoidance of doubt, any pre-existing patent license agreements related to the Assigned Patents, including, without limitation, any related royalty payments, shall not be assigned or transferred to Purchaser.

3. DELIVERY

3.1 Executed Assignment. Upon the date (the "**Payment in Full Date**") on which Nokia receives payment in full of the Initial Payment, Nokia shall execute an assignment ("**Assignment**") attached hereto as **Exhibit C** suitable for recordation with the United States Patent and Trademark Office and other patent offices worldwide.

3.2 Delivery. Within forty-five (45) days following the Payment in Full Date, Nokia shall send, or instruct its counsel and attorneys to send to Purchaser, the executed original or certified copy of the Assignment along with all material files and documents in the possession of or available to Nokia regarding patent prosecution of the Assigned Patents including (a) prosecution history files for all issued, pending or abandoned Assigned Patents, (b) a current electronic copy of a docketing report for the Assigned Patents accurately setting forth to the best of Nokia's knowledge any and all dates relevant to the prosecution or maintenance of the Assigned Patents, including information relating to deadlines through and including a period of not less than the following three (3) months, payments and filings for the Assigned Patents, and the names, business addresses, email addresses, and phone numbers of all prosecution counsel and agents and (c) any other material files and documents not otherwise provided under Section 3.2 (a) through (b) in the possession of Nokia's outside attorneys who have been involved in the prosecution of any of the Assigned Patents.

3.3 Cooperation After Payment in Full Date. Nokia further covenants and agrees that after the Payment in Full Date, it shall, upon request and without further consideration, promptly execute and deliver to Purchaser any and all other documents and materials, and take any and all reasonable further actions, that are reasonably necessary for Purchaser to perfect its title in the Assigned Patents.

4. CONSIDERATION AND PAYMENT TERMS

4.1 Consideration. Consideration for the Assigned Patents shall be comprised of the Initial Payment and Royalty as set forth herein.

4.2 Initial Payment. Purchaser hereby agrees to pay to Nokia the amount of Twenty-Two Million US Dollars (USD22,000,000) ("**Initial Payment**") as partial consideration for the Assigned Patents. Purchaser shall pay the Initial Payment to Nokia on or before September 14, 2012.

4.3 Royalty.

(a) If and to the extent Gross Revenue exceed Twenty-Two Million US Dollars (USD22,000,000), Purchaser hereby agrees to pay to Nokia 35 % (thirty five per cent) of such excess Gross Revenue (the "**Royalty**").

(b) To the extent Gross Revenue comprises cash or cash equivalents, Purchaser shall pay the applicable Royalty in the form of such cash or cash equivalents. To the extent Gross Revenue comprises tangible consideration other than cash or cash equivalents, Purchaser shall pay the applicable Royalty (i) in the form of the applicable share of such tangible consideration representing the Royalty thereon (to the extent divisible and transferable), and (ii) in the form of the applicable interest in such tangible consideration representing the Royalty thereon (to the extent not divisible or transferable).

(c) In the event of a Change of Control of Purchaser, Purchaser (or its successor-in-interest, as applicable) shall continue to be bound by the obligation to pay the Royalty and comply with any and all other obligations of Purchaser under this Agreement.

4.4 Royalty Payments. The Royalty is payable within forty five (45) days after the end of each Reporting Quarter ending on March 31, June 30 or September 30, and within seventy five (75) days after the end of each Reporting Quarter ending on December 31. The parties agree that the share of Gross Revenue payable to Nokia will be calculated and paid in US Dollars.

4.5 Payments. All payments from Purchaser to Nokia hereunder shall be made in United States Dollars by means of wire transfer to the account specified in **Exhibit D**.

4.6 Assignability of Royalty. Nokia shall have the right to transfer and assign, either in whole or in part, its right to receive the Royalty, subject to the following: If Nokia desires to transfer and assign, whether directly or indirectly in whole or in part, its right to receive the Royalty to a third party, Nokia shall not so assign and transfer such right unless and until Nokia first offers to enter into an agreement to assign and transfer to Purchaser such right on such terms and conditions as such third party in good faith is prepared to enter into such agreement with Nokia. Purchaser shall have seven (7) days to accept or reject the offer to enter into such an agreement with Nokia on such terms and conditions. Nokia shall not enter into such an agreement with any third party unless and until Purchaser rejects such offer or such seven (7) day period expires without being accepted by Purchaser, whichever comes first, and Nokia may only enter into such an agreement with such third party if the terms and conditions offered to such third party are the same as (or more favorable to Nokia than) those offered to Purchaser. Nokia shall give Purchaser prompt notice of any such sale or assignment to a third party. The foregoing right of first refusal shall not apply to any transfer and sale to an Affiliate of Nokia provided that such Affiliate shall continue to be bound by such right of first refusal if it desires to further transfer and assign such right. Any transfer or assignment, either in whole or in part, by Nokia of its right to receive the Royalty shall not relieve Nokia for any of its obligations hereunder.

5. General Obligations of Purchaser

5.1 Conduct of the Business. Purchaser shall exercise reasonable commercial efforts to monetize the Assigned Patents consistent with prudent business practices; provided, however, in light of the volume, breadth and extent of the Assigned Patents, Purchaser shall have the sole right in its discretion to determine the strategy, manner, timing, nature and extent of any and all actions (and inactions) to monetize the Assigned Patents. Purchaser shall employ, contract or otherwise retain the services of appropriate legal, technical, financial and administrative personnel, advisors and agents to conduct and operate its business. In addition to and without limiting the generality of the foregoing, no later than one business day following Purchaser's or its Affiliate's commencement of any patent infringement or other litigation to enforce the Assigned Patents that is filed in any court of law, which, for greater certainty, shall be in Purchaser's sole discretion, Purchaser shall provide Nokia with notice of such action and, if the action is brought in the United States and to the extent that Purchaser's counsel indicates disclosure is permitted under applicable rules or regulations, Purchaser shall provide Nokia a copy of the related complaint and initial filings. Nokia recognizes that such notice may be considered "material non-public information" for purposes of United States federal securities laws, and Nokia shall abide by all securities laws relating to the handling of, and acting upon, such information until (A) Purchaser or its Affiliate discloses such information publicly, (B) a third party discloses such information publicly, or (C) such information becomes otherwise publicly available through no fault of Nokia.

5.2 Bundling.

(a) Neither Purchaser nor its Affiliates shall grant any Encumbrance on the Assigned Patents to any third party that has been granted an Encumbrance under other Patents by Purchaser or its Affiliate [***] ([***]) [***], nor shall Purchaser or its Affiliate grant an Encumbrance to any Patents to a third party that has been granted an Encumbrance by Purchaser or its Affiliate to the Assigned Patents within the previous [***] ([***]) [***]; and

(b) No Encumbrance of any Assigned Patent shall be included, bundled, or otherwise combined with an Encumbrance of any other Patents under which Purchaser or its Affiliates has the right to grant an Encumbrance.

5.3 Impairment Events. Concurrent with the occurrence of an Impairment Event, Purchaser shall pay to Nokia the applicable Impairment Payment Amount (the "**Impairment Payment**").

5.4 Non-Circumvention. Purchaser acknowledges and agrees that the Royalty is intended to capture Nokia's share of the economic benefit of monetizing the Assigned Patents and agrees not to circumvent the Royalty, directly or indirectly, with the purpose or effect of impairing the economic value thereof to Nokia. Any Sale by Purchaser or its future assignees or transferees of any of the Assigned Patents shall be made subject to (a) the Existing Encumbrances and (b) the licenses granted herein, and Purchaser shall take appropriate measures to comply with this Section 5.4. Any Sale which fails to so provide shall be null and void.

6. LICENSE

6.1 License to Nokia. Subject to the terms and conditions of this Agreement, Purchaser on behalf of itself and its Affiliates (collectively "**Grantor**") grants to Nokia, its Affiliates, and NSN (each as a "**Grantee**"), effective as of the Effective Date, a worldwide, irrevocable, non-exclusive, perpetual, and fully paid-up license, without the right to grant sublicenses, under any and all Assigned Patents solely for Grantee's own business purposes to (a) make, have made (including the right to have Customers make copies of Grantee's software and distribute or use such copies), use, lease, import, offer for sale, sell, supply, distribute, host, render, otherwise transfer and promote the commercialization of (collectively "**Supply**"), Grantee's Licensed Products, (b) use any software, product or service, and practice any process or method while carrying-out the Supply of Grantee's Licensed Products, and (c) perform any activities that, in absence of this Agreement, would constitute inducement or contributory infringement in furtherance of the Supply of Grantee's Licensed Products (the "**License**").

6.2 Past Release. Purchaser, on behalf of itself and its Affiliates, irrevocably releases, acquits and forever discharges Nokia, its Affiliates, and NSN and all their respective Customers, and each of their respective officers, directors, employees, agents, successors, assigns, representatives, and attorneys from and against any and all Claims which Purchaser or its Affiliates may have or obtain based on acts prior to the Effective Date, which, had they been performed on or after the Effective Date, would have been licensed or otherwise immunized under this Agreement, including any infringement, misappropriation or other violation, or alleged infringement, misappropriation or other violation, of any Assigned Patents (whether direct, contributory or by inducement, and whether or not willful) based on Licensed Products (or the manufacture, use, sale, offer for sale, import, export or other exploitation thereof).

6.3 Combinations. Without limiting the rights granted hereunder, the licenses granted in Section 6.1 extend to the Supply by or on behalf of each Grantee, and their respective Customers, of a combination of a Licensed Product with any third-party software, products and services.

6.4 Reservation of Rights. All rights not expressly granted in this Agreement are reserved. No additional rights whatsoever (including, without limitation, any implied licenses) are granted by implication, exhaustion, estoppel or otherwise.

6.5 Changes of Status. Notwithstanding anything to the contrary in this Agreement, if an entity ceases to be an Affiliate of Nokia or Nokia Siemens Networks B.V., such entity automatically thereafter shall cease to be a Grantee. In the event of a Change of Control of Nokia or NSN, then Licensed Products of Nokia and its Affiliates, or NSN (as applicable), automatically thereafter shall be limited solely (a) to those Licensed Products of Nokia and its Affiliates, or NSN (as applicable), in commercial production or sale immediately prior to giving effect to such Change of Control, and (b) to products of Nokia and its Affiliates, or NSN (as applicable), that are designated in good faith as follow-on versions or models of the Licensed Products described in clause (a) and in the same product lines of Nokia and its Affiliates, or NSN (as applicable), provided that such follow-on versions or models do not alter or add in any material respect any new or different form, function or feature. In no event shall a Licensed Product directly or indirectly include any product that is not specifically described in clause (a) or (b) above.

6.6 New Affiliates License. If an Affiliate is acquired by Nokia or an Affiliate thereof after the Effective Date, the Affiliate shall be deemed a Grantee under Section 6.1 and the licenses and covenants granted under this Agreement shall extend to such Affiliate as from the date of acquisition.

6.7 [***].

7. AUDIT; REPORTING RIGHTS

7.1 Quarterly Reports. Within forty five (45) days after the end of each Reporting Quarter ending on March 31, June 30 or September 30, and within seventy five (75) days after the end of each Reporting Quarter ending on December 31, Purchaser shall provide a written report to Nokia containing the following information:

(a) Gross Revenue with respect to such preceding Reporting Quarter;

(b) the amount due and payable to Nokia, if any, under the Royalty with respect to such preceding Reporting Quarter; and

(c) calculations supporting Purchaser's determinations under Sections 7.1(a) and 7.1(b).

7.2 Annual Report. On at least an annual basis, Purchaser shall provide Nokia a written report summarizing key business developments and operations during the preceding year, as well as an overview of Purchaser's licensing activities and market environment (including the number, but excluding the names, of its third party contacts during the reporting period). The annual report shall be provided in addition to the quarterly reports described above.

7.3 Records. Purchaser shall maintain complete and accurate books, records and accounts in sufficient detail to confirm the accuracy of the Royalty due hereunder. Such books, records and accounts shall be retained by Purchaser until the later of (a) three (3) years after the end of the period to which such books, records and accounts pertain, and (b) the expiration of the applicable tax statute of limitations (or any extensions thereof), or for such longer period as may be required by applicable law.

7.4 Information Rights; Audit. Purchaser shall permit Nokia to audit Purchaser's books of account and records in accordance with the procedures set forth below; provided, however, that Purchaser shall not be obliged pursuant to this Section 7.4 to provide access to any information the disclosure of which would adversely affect the attorney-client privilege between Purchaser and its counsel. Nokia shall have the right to have an independent certified public accounting firm of nationally recognized standing, selected by Nokia, inspect Purchaser's books of account and records and have access to Purchaser's officers during normal business hours, and upon reasonable prior notice, to such of the records of Purchaser (and its Affiliates) as may be reasonably necessary to verify the accuracy of any calculations that formed the basis for a payment to Nokia hereunder during the thirty six (36) months prior to the date of such request (other than records for any period for which Nokia already has conducted an audit); provided, however, that Nokia shall not have the right to conduct more than one such audit in any twelve (12) month period. Nokia shall bear the cost of such audit unless the audit reveals a variance of more than the greater of (a) [***] percent ([***]%) or (b) [***] ([***]) from the reported Gross Revenue, in which case Purchaser shall bear the out of pocket cost of such audit charged by such accounting firm for such audit. The parties agree that errors in form, including, e.g., allocating payments to an incorrect reporting period, and other acts which do not affect aggregate amounts paid under this Agreement will not be included in the calculation of the variance revealed by an audit, provided, however, that only payments made before Nokia's notice requesting commencement of an audit shall be included in aggregate amounts paid and taken into account in the audit. If, based on the results of such audit, additional payments are owed by Purchaser under this Agreement, Purchaser shall make such additional payments within thirty (30) days after the date on which such audit report is delivered to Purchaser. Nokia shall cause its accounting firm to retain all financial information subject to review under this Section 7.4 in strict confidence, and Purchaser shall have the right to require that such accounting firm, prior to conducting such audit, to enter into an appropriate non-disclosure agreement with Purchaser regarding such financial information. The accounting firm shall disclose to Nokia only whether the reports are correct or not and the amount of any discrepancy. No other information shall be shared, unless Purchaser agrees to comply with its additional payment obligations, if any, pursuant to an audit report.

For the avoidance of doubt, the audit and information rights set forth in this Section 7 do not confer on Nokia any rights to direct, control or influence Purchaser's strategy or conduct.

8. ASSIGNMENT OBLIGATION OF PURCHASER

8.1 Covenant. If, at any time prior to the seventh (7th) anniversary of the Effective Date, Purchaser or any of its Affiliates files a lawsuit, including an action before the United States International Trade Commission, or otherwise commences legal proceedings in a court of law against Nokia and/or its Affiliate(s) accusing Nokia and/or its Affiliate(s) of the infringement of any Patent owned or controlled by Purchaser or its Affiliates by the Supply by Nokia or its Affiliates (as the case may be) of the Licensed Products of Nokia or its Affiliates (as applicable) ("**Enforcement Activities**"), Nokia shall have the right to require Purchaser to assign the Assigned Patents to Nokia or its designee, which right only may be exercised thirty (30) days after providing notice to Purchaser of Nokia's intent if Purchaser or its Affiliate has not withdrawn its lawsuit or other action by the end of such thirty (30) day period. If Nokia timely exercises such right by giving Purchaser written instructions requiring such assignment in accordance with this Section 8.1 , then Purchaser shall assign the Assigned Patents to Nokia or its designee (in accordance with the instructions of Nokia) by executing and delivering to Nokia an assignment in substantially the form of **Exhibit C** within ten (10) business days following Purchaser's receipt of such written instructions requiring such assignment from Nokia, in exchange for [***] US Dollars (USD [***]), without representation or warranty (express or implied) of any kind, other than representations and warranties substantially similar to those provided by Nokia in Section 12.1. Any such assignment of the Assigned Patents to Nokia or its designee in accordance with this Section 8 shall be subject to the Pre-Assignment Agreements. Upon any such assignment of the Assigned Patents to Nokia or its designee in accordance with this Section 8, neither the Pre-Assignment Agreements nor any consideration received by or owing to Purchaser or its Affiliates thereunder shall be assigned. For clarity, Purchaser shall continue to administer all such Pre-Assignment Agreements for the duration of their terms (including any renewal or extension thereof exercised solely by a third party pursuant to existing contractual provisions of a Pre-Assignment Agreement), and the rights of Purchaser and its Affiliates to continue to receive consideration thereunder, as well as Purchaser's obligation to pay the Royalty associated with the Pre-Assignment Agreements, shall survive any such assignment.

8.2 Termination of Obligations. The provisions of Section 8 shall not apply in the event of any lawsuit, including an action before the United States International Trade Commission, or other legal proceedings in a court of law, by Purchaser or its Affiliate in response to any claim, demand, action or other proceeding against Purchaser or its Affiliate directly or indirectly challenging the title, validity, enforceability or claim construction of any Assigned Patent or seeking a judgment or other determination of non-infringement of any Assigned Patent. If an entity ceases to be an Affiliate of Nokia, the provisions of Section 8 automatically thereafter shall cease to apply to such entity. In the event of a Change of Control of Nokia, the provisions of Section 8 automatically thereafter shall cease to apply in their entirety.

9. COMPLIANCE WITH EXISTING ENCUMBRANCES

[***].

10. DELIVERY; PROSECUTION; COOPERATION

10.1 Continued Prosecution. Nokia or its Affiliates shall pay, or cause to be paid, any maintenance fees, annuities and the like relating to the Assigned Patents for which the fee is due within sixty (60) days of the Effective Date.

Portions of this Exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Exchange Act of 1934, as amended.

10.2 Cooperation After Effective Date. Nokia further covenants and agrees that after the Effective Date, it shall, upon request and without further consideration, without unnecessary delay execute and deliver to Purchaser any and all other documents and materials, and take any and all reasonable further actions (including taking reasonable action to obtain the cooperation of the named inventors), that are reasonably necessary for Purchaser to perfect its right, title and interest in the Assigned Patents. In addition, Nokia shall take, or cause to be taken, any and all reasonable actions to provide reasonable access to employee inventors of Nokia, still employed by Nokia at the time of such request, and relevant documents (including information about whether a particular third party does not have a license under the Assigned Patents) to assist Purchaser in the prosecution, maintenance or defense of the Assigned Patents.

10.3 Costs. Unless expressly specified herein or in the Related Agreements, each party shall bear its own costs in connection with and arising out of obligations set forth herein.

11. TAXES

This Section 11 governs the treatment of all taxes arising as a result of or in connection with this Agreement, notwithstanding any other provision of this Agreement.

11.1 Responsibility for Own Taxes. Each party is responsible for all taxes (including, but not limited to, net income, gross receipts, franchise, or property taxes and taxes arising from transactions between such party and its customers) imposed on such party under applicable laws and arising as a result of or in connection with this Agreement or the transactions contemplated by this Agreement.

11.2 Payments by Purchaser.

(a) If any taxes are required by applicable law to be withheld on payments made by Purchaser to Nokia, Purchaser may deduct such taxes from the amount owed to Nokia and pay such taxes to the appropriate taxing authority, provided that Purchaser will furnish receipts evidencing such paid taxes to Nokia in the form issued by the relevant jurisdiction. Notwithstanding the preceding sentence to the contrary, Purchaser will not withhold taxes (or will withhold taxes at a reduced rate) on payments to Nokia to the extent that Nokia timely provides Purchaser with reasonably sufficient evidence that an exemption is applicable.

(b) The parties will use commercially reasonable efforts to mitigate, reduce, or eliminate any taxes collected from or withheld by either party pursuant to this Section 11.2.

12. REPRESENTATIONS AND WARRANTIES

12.1 Nokia hereby represents and warrants to Purchaser that:

(a) Authority; Enforceability. Nokia has been duly organized, and is validly existing and in good standing under the laws of the jurisdiction of its incorporation. Nokia has the right and authority to enter into this Agreement and to carry out its obligations hereunder and requires no third party consent, approval, and/or other authorization to enter into this Agreement and to carry out its obligations hereunder. This Agreement has been duly authorized, executed and delivered by Nokia and constitutes a valid and binding agreement of such party, enforceable against such party in accordance with its terms.

(b) [***]. After giving effect to the sale and assignment as set forth in Section 2, Purchaser shall be the sole and exclusive owner and assignee of, and shall have good and marketable title to, all right, title and interest in the Assigned Patents, including all rights to sue for past, present and future infringement thereof, [***]. All Assigned Patents have been duly filed or registered (as applicable) with the applicable Governmental Authorities, prosecuted and maintained, including the submission of all necessary filings and fees in accordance with all requirements of applicable laws, regulations and administrative requirements of the appropriate jurisdictions. [***].

(c) Unlicensed Companies. Nokia is the assignee of the Assigned Patents. [***].

(d) [***].

12.2 Purchaser. Purchaser hereby represents and warrants to Nokia that:

(a) Purchaser has been duly organized, and is validly existing and in good standing under the laws of the jurisdiction of its incorporation.

(b) Purchaser has the right and authority to enter into this Agreement and to carry out its obligations hereunder and requires no third party consent, approval, and/or other authorization to enter into this Agreement and to carry out its obligations hereunder. This Agreement has been duly authorized, executed and delivered by Purchaser and constitutes a valid and binding agreement of such party, enforceable against such party in accordance with its terms.

(c) Purchaser's existing agreements and other undertakings shall not result in the imposition of any encumbrances on the Assigned Patents, and Purchaser covenants and agrees not to enter into any agreements or permit any arrangements that would result in Purchaser's existing agreements and other undertakings so imposing any encumbrances on the Assigned Patents.

13. MISCELLANEOUS

13.1 Applicable Law, Jurisdiction, Venue and Waiver of Jury Trial. The validity, construction, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of New York, U.S.A., exclusive of its choice of law rules. Any legal suit, action or proceeding arising out of or related to or arising out of this Agreement or any transaction contemplated hereby shall be commenced solely in the United States District Court for the Southern District of New York, U.S.A., and each party (a) irrevocably submits to the personal and exclusive jurisdiction and venue of such court in any such suit, action or proceeding, and (b) waives any right to trial by jury with respect to any action related to or arising out of this Agreement or any transaction contemplated hereby.

Portions of this Exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Exchange Act of 1934, as amended.

13.2 LIMITATION ON CONSEQUENTIAL DAMAGES. EXCEPT IN THE CASE OF INTENTIONAL MISUSE OR GROSS NEGLIGENCE, NO PARTY SHALL BE LIABLE TO ANY OTHER FOR ANY SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, HOWEVER CAUSED, KNOWN OR UNKNOWN, ANTICIPATED OR UNANTICIPATED, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE PARTIES ACKNOWLEDGE THAT THESE LIMITATIONS ON POTENTIAL DAMAGES WERE AN ESSENTIAL ELEMENT IN SETTING CONSIDERATION UNDER THIS AGREEMENT.

13.3 [***].

13.4 DISCLAIMER OF REPRESENTATIONS AND WARRANTIES. NO PARTY MAKES ANY REPRESENTATION OR WARRANTY EXCEPT FOR THEIR RESPECTIVE REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTIONS 8 AND 12, AND EACH PARTY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS EXPRESSLY SET FORTH IN SECTIONS 8 AND 12 HEREOF, NEITHER PARTY GIVES THE OTHER PARTY ANY ASSURANCE (A) REGARDING THE PATENTABILITY OF ANY CLAIMED INVENTION IN, OR THE VALIDITY, OF ANY PATENT OR (B) THAT MANUFACTURE, USE, SALE, OFFERING FOR SALE, IMPORTATION, EXPORTATION OR OTHER DISTRIBUTION OF ANY PRODUCT OR METHOD DISCLOSED AND CLAIMED IN ANY PATENT SHALL NOT CONSTITUTE AN INFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF OTHER PERSONS. EXCEPT AS SPECIFICALLY PROVIDED IN SECTIONS 8 AND 12 HEREOF, THE ASSIGNED PATENTS ARE ASSIGNED “AS IS” WITHOUT ANY FURTHER REPRESENTATION OR WARRANTY.

13.5 Compliance with Laws. Notwithstanding anything contained in this Agreement to the contrary, the obligations of the parties shall be subject to all laws, present and future, of any government having jurisdiction over the parties and this transaction, and to orders, regulations, directions or requests of any such government.

13.6 Confidentiality of Terms; Announcements.

(a) Other than the existence of this Agreement and the identity of its parties all other provisions of this Agreement shall be kept in strict confidence by the parties.

(b) Neither party shall issue any press release or otherwise make any public statement, announcement or advertisement (each, an “**Announcement**”) related to this Agreement without the prior consent of the other party. Notwithstanding the parties agree to prepare a public statement regarding the assignment of the Assigned Patents to be published by Purchaser and Nokia agrees to cooperate in preparing and reviewing such public statement and Nokia shall not unreasonably withhold, delay or condition its consent for the public statement. To the extent commercially practicable, a party shall submit each Announcement to the other party, and the receiving party shall have five (5) days to review and approve any such Announcement or to propose reasonable modifications thereto. Prior to issuing or otherwise making such Announcement, the submitting party shall implement any reasonable modifications to such Announcement that are provided in writing by the receiving party within the applicable five (5) days period. If the receiving party does not respond or proposes no reasonable modifications within the applicable five (5) days period, the submitting party shall have the right to issue or otherwise make such Announcement in the form so submitted.

(c) The confidentiality obligations of the parties set forth in this Section 13.6 shall not apply to any disclosure (i) with the prior consent of the other party; (ii) to any governmental body having jurisdiction to require disclosure or to any arbitral body, to the extent required by same; (iii) as otherwise may be required by applicable law, regulation, rule of a stock exchange or automated quotation system, order of a governmental agency or a court of competent jurisdiction or legal process, including tax authorities ("**Applicable Law**"), and to legal and financial advisors in their capacity of advising a party in such matters; (iv) during the course of litigation, so long as the disclosure of such terms and conditions are restricted in the same manner as is the confidential information of other litigating parties; (v) to legal and financial advisors in their capacity of advising a party in such matters as needed in the normal course of business; (vi) to a bona fide potential acquiror; or (vii) to bona fide potential assignee of Royalty; provided that, in (ii) through (vii) above, (A) the parties shall use reasonable means available to minimize the disclosure to third parties, including seeking a confidential treatment request or protective order whenever appropriate or available; and (B) except for permitted disclosures to legal and financial advisors and accountants or potential acquirers and assignees, the parties provide the other party, when reasonable, with at least ten (10) days' prior notice of such disclosure to afford the other party reasonable opportunity to object thereto or to seek confidential treatment or a protective order. Nokia acknowledges that, without limiting the foregoing, Purchaser will be required under applicable United States federal and state securities laws and regulations to make certain disclosures regarding this Agreement, and to file a copy of this Agreement with the United States Securities and Exchange Commission.

13.7 Entire Agreement; Headings. This Agreement reflects the complete understanding of the parties regarding the subject of the Agreement, and supersedes all prior related negotiations. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

13.8 Notices. Any notice, consent, waiver or other communication required or permitted to be given by one party to the other party pursuant to this Agreement shall be in writing, shall conspicuously reference (including in the subject line) this Agreement and the provision to which it relates, shall be delivered by any lawful means to such other party at its address indicated below, or to such other address as the addressee shall have last furnished in writing to the addressor, and shall be effective upon actual receipt by the addressee:

If to Nokia:

Nokia Corporation
Keilalahdentie 4
02150 Espoo, Finland
Attn: VP, Intellectual Property
Facsimile: +358.718.038842

If to Purchaser:

Vringo, Inc.
780 Third Avenue, 15th Floor
New York, New York 10017, U.S.A.
Attn: Chief Operating Officer
Fascimile: (646) 532-6775

13.9 Relationship of Parties. The parties hereto are independent contractors. Neither party has any express or implied right or authority to assume or create any obligations on behalf of the other or to bind the other to any contract, agreement or undertaking with any third party. Nothing in this Agreement shall be construed to create a partnership, joint venture, employment or agency relationship between Purchaser and Nokia.

Portions of this Exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Exchange Act of 1934, as amended.

13.10 Severability. To the extent any terms or conditions of this Agreement are held invalid or unenforceable in a jurisdiction, those terms or conditions shall be enforced to the maximum extent possible in that jurisdiction and the remaining terms and conditions shall retain full force and effect in that jurisdiction, so long as the remaining Agreement continues to express the intent of the parties.

13.11 Waiver. Failure by either party to enforce any term of this Agreement shall not be deemed a waiver of future enforcement of that or any other term in this Agreement.

13.12 Assignment; Successors; Assigns.

(a) This Agreement is personal to the parties, and except as provided in Section 4.6 or 13.12(b), neither this Agreement nor any right or obligation hereunder is Assignable by either party (whether directly or indirectly, expressly or impliedly, voluntarily or involuntarily, in one or a series of transactions, by contract, operation of law or otherwise (including without limitation by means of any merger, consolidation, recapitalization, liquidation, dissolution, Change of Control, transfer or sale of all or substantially all of a business, or similar transaction)), and shall not be Assigned by a party, without the prior express consent of the other party, which consent may be withheld at the sole discretion of said other Party.

(b) Notwithstanding anything to the contrary in this Agreement, Purchaser shall have the right to Assign this Agreement or any of its rights or obligations hereunder (i) to an Affiliate of Purchaser, or (ii) in connection with the transfer or sale of all or substantially all of its business or assets to which this Agreement relates, or in the event of its merger, consolidation, recapitalization, liquidation, dissolution, Change of Control or similar transaction, without the prior express consent of Nokia. Any such assignee shall assume all applicable obligations of Purchaser under this Agreement.

(c) Any purported Assignment in violation of this Section 13.12 shall be null and void. Subject to the foregoing, this Agreement shall be binding on and inure to the benefit of the parties and their permitted successors and assigns.

13.13 Modifications. This Agreement may not be modified after the Effective Date except by a written amendment that expressly references this Agreement and that is signed by an authorized officer of each party.

13.14 Construction. As used in this Agreement, (a) the words “include” and “including” and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation,” and (b) unless the context otherwise requires, the word “or” shall be deemed to be an inclusive “or” and shall have the meaning equivalent to “and/or.”

13.15 Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original, but each together shall constitute one and the same instrument. For purposes hereof, an email or facsimile copy of this Agreement, including the executed signature pages hereto, shall be deemed to be an original. Notwithstanding the foregoing, the parties shall deliver original signature copies of this Agreement to the other party as soon as practicable following execution thereof.

13.16 Specific Performance. The parties agree that they would be irreparably damaged if any provision of this Agreement was not performed in accordance with its specific terms or was otherwise breached and that any non-performance or breach of this Agreement by any party could not be adequately compensated by monetary damages alone and that the parties would not have any adequate remedy at law. Accordingly, the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the performance of the terms of this Agreement to prevent breaches or threatened breaches of any of the provisions of this Agreement without posting any bond or other undertaking, in addition to any other remedy at law or in equity.

13.17 Mutual Drafting. Each of the parties has participated in the drafting of this Agreement, which each of the parties acknowledges is the result of extensive negotiations among the parties.

13.18 Third Party Beneficiary. Notwithstanding the license and/or provisions granting rights to potential acquirer and/or assignee of Royalty nothing in this Agreement, express or implied, is intended to, or shall confer upon, any third party, any legal or equitable right, benefit or remedy of any nature whatsoever.

* * *

[*Signature Page Follows*]

Portions of this Exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, the parties have executed this Confidential Patent Purchase Agreement as of the Effective Date:

NOKIA CORPORATION	VRINGO, INC.
/s/ Paul Melin	/s/ Andrew Perlman
Signature	Signature
Paul Melin	/s/ ANDREW PERLMAN
Printed Name	Printed Name
Vice President Intellectual Property	CEO
Title	Title
Espoo, August 9, 2012	August 8, 2012
Date	Date
/s/ Jukka Nihtilä	
Signature	
Jukka Nihtilä	
Printed Name	
Head, Business Development Legal & IP	
Title	
Espoo, August 9, 2012	
Date	

Portions of this Exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Exchange Act of 1934, as amended.

Exhibit A

ASSIGNED PATENTS

Patent/ Publication	Title	Status	Family	County	Filing Date	Filing No.
DE69330097.3	MENETELMÄ SMS-SANOMIEN LÄHETTÄMISEKSI ALERTIA VIIVÄSTÄMÄLLÄ	Grant	2089	DE	17.09.1993	93919376.9
EP660992	MENETELMÄ SMS-SANOMIEN LÄHETTÄMISEKSI ALERTIA VIIVÄSTÄMÄLLÄ	Grant	2089	EP	17.09.1993	93919376.9
FI109064	MENETELMÄ SMS-SANOMIEN LÄHETTÄMISEKSI ALERTIA VIIVÄSTÄMÄLLÄ	Grant	2089	FI	18.09.1992	924198
FR660992	MENETELMÄ SMS-SANOMIEN LÄHETTÄMISEKSI ALERTIA VIIVÄSTÄMÄLLÄ	Grant	2089	FR	17.09.1993	93919376.9
GB660992	MENETELMÄ SMS-SANOMIEN LÄHETTÄMISEKSI ALERTIA VIIVÄSTÄMÄLLÄ	Grant	2089	GB	17.09.1993	93919376.9
US5682600	A METHOD FOR STARTING A SHORT MESSAGE TRANSMISSION	Grant	2089	US	17.09.1993	08/403901
DE69331152.5	METHOD AND APPARATUS FOR SYNCHRONIZING SPEECH FRAMES BETWEENBASE STATIONS	Grant	2314	DE	24.09.1993	93920866.6
EP720805	METHOD AND APPARATUS FOR SYNCHRONIZING SPEECH FRAMES BETWEENBASE STATIONS	Grant	2314	EP	24.09.1993	93920866.6
US5722074	SOFT HANDOFF IN A CELLULAR TELECOMMUNICATIONS SYSTEM	Grant	2314	US	24.09.1993	08/619701
US5600705	METHOD FOR CALL ESTABLISHMENT	Grant	2336	US	20.09.1993	08/387926
CNZL96190165.9	A METHOD FOR SPLITTING AND COMBINING FAX GROUP 3 DATA IN TRANSPARENT HSCSD	Grant	2390	CN	06.03.1996	96190165.9
US5805301	FACSIMILE TRANSMISSION IN A MOBILE COMMUNICATION SYSTEM	Grant	2390	US	06.03.1996	08/732467
CN97192428.7	FAST MOVING MOBILE STATION HANDLING IN A MACRO CELL	Grant	2398	CN	18.02.1997	97192428.7
EP885540	FAST MOVING MOBILE STATION HANDLING IN A MACRO CELL	Abandoned	2398	EP	18.02.1997	97903403
IN200572	FAST MOVING MOBILE STATION HANDLING IN A MACRO CELL	Grant	2398	IN	14.02.1997	304/MAS/97
PH1-1997-55589	FAST MOVING MOBILE STATION HANDLING IN A MACRO CELL	Grant	2398	PH	17.02.1997	I-55589
SG55627	FAST MOVING MOBILE STATION HANDLING IN A MACRO CELL	Grant	2398	SG	18.02.1997	9804369.8
US6285884	FAST MOVING MOBILE STATION HANDLING IN A MACRO CELL	Grant	2398	US	30.11.2000	09/117486

Portions of this Exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Exchange Act of 1934, as amended.

Patent/ Publication	Title	Status	Family	County	Filing Date	Filing No.
DE69326903	Method for congestion management in a frame relay network and a node in a frame relay network	Grant	2651	DE	14.12.1993	94901974.9
EP788698	Method for congestion management in a frame relay network and a node in a frame relay network	Grant	2651	EP	14.12.1993	94901974.9
GB788698	Method for congestion management in a frame relay network and a node in a frame relay network	Grant	2651	GB	14.12.1993	94901974.9
US5638359	Method for congestion management in a frame relay network and a node in a frame relay network	Grant	2651	US	14.12.1993	08/454233
DE69328565.6	A METHOD FOR CONGESTION MANAGEMENT IN A FRAME RELAY NETWORK AND A NODE IN A FRAME RELAY NETWORK	Grant	2652	DE	14.12.1993	94901973.1
EP673573	A METHOD FOR CONGESTION MANAGEMENT IN A FRAME RELAY NETWORK AND A NODE IN A FRAME RELAY NETWORK	Grant	2652	EP	14.12.1993	94901973.1
FR673573	A METHOD FOR CONGESTION MANAGEMENT IN A FRAME RELAY NETWORK AND A NODE IN A FRAME RELAY NETWORK	Grant	2652	FR	14.12.1993	94901973
GB673573	A METHOD FOR CONGESTION MANAGEMENT IN A FRAME RELAY NETWORK AND A NODE IN A FRAME RELAY NETWORK	Grant	2652	GB	14.12.1993	94901973
JP3273790	A METHOD FOR CONGESTION MANAGEMENT IN A FRAME RELAY NETWORK AND A NODE IN A FRAME RELAY NETWORK	Grant	2652	JP	14.12.1993	6513838
US6064648	METHOD FOR NOTIFYING A FRAME RELAY NETWORK OF TRAFFIC CONGESTION IN AN ATM	Grant	2702	US	21.12.1995	08/875582
AU696034	METHOD AND SYSTEM FOR CONTROLLING STATISTICALLY MULTIPLEXEDATM BUS	Grant	2704	AU	13.1.1995	14180/95
CA2181333	METHOD AND SYSTEM FOR CONTROLLING STATISTICALLY MULTIPLEXEDATM BUS	Grant	2704	CA	13.1.1995	2181333
CNZL95191251.8	METHOD AND SYSTEM FOR CONTROLLING STATISTICALLY MULTIPLEXEDATM BUS	Grant	2704	CN	13.1.1995	95191251.8
DE69528819.9	METHOD AND SYSTEM FOR CONTROLLING STATISTICALLY MULTIPLEXEDATM BUS	Grant	2704	DE	13.1.1995	95905653.2
EP740875	METHOD AND SYSTEM FOR CONTROLLING STATISTICALLY MULTIPLEXEDATM BUS	Grant	2704	EP	13.1.1995	95905653.2
ES2186710	METHOD AND SYSTEM FOR CONTROLLING STATISTICALLY MULTIPLEXEDATM BUS	Grant	2704	ES	13.1.1995	95905653.2
FI94816	METHOD AND SYSTEM FOR CONTROLLING STATISTICALLY MULTIPLEXEDATM BUS	Grant	2704	FI	17.1.1994	940220

Portions of this Exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Exchange Act of 1934, as amended.

Patent/ Publication	Title	Status	Family	County	Filing Date	Filing No.
FR740875	METHOD AND SYSTEM FOR CONTROLLING STATISTICALLY MULTIPLEXEDATM BUS	Grant	2704	FR	13.1.1995	95905653.2
GB740875	METHOD AND SYSTEM FOR CONTROLLING STATISTICALLY MULTIPLEXEDATM BUS	Grant	2704	GB	13.1.1995	95905653.2
IT740875	METHOD AND SYSTEM FOR CONTROLLING STATISTICALLY MULTIPLEXEDATM BUS	Grant	2704	IT	13.1.1995	95905653.2
JP2927553	METHOD AND SYSTEM FOR CONTROLLING STATISTICALLY MULTIPLEXEDATM BUS	Grant	2704	JP	13.1.1995	7-518860
NZ278086	METHOD AND SYSTEM FOR CONTROLLING STATISTICALLY MULTIPLEXEDATM BUS	Grant	2704	NZ	13.1.1995	278086
US5841774	METHOD AND SYSTEM FOR CONTROLLING STATISTICALLY MULTIPLEXEDATM BUS	Grant	2704	US	13.1.1995	08/676202
US20050240981	SPLIT ADVERTISEMENT	Pending	4561	US	24.06.2005	11/165994
US6961953	SPLIT ADVERTISEMENT	Grant	4561	US	29.12.2000	09/752127
US6577721	CONFERENCE CALL MACRO	Grant	6390	US	30.04.1999	09/302811
US6029065	REMOTE FEATURE CODE PROGRAMMING FOR MOBILE STATIONS	Grant	6815	US	05.05.1997	08/841850
CNZL95197341.X	A METHOD FOR INDICATING A MULTI-SLOT CHANNEL IN A TDMA RADIOSYSTEM	Grant	7158	CN	24.11.1995	95197341.X
NL1001744	A METHOD FOR INDICATING A MULTI-SLOT CHANNEL IN A TDMA RADIOSYSTEM	Grant	7158	NL	24.11.1995	1001744
US6295286	A METHOD FOR INDICATING A MULTI-SLOT CHANNEL IN A TDMA RADIOSYSTEM	Grant	7158	US	24.11.1995	08/836969
CNZL96195981.9	IMPLEMENTATION OF MUTUAL RATE ADAPTATIONS IN DATA SERVICES BETWEEN GSM AND	Grant	7164	CN	29.05.1996	96195981.9
DE69633315.5	IMPLEMENTATION OF MUTUAL RATE ADAPTATIONS IN DATA SERVICES BETWEEN GSM AND	Grant	7164	DE	05.06.1996	96304138.9
EP748136	IMPLEMENTATION OF MUTUAL RATE ADAPTATIONS IN DATA SERVICES BETWEEN GSM AND	Grant	7164	EP	05.06.1996	96304138.9
JP3842335	IMPLEMENTATION OF MUTUAL RATE ADAPTATIONS IN DATA SERVICES BETWEEN GSM AND	Grant	7164	JP	30.05.1996	8-136887
NL748136	IMPLEMENTATION OF MUTUAL RATE ADAPTATIONS IN DATA SERVICES BETWEEN GSM AND	Grant	7164	NL	05.06.1996	96304138.9
RU2153238	IMPLEMENTATION OF MUTUAL RATE ADAPTATIONS IN DATA SERVICES BETWEEN GSM AND	Grant	7164	RU	29.05.1996	97119934
US6081534	IMPLEMENTATION OF MUTUAL RATE ADAPTATIONS IN DATA SERVICES BETWEEN GSM AND	Grant	7164	US	06.06.1996	08/659590
AU716158	NEW 14.4 KBIT/S SERVICE FOR GSM	Grant	7272	AU	31.10.1996	73003/96
US7420948	NEW 14.4 KBIT/S SERVICE FOR GSM	Grant	7272	US	09.09.2005	11/221797

Patent/ Publication	Title	Status	Family	County	Filing Date	Filing No.
US6173187	ADAPTIIVINEN MENETELMÄ OPTIMAALISEN SIR-TAVOITTEEN ASETTAMISEKSI	Grant	7300	US	25.11.1997	09/117274
US6366602	BCCH-CARRIER CHANGE FOR GSM	Grant	7485	US	03.12.1997	09/117700
US6349099	Connection identification in transmission system of wireless telecommunication network over ATM protocol stack	Grant	7776	US	11.6.1998	09/460158
US6859447	A BASESTATION CONTROLLER (BSC) BASED ON AN ATM SWITCH	Grant	7794	US	30.12.1997	09/607065
AT1068762	TRACKING OF REAL TIME AND OBSERVED TIME DIFFERENCE VALUES INTIME	Grant	7882	AT	30.03.1999	99945702.1
AU755890	TRACKING OF REAL TIME AND OBSERVED TIME DIFFERENCE VALUES INTIME	Grant	7882	AU	30.03.1999	59468/99
CH1068762	TRACKING OF REAL TIME AND OBSERVED TIME DIFFERENCE VALUES INTIME	Grant	7882	CH	30.03.1999	99945702.1
CNZL99804679.5	TRACKING OF REAL TIME AND OBSERVED TIME DIFFERENCE VALUES INTIME	Grant	7882	CN	30.03.1999	99804679.5
DE69927492.3	TRACKING OF REAL TIME AND OBSERVED TIME DIFFERENCE VALUES INTIME	Grant	7882	DE	30.03.1999	99945702.1
EP1068762	TRACKING OF REAL TIME AND OBSERVED TIME DIFFERENCE VALUES INTIME	Grant	7882	EP	30.03.1999	99945702.1
JP4059626	TRACKING OF REAL TIME AND OBSERVED TIME DIFFERENCE VALUES INTIME	Grant	7882	JP	30.03.1999	2000-544146
NL1068762	TRACKING OF REAL TIME AND OBSERVED TIME DIFFERENCE VALUES INTIME	Grant	7882	NL	30.03.1999	99945702.1
NO325596	TRACKING OF REAL TIME AND OBSERVED TIME DIFFERENCE VALUES INTIME	Grant	7882	NO	30.03.1999	20004893
US6456237	TRACKING OF REAL TIME AND OBSERVED TIME DIFFERENCE VALUES INTIME	Grant	7882	US	30.03.1999	09/677114
GB2370183	NBR POOL FOR SIMA NETWORK	Grant	7959	GB	20.7.1999	30514.4
US6249816	NBR POOL FOR SIMA NETWORK	Grant	7959	US	22.7.1998	09/120607
DE69935006.9	System and method for prioritizing multicast packets in a network service class utilizing a priority-based quality of service	Grant	7960	DE	9.12.1999	99966074.9
EP1135962	System and method for prioritizing multicast packets in a network service class utilizing a priority-based quality of service	Grant	7960	EP	9.12.1999	99966074.9
FR1135962	System and method for prioritizing multicast packets in a network service class utilizing a priority-based quality of service	Grant	7960	FR	9.12.1999	99966074.9

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GB1135962	System and method for prioritizing multicast packets in a network service class utilizing a priority-based quality of service	Grant	7960	GB	9.12.1999	99966074.9
IT1135962	System and method for prioritizing multicast packets in a network service class utilizing a priority-based quality of service	Grant	7960	IT	9.12.1999	99966074.9
SE1135962	System and method for prioritizing multicast packets in a network service class utilizing a priority-based quality of service	Grant	7960	SE	9.12.1999	99966074.9
US6549938	System and method for prioritizing multicast packets in a network service class utilizing a priority-based quality of service	Grant	7960	US	10.12.1998	09/209182
US6466794	CHANNEL ALLOCATION	Grant	10215	US	21.01.1998	09/357180
CNZL97192088.5	MT SMS QUEUING AT THE VISITED MSC	Grant	10609	CN	04.02.1997	97192088.5
FI102346	MT SMS QUEUING AT THE VISITED MSC	Grant	10609	FI	05.02.1996	FI 960523
US6463291	MT SMS QUEUING AT THE VISITED MSC	Grant	10609	US	04.02.1997	09/117701
CA2250037	SPEECH TRANSMISSION IN A PACKET NETWORK	Grant	10732	CA	27.3.1997	2250037
CNZL97194117.3	SPEECH TRANSMISSION IN A PACKET NETWORK	Grant	10732	CN	27.3.1997	97194117.3
DE69738106.4	SPEECH TRANSMISSION IN A PACKET NETWORK	Grant	10732	DE	27.3.1997	97908301.1
EP894383	SPEECH TRANSMISSION IN A PACKET NETWORK	Grant	10732	EP	27.3.1997	97908301.1
ES894383	SPEECH TRANSMISSION IN A PACKET NETWORK	Grant	10732	ES	27.3.1997	97908301.1
FI103456	SPEECH TRANSMISSION IN A PACKET NETWORK	Grant	10732	FI	29.3.1996	961442
FR894383	SPEECH TRANSMISSION IN A PACKET NETWORK	Grant	10732	FR	27.3.1997	97908301.1
GB894383	SPEECH TRANSMISSION IN A PACKET NETWORK	Grant	10732	GB	27.3.1997	97908301.1
HK1017189	SPEECH TRANSMISSION IN A PACKET NETWORK	Grant	10732	HK	27.4.1999	99101866.1
IN206503	SPEECH TRANSMISSION IN A PACKET NETWORK	Grant	10732	IN	20.3.1997	IN 588/MAS/97
IT894383	SPEECH TRANSMISSION IN A PACKET NETWORK	Grant	10732	IT	27.3.1997	97908301.1
PH1-1997-55861	SPEECH TRANSMISSION IN A PACKET NETWORK	Grant	10732	PH	17.3.1997	I-55861
US6738374	SPEECH TRANSMISSION IN A PACKET NETWORK	Grant	10732	US	27.3.1997	09/155426
US6085100	METHOD OF ROUTING REPLY SHORT MESSAGES	Grant	10762	US	02.01.1998	09/125752
CNZL98807025.1	ROUTING SHORT MESSAGES	Grant	10765	CN	02.06.1998	98807025.1
DE69834402.2	ROUTING SHORT MESSAGES	Grant	10765	DE	02.06.1998	98924342.3
EP992164	ROUTING SHORT MESSAGES	Grant	10765	EP	02.06.1998	98924342.3
ES992164	ROUTING SHORT MESSAGES	Grant	10765	ES	02.06.1998	98924342.3
FI109511	ROUTING OF MOBILE ORIGINATED SHORT MESSAGES (MO-SM) FORM SMSC TO THE RIGHT	Grant	10765	FI	03.06.1997	FI 972357
FR992164	ROUTING SHORT MESSAGES	Grant	10765	FR	02.06.1998	98924342.3
GB992164	ROUTING SHORT MESSAGES	Grant	10765	GB	02.06.1998	98924342.3
IT992164	ROUTING SHORT MESSAGES	Grant	10765	IT	02.06.1998	98924342.3
JP3988836	ROUTING SHORT MESSAGES	Grant	10765	JP	02.06.1998	11-501673

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NL992164	ROUTING SHORT MESSAGES	Grant	10765	NL	02.06.1998	98924342.3
SE992164	ROUTING SHORT MESSAGES	Grant	10765	SE	02.06.1998	98924342.3
US6292669	ROUTING SHORT MESSAGES	Grant	10765	US	02.06.1998	09/454946
US6571284	RADIOTOISTINTEN AUTOMAATTINEN VIRITYS	Grant	10780	US	02.01.1998	09/331764
CNZL00816538.6	CALL ROUTING IN A TELECOMMUNICATION SYSTEM	Grant	10906	CN	29.11.2000	816538.6
EP1234418	CALL ROUTING IN A TELECOMMUNICATION SYSTEM	Grant	10906	EP	29.11.2000	985284.9
GB1234418	CALL ROUTING IN A TELECOMMUNICATION SYSTEM	Grant	10906	GB	29.11.2000	985284.9
US7606261	CALL ROUTING IN A TELECOMMUNICATION SYSTEM	Grant	10906	US	29.11.2000	10/153180
CNZL01810732.X	MANAGEMENT OF SUBSCRIBER DATA IN MOBILE SYSTEM	Grant	10919	CN	04.06.2001	01810732.X
DE60115454.1	MANAGEMENT OF SUBSCRIBER DATA IN MOBILE SYSTEM	Grant	10919	DE	04.06.2001	1938289.4
EP1303942	MANAGEMENT OF SUBSCRIBER DATA IN MOBILE SYSTEM	Grant	10919	EP	04.06.2001	1938289.4
ES1303942	MANAGEMENT OF SUBSCRIBER DATA IN MOBILE SYSTEM	Grant	10919	ES	04.06.2001	1938289.4
FI111594	IP-TEKNIIKAN JA WEB-SIVUJEN HYÖDYNTÄMINEN MATKAPUHELINVERKONTILAAJATIETOJEN	Grant	10919	FI	05.06.2000	20001339
FR1303942	MANAGEMENT OF SUBSCRIBER DATA IN MOBILE SYSTEM	Grant	10919	FR	04.06.2001	1938289.4
GB1303942	MANAGEMENT OF SUBSCRIBER DATA IN MOBILE SYSTEM	Grant	10919	GB	04.06.2001	1938289.4
IT1303942	MANAGEMENT OF SUBSCRIBER DATA IN MOBILE SYSTEM	Grant	10919	IT	04.06.2001	1938289.4
US20040038679	MANAGEMENT OF SUBSCRIBER DATA IN MOBILE SYSTEM	Pending	10919	US	04.06.2001	10/297333
US7012924	Process and unit for configuring or monitoring ATM devices comprising registers	Grant	10969	US	11.1.2000	09/889522
CA2287227	Method to combine the radio and fixed network transmission channels effectively in the fixed	Grant	11159	CA	09.04.1998	2287227
CNZL98804385.8	DATA TRANSMISSION IN A MOBILE NETWORK	Grant	11159	CN	09.04.1998	98804385.8
DE69834917.2	Method to combine the radio and fixed network transmission channels effectively in the fixed	Grant	11159	DE	09.04.1998	98913785.6
EP985288	Method to combine the radio and fixed network transmission channels effectively in the fixed	Grant	11159	EP	09.04.1998	98913785.6
FR985288	Method to combine the radio and fixed network transmission channels effectively in the fixed	Grant	11159	FR	09.04.1998	98913785.6

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Patent/ Publication	Title	Status	Family	County	Filing Date	Filing No.
GB985288	Method to combine the radio and fixed network transmission channels effectively in the fixed	Grant	11159	GB	09.04.1998	98913785.6
IT985288	Method to combine the radio and fixed network transmission channels effectively in the fixed	Grant	11159	IT	09.04.1998	98913785.6
US6353605	Method to combine the radio and fixed network transmission channels effectively in the fixed	Grant	11159	US	09.04.1998	09/418660
DE69733613.1	ROUTING OF PACKETS IN A TELECOMMUNICATIONS SYSTEM	Grant	11162	DE	27.10.1997	97910478.3
EP941592	ROUTING OF PACKETS IN A TELECOMMUNICATIONS SYSTEM	Grant	11162	EP	27.10.1997	97910478.3
FR941592	ROUTING OF PACKETS IN A TELECOMMUNICATIONS SYSTEM	Grant	11162	FR	27.10.1997	97910478.3
GB941592	ROUTING OF PACKETS IN A TELECOMMUNICATIONS SYSTEM	Grant	11162	GB	27.10.1997	97910478.3
IT941592	ROUTING OF PACKETS IN A TELECOMMUNICATIONS SYSTEM	Grant	11162	IT	27.10.1997	97910478.3
US6870839	CROSS-CONNECTING SUB-TIMESLOT DATA RATES	Grant	11338	US	21.9.1999	09/400645
CNZL98812499.8	CALLING SUBSCRIBER VALIDATION	Grant	11399	CN	23.12.1998	98812499.8
DE69829118.2	CALLING SUBSCRIBER VALIDATION	Grant	11399	DE	23.12.1998	98962457.2
EP1053626	CALLING SUBSCRIBER VALIDATION	Grant	11399	EP	23.12.1998	98962457.2
GB1053626	CALLING SUBSCRIBER VALIDATION	Grant	11399	GB	23.12.1998	98962457.2
US6678368	CALLING SUBSCRIBER VALIDATION	Grant	11399	US	23.12.1998	09/594334
US6345091	Telecommunication system and method for implementing an ISDN PBX interface	Grant	11406	US	16.2.1999	09/641381
EP1013132	SWITCH ARRANGEMENT	Grant	11590	EP	14.7.1998	98935047.5
GB1013132	SWITCH ARRANGEMENT	Grant	11590	GB	14.7.1998	98935047.5
US6735203	SWITCH ARRANGEMENT	Grant	11590	US	14.7.1998	09/480235
DE69838103.3	BUFFER MANAGEMENT	Grant	11602	DE	27.10.1998	98950138.2
EP1031253	BUFFER MANAGEMENT	Grant	11602	EP	27.10.1998	98950138.2
FR1031253	BUFFER MANAGEMENT	Grant	11602	FR	27.10.1998	98950138.2
US6549541	BUFFER MANAGEMENT	Grant	11602	US	27.10.1998	09/557467
US6954426	METHOD AND SYSTEM FOR ROUTING IN AN ATM NETWORK	Grant	11674	US	31.5.1999	09/728615
CA2276374	SCP.N OHJAAMAN LISÄVALINNAN KERÄÄMISEN MONIPUOLISTAMINEN	Grant	14028	CA	26.10.1998	2276374
CN98802213.3	SCP.N OHJAAMAN LISÄVALINNAN KERÄÄMISEN MONIPUOLISTAMINEN	Grant	14028	CN	26.10.1998	98802213.3
DE69828151.9	SCP.N OHJAAMAN LISÄVALINNAN KERÄÄMISEN MONIPUOLISTAMINEN	Grant	14028	DE	26.10.1998	98950132.5

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EP956714	SCP.N OHJAAMAN LISÄVALINNAN KERÄÄMISEN MONIPUOLISTAMINEN	Grant	14028	EP	26.10.1998	98950132.5
ES956714	SCP.N OHJAAMAN LISÄVALINNAN KERÄÄMISEN MONIPUOLISTAMINEN	Grant	14028	ES	26.10.1998	98950132.5
FI105981	SCP.N OHJAAMAN LISÄVALINNAN KERÄÄMISEN MONIPUOLISTAMINEN	Grant	14028	FI	30.10.1997	974100
FR956714	SCP.N OHJAAMAN LISÄVALINNAN KERÄÄMISEN MONIPUOLISTAMINEN	Grant	14028	FR	26.10.1998	98950132.5
GB956714	SCP.N OHJAAMAN LISÄVALINNAN KERÄÄMISEN MONIPUOLISTAMINEN	Grant	14028	GB	26.10.1998	98950132.5
IT956714	SCP.N OHJAAMAN LISÄVALINNAN KERÄÄMISEN MONIPUOLISTAMINEN	Grant	14028	IT	26.10.1998	98950132.5
JP4317271	SCP.N OHJAAMAN LISÄVALINNAN KERÄÄMISEN MONIPUOLISTAMINEN	Grant	14028	JP	26.10.1998	11-530114
US6393121	SCP.N OHJAAMAN LISÄVALINNAN KERÄÄMISEN MONIPUOLISTAMINEN	Grant	14028	US	26.10.1998	09/331874
EP1232646	MENETELMÄ GSM-TILAAJAN LASKUTUKSEN OHJAAMISEKSI KESKITETYN SSP-KESKUKSEN	Publication	14208	EP	23.11.2000	981400.5
US6980791	MENETELMÄ GSM-TILAAJAN LASKUTUKSEN OHJAAMISEKSI KESKITETYN SSP-KESKUKSEN	Grant	14208	US	23.11.2000	10/152353
EP1142236	Data transmission method and a network element	Publication	14268	EP	23.12.1999	99967599.4
JP4477240	Data transmission method and a network element	Grant	14268	JP	23.12.1999	2000-591759
US7792092	Data transmission method and a network element	Grant	14268	US	23.12.1999	09/868819
US6466790	SOLSA AND GPRS	Grant	14541	US	17.01.2000	09/903865
US7031318	Selection of a virtual path or channel in a communications network	Grant	14633	US	20.4.2000	10/013634
US7050403	PACKET LENGTH CLASSIFICATION	Grant	14670	US	12.04.1999	09/970754
BR9917334	TRANSMISSION AND INTERCONNECTION METHOD	Publication	14734	BR	31.05.1999	PI9917334.4
CA2374847	TRANSMISSION AND INTERCONNECTION METHOD	Grant	14734	CA	31.05.1999	2374847
CNZL99816695.2	TRANSMISSION AND INTERCONNECTION METHOD	Grant	14734	CN	31.05.1999	99816695.2
JP3782348	TRANSMISSION AND INTERCONNECTION METHOD	Grant	14734	JP	31.05.1999	2001-500582
KR700080	TRANSMISSION AND INTERCONNECTION METHOD	Grant	14734	KR	31.05.1999	7015377/2001
US7072358	TRANSMISSION AND INTERCONNECTION METHOD	Grant	14734	US	31.05.1999	09/997200
DE69940526.2	IP TELEPHONY GATEWAY FOR SOLUTION FOR TELECOM SWITCHES	Grant	14777	DE	14.5.1999	99973857.8

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EP1179266	IP TELEPHONY GATEWAY FOR SOLUTION FOR TELECOM SWITCHES	Grant	14777	EP	14.5.1999	99973857.8
FR1179266	IP TELEPHONY GATEWAY FOR SOLUTION FOR TELECOM SWITCHES	Grant	14777	FR	14.5.1999	99973857.8
GB1179266	IP TELEPHONY GATEWAY FOR SOLUTION FOR TELECOM SWITCHES	Grant	14777	GB	14.5.1999	99973857.8
US 11/448132	IP TELEPHONY GATEWAY FOR SOLUTION FOR TELECOM SWITCHES	N/A	14777	US	7.6.2006	11/448132
US7075923	IP TELEPHONY GATEWAY FOR SOLUTION FOR TELECOM SWITCHES	Grant	14777	US	14.5.1999	10/002242
DE69917686.7	Connection management in ATM based network and in ATM network elements	Grant	14786	DE	23.12.1999	99968379
EP1245130	Connection management in ATM based network and in ATM network elements	Grant	14786	EP	23.12.1999	99968379
US7467209	Connection management in ATM based network and in ATM network elements	Grant	14786	US	23.12.1999	10/149734
CA2375995	ARCHITECTURE FOR IP TEPELHONY NETWORK WITH MOBILITY SUPPORT	Grant	14926	CA	12.06.2000	2375995
CN811870.1	ARCHITECTURE FOR IP TEPELHONY NETWORK WITH MOBILITY SUPPORT	Grant	14926	CN	12.06.2000	811870.1
US7502339	ARCHITECTURE FOR IP TEPELHONY NETWORK WITH MOBILITY SUPPORT	Grant	14926	US	21.06.1999	09/337330
BR13975	RELOCATION OF RRC PROTOCOL IN SRNS RELOCATION	Publication	15038	BR	13.09.2000	PI0013975.0
CA2384290	RELOCATION OF RRC PROTOCOL IN SRNS RELOCATION	Grant	15038	CA	13.09.2000	2384290
CNZL00812876.6	RELOCATION OF RRC PROTOCOL IN SRNS RELOCATION	Grant	15038	CN	13.09.2000	812876.6
DE60044939.4	RELOCATION OF RRC PROTOCOL IN SRNS RELOCATION	Grant	15038	DE	13.09.2000	966045.7
EP1212919	RELOCATION OF RRC PROTOCOL IN SRNS RELOCATION	Grant	15038	EP	13.09.2000	966045.7
ES1212919	RELOCATION OF RRC PROTOCOL IN SRNS RELOCATION	Grant	15038	ES	13.09.2000	966045.7
GB1212919	RELOCATION OF RRC PROTOCOL IN SRNS RELOCATION	Grant	15038	GB	13.09.2000	966045.7
JP3602501	RELOCATION OF RRC PROTOCOL IN SRNS RELOCATION	Grant	15038	JP	13.09.2000	524385/2001
KR531144	RELOCATION OF RRC PROTOCOL IN SRNS RELOCATION	Grant	15038	KR	13.09.2000	7003438/2002
US7242933	RELOCATION OF RRC PROTOCOL IN SRNS RELOCATION	Grant	15038	US	13.09.2000	10/088452
AU773182	SYNCHRONIZATION OF PROTOCOL REMAPPING	Grant	15081	AU	11.10.1999	63372/99
BE1221212	SYNCHRONIZATION OF PROTOCOL REMAPPING	Grant	15081	BE	11.10.1999	99950691.8
CA2385914	SYNCHRONIZATION OF PROTOCOL REMAPPING	Grant	15081	CA	11.10.1999	2385914

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CH1221212	SYNCHRONIZATION OF PROTOCOL REMAPPING	Grant	15081	CH	11.10.1999	99950691.8
CNZL99816942.0	SYNCHRONIZATION OF PROTOCOL REMAPPING	Grant	15081	CN	11.10.1999	99816942
DE69923611.8	SYNCHRONIZATION OF PROTOCOL REMAPPING	Grant	15081	DE	11.10.1999	99950691.8
EP1221212	SYNCHRONIZATION OF PROTOCOL REMAPPING	Grant	15081	EP	11.10.1999	99950691.8
ES1221212	SYNCHRONIZATION OF PROTOCOL REMAPPING	Grant	15081	ES	11.10.1999	99950691.8
FR1221212	SYNCHRONIZATION OF PROTOCOL REMAPPING	Grant	15081	FR	11.10.1999	99950691.8
GB1221212	SYNCHRONIZATION OF PROTOCOL REMAPPING	Grant	15081	GB	11.10.1999	99950691.8
IT1221212	SYNCHRONIZATION OF PROTOCOL REMAPPING	Grant	15081	IT	11.10.1999	99950691.8
JP3694266	SYNCHRONIZATION OF PROTOCOL REMAPPING	Grant	15081	JP	11.10.1999	2001-530235
KR621232	SYNCHRONIZATION OF PROTOCOL REMAPPING	Grant	15081	KR	11.10.1999	7004651/2002
NL1221212	SYNCHRONIZATION OF PROTOCOL REMAPPING	Grant	15081	NL	11.10.1999	99950691.8
SE1221212	SYNCHRONIZATION OF PROTOCOL REMAPPING	Grant	15081	SE	11.10.1999	99950691.8
US7720048	Channel allocation in a network element between at least two networks	Grant	15251	US	11.4.2001	10/297764
JP4357835	PROVIDING MT SERVICES FOR UNREGISTERED SUBSCRIBERS IN R2000IM NETWORKS	Grant	15483	JP	04.01.2002	2002-555050
JP4929248	PROVIDING MT SERVICES FOR UNREGISTERED SUBSCRIBERS IN R2000IM NETWORKS	Grant	15483	JP	06.08.2008	2008-202743
US7043246	PROVIDING MT SERVICES FOR UNREGISTERED SUBSCRIBERS IN R2000IM NETWORKS	Grant	15483	US	04.01.2002	10/035339
CNZL00819649.4	MULTIMEDIA MESSAGING DIGITAL PRINT DESIGNATION FORMAT	Grant	15513	CN	16.06.2000	819649.4
DE60010529.6	MULTIMEDIA MESSAGING DIGITAL PRINT DESIGNATION FORMAT	Grant	15513	DE	16.06.2000	942088.6
EP1295465	MULTIMEDIA MESSAGING DIGITAL PRINT DESIGNATION FORMAT	Grant	15513	EP	16.06.2000	942088.6
FR1295465	MULTIMEDIA MESSAGING DIGITAL PRINT DESIGNATION FORMAT	Grant	15513	FR	16.06.2000	942088.6
GB1295465	MULTIMEDIA MESSAGING DIGITAL PRINT DESIGNATION FORMAT	Grant	15513	GB	16.06.2000	942088.6
US7986422	MULTIMEDIA MESSAGING DIGITAL PRINT DESIGNATION FORMAT	Grant	15513	US	16.06.2000	10/296891
US6934280	Multiple services emulation over a single network service	Grant	16675	US	4.5.2000	09/565675
US7353278	SUBSCRIPTION OF EVENTS IN IMS FROM AN EXTERNAL NETWORK	Grant	16712	US	04.06.2003	10/517532
CN200480014430	TRANSMITTING KEY LOAD/THROUGHPUT FIGURES FOR CLUSTER NODES IN HEARTBEAT	Grant	16875	CN	24.05.2004	200480014430
EP1627316	TRANSMITTING KEY LOAD/THROUGHPUT FIGURES FOR CLUSTER NODES IN HEARTBEAT	Publication	16875	EP	24.05.2004	4734532.7

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Patent/ Publication	Title	Status	Family	County	Filing Date	Filing No.
JP4129473	TRANSMITTING KEY LOAD/THROUGHPUT FIGURES FOR CLUSTER NODES IN HEARTBEAT	Grant	16875	JP	24.05.2004	2006-508328
US7546366	TRANSMITTING KEY LOAD/THROUGHPUT FIGURES FOR CLUSTER NODES IN HEARTBEAT	Grant	16875	US	31.07.2003	10/630972
DE69727641.4	METHOD FOR SENDING A SECURE MESSAGE IN A TELECOMMUNICATION SYSTEM	Grant	17007	DE	04.11.1997	97308890.9
EP841770	METHOD FOR SENDING A SECURE MESSAGE IN A TELECOMMUNICATION SYSTEM	Grant	17007	EP	04.11.1997	97308890.9
FR841770	METHOD FOR SENDING A SECURE MESSAGE IN A TELECOMMUNICATION SYSTEM	Grant	17007	FR	04.11.1997	97308890.9
GB841770	METHOD FOR SENDING A SECURE MESSAGE IN A TELECOMMUNICATION SYSTEM	Grant	17007	GB	04.11.1997	97308890.9
US5909491	METHOD FOR SENDING A SECURE MESSAGE IN A TELECOMMUNICATIONSSYSTEM	Grant	17007	US	06.11.1996	08/744682
US6996195	MMSE INTERPOLATION TECHNIQUES FOR THE LEAST SQUARES CHANNELESTIMATE IN STC	Grant	17122	US	21.12.2000	09/746376
CN2806506.9	CROSS SESSION DICTIONARY FOR COMPRESSION OF TEXT-BASED MESSAGES	Grant	17233	CN	11.03.2002	2806506.9
DE60243027.5	CROSS SESSION DICTIONARY FOR COMPRESSION OF TEXT-BASED MESSAGES	Grant	17233	DE	11.03.2002	02707033.3
EP1378064	CROSS SESSION DICTIONARY FOR COMPRESSION OF TEXT-BASED MESSAGES	Allowance	17233	EP	11.03.2002	2707033.3
IN223183	CROSS SESSION DICTIONARY FOR COMPRESSION OF TEXT-BASED MESSAGES	Grant	17233	IN	11.03.2002	1420/CHENP/2
RU2273091	CROSS SESSION DICTIONARY FOR COMPRESSION OF TEXT-BASED MESSAGES	Grant	17233	RU	11.03.2002	2003130270
US7155173	CROSS SESSION DICTIONARY FOR COMPRESSION OF TEXT-BASED MESSAGES	Grant	17233	US	17.12.2001	10/024412
US7693492	CROSS SESSION DICTIONARY FOR COMPRESSION OF TEXT-BASED MESSAGES	Grant	17233	US	12.09.2005	11/225263
DE60331071	GPRS/UMTS GGSN/IGSN ACTING AS MOBILE IP PROXY	Grant	17242	DE	17.07.2003	3765225.2
EP1523840	GPRS/UMTS GGSN/IGSN ACTING AS MOBILE IP PROXY	Grant	17242	EP	17.07.2003	3765225.2
FR1523840	GPRS/UMTS GGSN/IGSN ACTING AS MOBILE IP PROXY	Grant	17242	FR	17.07.2003	3765225.2
GB1523840	GPRS/UMTS GGSN/IGSN ACTING AS MOBILE IP PROXY	Grant	17242	GB	17.07.2003	3765225.2
US7218618	GPRS/UMTS GGSN/IGSN ACTING AS MOBILE IP PROXY	Grant	17242	US	19.07.2002	10/198599
US6128659	Method and apparatus for resolving dynamic channel assignment conflict in AAL2 negotiation procedure	Grant	17304	US	24.2.1998	09/028804

Patent/ Publication	Title	Status	Family	County	Filing Date	Filing No.
DE69901031.4	Method and apparatus for efficient switching of partial minicells in ATM adaptation layer 2	Grant	17307	DE	19.5.1999	99924367.8
EP1080601	Method and apparatus for efficient switching of partial minicells in ATM adaptation layer 2	Grant	17307	EP	19.5.1999	99924367.8
US6449276	Method and apparatus for efficient switching of partial minicells in ATM adaptation layer 2	Grant	17307	US	20.5.1998	09/082031
US6717948	Knowledge-based connection admission method and apparatus for providing efficient multiplexing of data and speech over AAL2	Grant	17309	US	30.7.1998	09/126835
CNZL00804632.8	GENERIC LABEL ENCAPSULATION PROTOCOL FOR CARRYING LABEL SWITCHED PACKETS	Grant	17315	CN	09.03.2000	804632.8
US6331978	GENERIC LABEL ENCAPSULATION PROTOCOL FOR CARRYING LABEL SWITCHED PACKETS	Grant	17315	US	09.03.1999	09/264758
DE60039288	MINI PACKET SWITCHING IN IP BASED CELLULAR ACCESS NETWORKS	Grant	17326	DE	03.03.2000	917722.1
EP1157506	MINI PACKET SWITCHING IN IP BASED CELLULAR ACCESS NETWORKS	Grant	17326	EP	03.03.2000	917722.1
FR1157506	MINI PACKET SWITCHING IN IP BASED CELLULAR ACCESS NETWORKS	Grant	17326	FR	03.03.2000	917722.1
GB1157506	MINI PACKET SWITCHING IN IP BASED CELLULAR ACCESS NETWORKS	Grant	17326	GB	03.03.2000	917722.1
IT29517 BE/2008	MINI PACKET SWITCHING IN IP BASED CELLULAR ACCESS NETWORKS	Grant	17326	IT	03.03.2000	917722.1
US6366961	METHOD AND APPARATUS FOR PROVIDING MINI PACKET SWITCHING INIP BASED	Grant	17326	US	03.03.1999	09/262148
DE60234466.2	Mechanism to create pinhole for existing session in middlebox	Grant	17439	DE	6.12.2002	2788297.6
EP1451705	Mechanism to create pinhole for existing session in middlebox	Grant	17439	EP	6.12.2002	2788297.6
US7420943	Mechanism to create pinhole for existing session in middlebox	Grant	17439	US	6.12.2002	10/314494
CN200580013835	CORRELATION OF SERVICE INSTANCE, R-P CONNECTION AND RADIO CONNECTION IN	Grant	17746	CN	10.03.2005	200580013835
EP1776644	CORRELATION OF SERVICE INSTANCE, R-P CONNECTION AND RADIO CONNECTION IN	Publication	17746	EP	10.03.2005	5725368.4
IN243980	CORRELATION OF SERVICE INSTANCE, R-P CONNECTION AND RADIO CONNECTION IN	Grant	17746	IN	10.03.2005	5366/DELNP/2
JP4672002	CORRELATION OF SERVICE INSTANCE, R-P CONNECTION AND RADIO CONNECTION IN	Grant	17746	JP	10.03.2005	2007-503048

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Patent/ Publication	Title	Status	Family	County	Filing Date	Filing No.
US7558283	CORRELATION OF SERVICE INSTANCE, R-P CONNECTION AND RADIO CONNECTION IN	Grant	17746	US	02.03.2005	11/071492
ZA2006/8432	CORRELATION OF SERVICE INSTANCE, R-P CONNECTION AND RADIO CONNECTION IN CDMA2000 NETWORK	Grant	17746	ZA	10.03.2005	2006/8432
CN200580026870	CELLULAR ENABLED WLAN OPERATION CONFIGURATION	Grant	17918	CN	23.06.2005	200580026870
EP1767009	CELLULAR ENABLED WLAN OPERATION CONFIGURATION	Local filing	17918	EP	23.06.2005	5754686.3
TW94121076	CELLULAR ENABLED WLAN OPERATION CONFIGURATION	Allowance	17918	TW	24.06.2005	94121076
US7289807	CELLULAR ENABLED WLAN OPERATION CONFIGURATION	Grant	17918	US	23.06.2005	11/159700
US6408063	A SUBSCRIBER RELATED INFO TO B-SUBSCRIBER BEFORE CALL IS ANSWERED	Grant	18052	US	05.10.1999	09/412926
CNZL00806049.5	ROTATING SCH TRANSMISSION	Grant	18319	CN	07.04.2000	806049.5
DE60039231.7	ROTATING SCH TRANSMISSION	Grant	18319	DE	07.04.2000	920976.8
EP1166589	ROTATING SCH TRANSMISSION	Grant	18319	EP	07.04.2000	920976.8
FR1166589	ROTATING SCH TRANSMISSION	Grant	18319	FR	07.04.2000	920976.8
GB1166589	ROTATING SCH TRANSMISSION	Grant	18319	GB	07.04.2000	920976.8
IT1166589	ROTATING SCH TRANSMISSION	Grant	18319	IT	07.04.2000	920976.8
NL1166589	ROTATING SCH TRANSMISSION	Grant	18319	NL	07.04.2000	920976.8
US6973060	ROTATING SCH TRANSMISSION	Grant	18319	US	03.01.2000	09/476500
AT1330933	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	AT	18.10.2001	1980558.9
BE1330933	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	BE	18.10.2001	1980558.9
BRPI0114863-	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Publication	18965	BR	18.10.2001	PI0114863.0
CA2426082	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	CA	18.10.2001	2426082
CH1330933	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	CH	18.10.2001	1980558.9
CNZL01817866.9	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	CN	18.10.2001	1817866.9
DE60115947	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	DE	18.10.2001	1980558.9
EP1330933	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	EP	18.10.2001	1980558.9
ES1330933	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	ES	18.10.2001	1980558.9

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FI111044	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	FI	24.10.2000	20002337
FR1330933	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	FR	18.10.2001	1980558.9
GB1330933	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	GB	18.10.2001	1980558.9
IT1330933	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	IT	18.10.2001	1980558.9
JP4638470	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	JP	05.09.2007	2007-230678
KR509575	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	KR	18.10.2001	20037005573
NL1330933	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	NL	18.10.2001	1980558.9
SE1330933	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	SE	18.10.2001	1980558.9
SG95367	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	SG	18.10.2001	200301203.6
US7126940	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	US	23.10.2001	10/004084
ZA2003/3108	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN GERAN, SDOMAIN	Grant	18965	ZA	18.10.2001	2003/3108
US7647374	OPTIMIZED SIP SIGNALING FOR MULTIPLE SIMULTANEOUS SIP SESSIONS	Grant	19120	US	03.07.2001	10/483006
CN1701329	A METHOD FOR COLLECTING USAGE BASED INFORMATION FOR CHARGING	Allowance	19264	CN	11.03.2003	3806589.4
EP1500012	A METHOD FOR COLLECTING USAGE BASED INFORMATION FOR CHARGING	Publication	19264	EP	11.03.2003	3706810.3
US7860806	A METHOD FOR COLLECTING USAGE BASED INFORMATION FOR CHARGING	Grant	19264	US	12.03.2002	10/096712
EP1451994	Method and system for handling network congestion	Abandoned	19277	EP	23.11.2001	1274740.8
US7782777	Method and system for handling network congestion	Grant	19277	US	23.11.2001	10/495011
DE60307707.2	SIMPLE ADMISSION CONTROL FOR IP BASED RADIO ACCESS NETWORKS	Grant	19437	DE	20.03.2003	3251763.3
EP1347603	SIMPLE ADMISSION CONTROL FOR IP BASED RADIO ACCESS NETWORKS	Grant	19437	EP	20.03.2003	3251763.3
FR1347603	SIMPLE ADMISSION CONTROL FOR IP BASED RADIO ACCESS NETWORKS	Grant	19437	FR	20.03.2003	3251763.3

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US7489632	SIMPLE ADMISSION CONTROL FOR IP BASED RADIO ACCESS NETWORKS	Grant	19437	US	22.03.2002	10/105067
EP1500209	NEW CLIPPING METHOD	Grant	23720	EP	29.04.2003	3722635.4
GB1500209	NEW CLIPPING METHOD	Grant	23720	GB	29.04.2003	3722635.4
US7940857	NEW CLIPPING METHOD	Grant	23720	US	29.04.2003	10/511759
EP1579640	PRIORITIZED RLC RETRANSMISSIONS, WITH MAC BUFFERING	Publication	23857	EP	01.12.2003	3775703.6
US7489691	PRIORITIZED RLC RETRANSMISSIONS, WITH MAC BUFFERING	Grant	23857	US	23.12.2002	10/325736
BE1186119	METHOD FOR TRANSMITTING A SEQUENCE OF SYMBOLS	Grant	24835	BE	06.07.2000	9944091.8
CH1186119	METHOD FOR TRANSMITTING A SEQUENCE OF SYMBOLS	Grant	24835	CH	06.07.2000	9944091.8
CN101969326	METHOD FOR TRANSMITTING A SEQUENCE OF SYMBOLS	Publication	24835	CN	28.10.2010	201010526581
CN1360764	METHOD FOR TRANSMITTING A SEQUENCE OF SYMBOLS	Publication	24835	CN	06.07.2000	810081
DE60010882.1	METHOD FOR TRANSMITTING A SEQUENCE OF SYMBOLS	Grant	24835	DE	06.07.2000	944091.8
EP1186119	METHOD FOR TRANSMITTING A SEQUENCE OF SYMBOLS	Opposition	24835	EP	06.07.2000	944091.8
ES1186119	METHOD FOR TRANSMITTING A SEQUENCE OF SYMBOLS	Grant	24835	ES	06.07.2000	944091.8
FI111438	METHOD FOR TRANSMITTING A SEQUENCE OF SYMBOLS	Grant	24835	FI	09.07.1999	991589
FR1186119	METHOD FOR TRANSMITTING A SEQUENCE OF SYMBOLS	Grant	24835	FR	06.07.2000	944091.8
GB1186119	METHOD FOR TRANSMITTING A SEQUENCE OF SYMBOLS	Grant	24835	GB	06.07.2000	944091.8
IT1186119	METHOD FOR TRANSMITTING A SEQUENCE OF SYMBOLS	Grant	24835	IT	06.07.2000	944091.8
JP3977640	METHOD FOR TRANSMITTING A SEQUENCE OF SYMBOLS	Grant	24835	JP	06.07.2000	2001-509178
KR449817	METHOD FOR TRANSMITTING A SEQUENCE OF SYMBOLS	Grant	24835	KR	06.07.2000	2001-7016957
NL1186119	METHOD FOR TRANSMITTING A SEQUENCE OF SYMBOLS	Grant	24835	NL	06.07.2000	944091.8
SE1186119	METHOD FOR TRANSMITTING A SEQUENCE OF SYMBOLS	Grant	24835	SE	06.07.2000	944091.8

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US7724720	METHOD FOR TRANSMITTING A SEQUENCE OF SYMBOLS	Grant	24835	US	17.07.2006	11/457879
US20080144570	METHOD AND APPARRATUS OF SCHEDULING AND MODULATION/CODING SELECTION FOR	Pending	25862	US	21.02.2008	12/035133
US6901046	METHOD AND APPARRATUS OF SCHEDULING AND MODULATION/CODING SELECTION FOR	Grant	25862	US	26.12.2001	10/025609
US7561509	METHOD AND APPARRATUS OF SCHEDULING AND MODULATION/CODING SELECTION FOR	Grant	25862	US	26.07.2004	10/898354
US6665309	METHODS AND APPARATUS OF CHANNEL ALLOCATION WITH CODE DIVISION MULTIPLEXING	Grant	25975	US	28.06.2002	10/185402
US7050406	METHODS AND APPARATUS OF CHANNEL ALLOCATION WITH CODE DIVISION MULTIPLEXING	Grant	25975	US	12.12.2003	10/735266
US7085257	Network phonebook	Grant	26053	US	06.04.2000	09/544141
US6965562	POOLING H.323 GATEWAYS TO RESTRICT WAN-LINK OVERLOADING	Grant	26126	US	14.12.2000	09/735516
EP1073295	LOCATION UPDATE PROCEDURE IN INTERNATIONAL (OR INTER OPERATIONAL) WIRELESS	Publication	26505	EP	28.07.2000	306448.2
US7171209	LOCATION UPDATE PROCEDURE IN INTERNATIONAL (OR INTER OPERATIONAL) WIRELESS	Grant	26505	US	30.03.2004	10/812171
DE60002904.2	ASSEMBLY AND ASSOCIATED METHOD, FOR REMOTELY MONITORING A SURVEILLANCE	Grant	27006	DE	14.09.2000	958915.1
EP1221149	ASSEMBLY AND ASSOCIATED METHOD, FOR REMOTELY MONITORING A SURVEILLANCE	Grant	27006	EP	14.09.2000	958915.1
FI1221149	ASSEMBLY AND ASSOCIATED METHOD, FOR REMOTELY MONITORING A SURVEILLANCE	Grant	27006	FI	14.09.2000	958915.1
FR1221149	ASSEMBLY AND ASSOCIATED METHOD, FOR REMOTELY MONITORING A SURVEILLANCE	Grant	27006	FR	14.09.2000	958915.1
GB1221149	ASSEMBLY AND ASSOCIATED METHOD, FOR REMOTELY MONITORING A SURVEILLANCE	Grant	27006	GB	14.09.2000	958915.1
SE1221149	ASSEMBLY AND ASSOCIATED METHOD, FOR REMOTELY MONITORING A SURVEILLANCE	Grant	27006	SE	14.09.2000	958915.1
US6288641	REMOTE AUDIO-SURVEILLANCE WITH A MOBILE PHONE	Grant	27006	US	15.09.1999	09/396692
DE1197036	LICENSE CONTROL AT A GATEWAY SERVER	Grant	27008	DE	07.06.2000	935241
EP1197036	LICENSE CONTROL AT A GATEWAY SERVER	Grant	27008	EP	07.06.2000	935241
FI111583	LICENSE CONTROL AT A GATEWAY SERVER	Grant	27008	FI	30.06.1999	991493
FR1197036	LICENSE CONTROL AT A GATEWAY SERVER	Grant	27008	FR	07.06.2000	935241
GB1197036	LICENSE CONTROL AT A GATEWAY SERVER	Grant	27008	GB	07.06.2000	935241
NL1197036	LICENSE CONTROL AT A GATEWAY SERVER	Grant	27008	NL	07.06.2000	935241
US7193995	LICENSE CONTROL AT A GATEWAY SERVER	Grant	27008	US	07.06.2000	10/019893

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US7333946	TICKETING WITH PRINTING OPTION	Grant	27014	US	30.04.2001	09/843718
FI111899	A BILLING SOLUTION FOR MULTIMEDIA MESSAGING	Grant	29648	FI	16.06.2000	20001437
US7590225	A BILLING SOLUTION FOR MULTIMEDIA MESSAGING	Grant	29648	US	15.06.2001	09/882756
US6930988	Method and system for fast IP connectivity in a mobile network	Grant	30602	US	28.10.2002	10/282926
DE60331848.7	MOBILE ROUTER COST METRIC FOR ROUTING PROTOCOL UPDATES IN MOBILE ROUTER	Grant	30625	DE	08.10.2003	3751094.8
EP1559242	MOBILE ROUTER COST METRIC FOR ROUTING PROTOCOL UPDATES IN MOBILE ROUTER	Grant	30625	EP	08.10.2003	3751094.8
GB1559242	MOBILE ROUTER COST METRIC FOR ROUTING PROTOCOL UPDATES IN MOBILE ROUTER	Grant	30625	GB	08.10.2003	3751094.8
KR745206	MOBILE ROUTER COST METRIC FOR ROUTING PROTOCOL UPDATES IN MOBILE ROUTER	Grant	30625	KR	08.10.2003	7008153/2005
US7035940	MOBILE ROUTER COST METRIC FOR ROUTING PROTOCOL UPDATES IN MOBILE ROUTER	Grant	30625	US	07.11.2002	10/290031
US6741555	ENHANCEMENT OF EXPLICIT CONGESTION FOR NOTIFICATION (ECN) FOR WIRELESS NETWORK	Grant	31502	US	14.6.2000	09/594463
CNZL02122854.X	METHOD OF TELLING A WIRELESS CLIENT FROM A LOCAL SERVER	Grant	33025	CN	07.06.2002	02122854.X
DE60208990.5	METHOD OF TELLING A WIRELESS CLIENT FROM A LOCAL SERVER	Grant	33025	DE	28.05.2002	2396076.8
EP1265420	METHOD OF TELLING A WIRELESS CLIENT FROM A LOCAL SERVER	Grant	33025	EP	28.05.2002	2396076.8
ES1265420	METHOD OF TELLING A WIRELESS CLIENT FROM A LOCAL SERVER	Grant	33025	ES	28.05.2002	2396076.8
FR1265420	METHOD OF TELLING A WIRELESS CLIENT FROM A LOCAL SERVER	Grant	33025	FR	28.05.2002	2396076.8
GB1265420	METHOD OF TELLING A WIRELESS CLIENT FROM A LOCAL SERVER	Grant	33025	GB	28.05.2002	2396076.8
IT1265420	METHOD OF TELLING A WIRELESS CLIENT FROM A LOCAL SERVER	Grant	33025	IT	28.05.2002	2396076.8
US7085808	METHOD OF TELLING A WIRELESS CLIENT FROM A LOCAL SERVER	Grant	33025	US	07.06.2001	09/876480
US7103681	ADAPTATION SYSTEM PROVIDING TERMINAL-SPECIFIC URLS OF DOWNLOADABLE	Grant	36688	US	19.06.2003	10/601278
EP1680879	METHOD OF INFORMING TERMINAL CAPABILITY TO NETWORK AFTER START-UP OR ON	Publication	36740	EP	28.10.2004	4791765.3
US7478146	METHOD OF INFORMING TERMINAL CAPABILITY TO NETWORK AFTER START-UP OR ON	Grant	36740	US	03.11.2003	10/700346

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US7627692	MULTIPLEXING OF COMPRESSED CONTROL AND USER-PLANE MESSAGES	Grant	37366	US	30.01.2004	10/768343
CN200480020637	A MECHANISM FOR ENABLING A MOBILE NODE TO ENGAGE IN IP SIGNALING WITH ITS OFF-	Grant	39894	CN	23.06.2004	200480020637
DE602004033083	A MECHANISM FOR ENABLING A MOBILE NODE TO ENGAGE IN IP SIGNALING WITH ITS OFF-	Grant	39894	DE	23.06.2004	4743792.6
EP1645157	A MECHANISM FOR ENABLING A MOBILE NODE TO ENGAGE IN IP SIGNALING WITH ITS OFF-	Grant	39894	EP	23.06.2004	4743792.6
GB1645157	A MECHANISM FOR ENABLING A MOBILE NODE TO ENGAGE IN IP SIGNALING WITH ITS OFF-	Grant	39894	GB	23.06.2004	4743792.6
PL1645157	A MECHANISM FOR ENABLING A MOBILE NODE TO ENGAGE IN IP SIGNALING WITH ITS OFF-	Grant	39894	PL	23.06.2004	4743792.6
RO1645157	A MECHANISM FOR ENABLING A MOBILE NODE TO ENGAGE IN IP SIGNALING WITH ITS OFF-	Grant	39894	RO	23.06.2004	4743792.6
SE1645157	A MECHANISM FOR ENABLING A MOBILE NODE TO ENGAGE IN IP SIGNALING WITH ITS OFF-	Grant	39894	SE	23.06.2004	4743792.6
US7917152	A MECHANISM FOR ENABLING A MOBILE NODE TO ENGAGE IN IP SIGNALING WITH ITS OFF-	Grant	39894	US	12.02.2004	10/776502
AT1700419	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	AT	16.12.2004	4806376.2
AU2004309946	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	AU	16.12.2004	2004309946
CH1700419	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	CH	16.12.2004	4806376.2
CN200480041579	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	CN	16.12.2004	200480041579
CN200910126587	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	CN	16.03.2009	200910126587
DE1700419	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	DE	16.12.2004	4806376.2
EP1700419	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	EP	16.12.2004	4806376.2
ES1700419	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	ES	16.12.2004	4806376.2
FR1700419	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	FR	16.12.2004	4806376.2
GB1700419	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	GB	16.12.2004	4806376.2
HU1700419	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	HU	16.12.2004	4806376.2
IN3722/DELNP/2	INDICATING INITIAL FLOOR STATE IN SDP	Filing	40217	IN	16.12.2004	3722/DELNP/2
IT1700419	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	IT	16.12.2004	4806376.2
JP4078381	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	JP	16.12.2004	2006-546370
KR761805	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	KR	16.12.2004	2006-7014663
NL1700419	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	NL	16.12.2004	4806376.2
RO1700419	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	RO	16.12.2004	4806376.2
SE1700419	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	SE	16.12.2004	4806376.2
TR1700419	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	TR	16.12.2004	4806376.2
US7920499	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	US	26.03.2004	10/809710
DE602005020445	DISCOVERY OF V4-V6 INTERWORKING ROUTER	Grant	40233	DE	08.06.2005	5748845.4
EP1759519	DISCOVERY OF V4-V6 INTERWORKING ROUTER	Grant	40233	EP	08.06.2005	5748845.4

Portions of this Exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Exchange Act of 1934, as amended.

Patent/ Publication	Title	Status	Family	County	Filing Date	Filing No.
IN388/DELNP/20	DISCOVERY OF V4-V6 INTERWORKING ROUTER	Filing	40233	IN	08.06.2005	388/DELNP/20
US7710964	DISCOVERY OF V4-V6 INTERWORKING ROUTER	Grant	40233	US	20.08.2004	10/921849
EA10335	PS HANDOVER MECHANISM - LLC SYCHRONISATION	Grant	40284	EA	18.02.2005	EA200601344/
EP1719352	PS HANDOVER MECHANISM - LLC SYCHRONISATION	Publication	40284	EP	18.02.2005	5717234.8
RU10335	PS HANDOVER MECHANISM - LLC SYCHRONISATION	Grant	40284	RU	18.02.2005	200601344
US20080062930	PS HANDOVER MECHANISM - LLC SYCHRONISATION	Pending	40284	US	14.09.2007	11/898773
US7333793	PS HANDOVER MECHANISM - LLC SYCHRONISATION	Grant	40284	US	05.04.2004	10/816931
AU2005212893	HSDPA HS-DPCCH DUTY CYCLE	Grant	40312	AU	14.02.2005	2005212893
CN200580010576	HSDPA HS-DPCCH DUTY CYCLE	Grant	40312	CN	14.02.2005	200580010576
IN4685/DELNP/2	HSDPA HS-DPCCH DUTY CYCLE	Filing	40312	IN	14.02.2005	4685/DELNP/2
JP4551902	HSDPA HS-DPCCH DUTY CYCLE	Grant	40312	JP	14.02.2005	2006-553605
US20050278420	METHOD TO GET SUBCRIBER'S IDENTITIES FROM IMS BASED ON IMSI.METHOD TO CHECK	Allowance	40322	US	26.04.2005	11/114216
EP1797693	REQUEST RATE LIMITER	Publication	40333	EP	26.08.2005	5784113.2
US7583647	REQUEST RATE LIMITER	Grant	40333	US	24.02.2005	11/063967
EP1779697	SCHEDULING NODE B CHANGE DURING SHO	Publication	40609	EP	12.08.2005	5772926.1
IN1569/DELNP/2	SCHEDULING NODE B CHANGE DURING SHO	Local filing	40609	IN	12.08.2005	1569/DELNP/2
JP4954073	SCHEDULING NODE B CHANGE DURING SHO	Grant	40609	JP	12.08.2005	2007-526603
KR927525	SCHEDULING NODE B CHANGE DURING SHO	Grant	40609	KR	12.08.2005	2007-7006069
CN101044771	LACK OF CHANNEL CODINGS IMPLIES A HANDOVER	Publication	40773	CN	03.11.2004	200480044232
DE602004021646	LACK OF CHANNEL CODINGS IMPLIES A HANDOVER	Grant	40773	DE	03.11.2004	4798766.4
DK1808029	LACK OF CHANNEL CODINGS IMPLIES A HANDOVER	Grant	40773	DK	03.11.2004	4798766.4
EP1808029	LACK OF CHANNEL CODINGS IMPLIES A HANDOVER	Grant	40773	EP	03.11.2004	4798766.4
GB1808029	LACK OF CHANNEL CODINGS IMPLIES A HANDOVER	Grant	40773	GB	03.11.2004	4798766.4
IN2238/DELNP/2	LACK OF CHANNEL CODINGS IMPLIES A HANDOVER	Local filing	40773	IN	03.11.2004	2238/DELNP/2
JP4612050	LACK OF CHANNEL CODINGS IMPLIES A HANDOVER	Grant	40773	JP	03.11.2004	2007-539641
KR912629	LACK OF CHANNEL CODINGS IMPLIES A HANDOVER	Grant	40773	KR	03.11.2004	2007-7010154
MYMY-142706-A	LACK OF CHANNEL CODINGS IMPLIES A HANDOVER	Grant	40773	MY	03.11.2004	PI20055102
PK783/2005	LACK OF CHANNEL CODINGS IMPLIES A HANDOVER	Filing	40773	PK	24.08.2005	783/2005
RO1808029	LACK OF CHANNEL CODINGS IMPLIES A HANDOVER	Grant	40773	RO	03.11.2004	4798766.4
TW94137753	LACK OF CHANNEL CODINGS IMPLIES A HANDOVER	Filing	40773	TW	28.10.2005	94137753
US20090156215	LACK OF CHANNEL CODINGS IMPLIES A HANDOVER	Pending	40773	US	27.04.2007	11/666578

Patent/ Publication	Title	Status	Family	County	Filing Date	Filing No.
US7283092	ENHANCED SWITCHED BEAM SMART ANTENNAS FOR TD-SCDMA	Grant	40837	US	20.05.2005	11/133277
EP1842386	DOWNLINK DATA OPTIMIZATION FOR PS HANDOVER	Publication	40985	EP	08.12.2005	5824117.5
HR39569	DOWNLINK DATA OPTIMIZATION FOR PS HANDOVER	Publication	40985	HR	08.12.2005	P200703056A
RU2405285	DOWNLINK DATA OPTIMIZATION FOR PS HANDOVER	Grant	40985	RU	08.12.2005	2007132872
UA93039	DOWNLINK DATA OPTIMIZATION FOR PS HANDOVER	Grant	40985	UA	08.12.2005	2007 09534
US7817622	UMA WITH OPTIMISED USER PLANE	Grant	41305	US	12.12.2005	11/298622
EP1964357	SUBSCRIPTION TO RSS/ATOM FEEDS WITH SIP	Local filing	41410	EP	26.10.2006	6809713.8
US20070143502	SUBSCRIPTION TO RSS/ATOM FEEDS WITH SIP	Pending	41410	US	27.03.2006	11/389026
AU2005268547	FORBIDDING OF CONTENT ADAPTATION WHEN SENDING A MESSAGE	Grant	43895	AU	25.07.2005	2005268547
BRPI0514400	FORBIDDING OF CONTENT ADAPTATION WHEN SENDING A MESSAGE	Publication	43895	BR	25.07.2005	PI0514400.0
CA2575106	FORBIDDING OF CONTENT ADAPTATION WHEN SENDING A MESSAGE	Filing	43895	CA	25.07.2005	2575106
CN200580032286	FORBIDDING OF CONTENT ADAPTATION WHEN SENDING A MESSAGE	Grant	43895	CN	25.07.2005	200580032286
EP1779684	FORBIDDING OF CONTENT ADAPTATION WHEN SENDING A MESSAGE	Publication	43895	EP	25.07.2005	5772981.6
HK8102265.6	FORBIDDING OF CONTENT ADAPTATION WHEN SENDING A MESSAGE	Publication	43895	HK	28.02.2008	8102265.6
IDW00200700292	FORBIDDING OF CONTENT ADAPTATION WHEN SENDING A MESSAGE	Filing	43895	ID	25.07.2005	W00200700292
IN856/DELNP/20	FORBIDDING OF CONTENT ADAPTATION WHEN SENDING A MESSAGE	Local filing	43895	IN	25.07.2005	856/DELNP/20
JP4750114	FORBIDDING OF CONTENT ADAPTATION WHEN SENDING A MESSAGE	Grant	43895	JP	25.07.2005	2007-523168
KR899132	FORBIDDING OF CONTENT ADAPTATION WHEN SENDING A MESSAGE	Grant	43895	KR	25.07.2005	2007-7003351
MX277338	FORBIDDING OF CONTENT ADAPTATION WHEN SENDING A MESSAGE	Grant	43895	MX	25.07.2005	MX/a/2007/001
RU2407236	FORBIDDING OF CONTENT ADAPTATION WHEN SENDING A MESSAGE	Grant	43895	RU	25.07.2005	2007105981
SG200700603.4	FORBIDDING OF CONTENT ADAPTATION WHEN SENDING A MESSAGE	Allowance	43895	SG	26.01.2007	200700603.4
SG200905097.2	FORBIDDING OF CONTENT ADAPTATION WHEN SENDING A MESSAGE	Publication	43895	SG	27.07.2009	200905097.2

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Patent/ Publication	Title	Status	Family	County	Filing Date	Filing No.
US20060020669	FORBIDDING OF CONTENT ADAPTATION WHEN SENDING A MESSAGE	Pending	43895	US	26.07.2004	10/899322
ZA2007/1602	FORBIDDING OF CONTENT ADAPTATION WHEN SENDING A MESSAGE	Grant	43895	ZA	25.07.2005	2007/1602
US20060015520	METHOD TO ENHANCE APPLICATION CONTENT PURCHASE PROCEDURE	Pending	44802	US	14.06.2004	10/868499
CN101112048	SMART WLAN NETWORK SCANNING	Allowance	44839	CN	20.12.2005	200580047549
EP1829292	SMART WLAN NETWORK SCANNING	Local filing	44839	EP	20.12.2005	5850701.3
KR899331	SMART WLAN NETWORK SCANNING	Grant	44839	KR	20.12.2005	2007-7016572
US7366511	SMART WLAN NETWORK SCANNING	Grant	44839	US	20.12.2004	11/017426
CN200580023268	A SYSTEM AND ARCHITECTURE FOR VIRTUAL PRIVATE NETWORKING	Grant	45193	CN	31.05.2005	200580023268
EP1769377	A SYSTEM AND ARCHITECTURE FOR VIRTUAL PRIVATE NETWORKING	Publication	45193	EP	31.05.2005	5751741.9
JP4657294	A SYSTEM AND ARCHITECTURE FOR VIRTUAL PRIVATE NETWORKING	Grant	45193	JP	31.05.2005	2007-514186
US7730294	A SYSTEM AND ARCHITECTURE FOR VIRTUAL PRIVATE NETWORKING	Grant	45193	US	04.06.2004	10/861226
CN101053201	IP CAROUSELS FOR BANDWIDTH USAGE OPTIMIZATION IN DVB-H IP ENCAPSULATORS	Publication	45236	CN	27.10.2005	200580037510
EP1807970	IP CAROUSELS FOR BANDWIDTH USAGE OPTIMIZATION IN DVB-H IP ENCAPSULATORS	Publication	45236	EP	27.10.2005	5809969.8
US7729385	IP CAROUSELS FOR BANDWIDTH USAGE OPTIMIZATION IN DVB-H IP ENCAPSULATORS	Grant	45236	US	01.11.2004	10/976851
CN200580044792	MOBILE CONFERENCING	Grant	45410	CN	26.10.2005	200580044792
EP1810445	MOBILE CONFERENCING	Publication	45410	EP	26.10.2005	5819781.5
IN3635/DELNP/2	MOBILE CONFERENCING	Local filing	45410	IN	26.10.2005	3635/DELNP/2
KR895028	MOBILE CONFERENCING	Grant	45410	KR	26.10.2005	2007-7012367
US8150920	MOBILE CONFERENCING	Grant	45410	US	01.11.2004	10/978861
EP1869929	A METHOD FOR PACKET TRAFFIC OPTIMIZED RADIO RESOURCE MANAGEMENT	Local filing	46645	EP	12.04.2006	6727470.4
US7630338	A METHOD FOR PACKET TRAFFIC OPTIMIZED RADIO RESOURCE MANAGEMENT	Grant	46645	US	12.04.2006	11/403695
APAP/P/08/00440	PSI/SI INDICATOR AND TRANSFERING PSI/SI BLOCKS IN THE TRANSPARENT CONTAINER FOR	Allowance	46841	AP	29.09.2006	AP/P/08/00440
CN101278589	PSI/SI INDICATOR AND TRANSFERING PSI/SI BLOCKS IN THE TRANSPARENT CONTAINER FOR	Publication	46841	CN	29.09.2006	200680036107
EP1938648	PSI/SI INDICATOR AND TRANSFERING PSI/SI BLOCKS IN THE TRANSPARENT CONTAINER FOR	Publication	46841	EP	29.09.2006	6808913.5

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Patent/ Publication	Title	Status	Family	County	Filing Date	Filing No.
IN1917/DELNP/2	PSI/SI INDICATOR AND TRANSFERING PSI/SI BLOCKS IN THE TRANSPARENT CONTAINER FOR	Local filing	46841	IN	29.09.2006	1917/DELNP/2
JP2009-	PSI/SI INDICATOR AND TRANSFERING PSI/SI BLOCKS IN THE TRANSPARENT CONTAINER FOR	Publication	46841	JP	29.09.2006	2008-531818
KR992075	PSI/SI INDICATOR AND TRANSFERING PSI/SI BLOCKS IN THE TRANSPARENT CONTAINER FOR	Grant	46841	KR	29.09.2006	2008-7007485
PK1286/2006	PSI/SI INDICATOR AND TRANSFERING PSI/SI BLOCKS IN THE TRANSPARENT CONTAINER FOR	Filing	46841	PK	29.09.2006	1286/2006
TW95136469	PSI/SI INDICATOR AND TRANSFERING PSI/SI BLOCKS IN THE TRANSPARENT CONTAINER FOR	Filing	46841	TW	29.09.2006	95136469
US20070070949	PSI/SI INDICATOR AND TRANSFERING PSI/SI BLOCKS IN THE TRANSPARENT CONTAINER FOR	Pending	46841	US	28.09.2006	11/540940
US20070238525	EVENT TRIGGERED MICRO AND MINIGAMES	Pending	51553	US	30.03.2006	11/393588
EP2011311	UTILIZING PRESENCE SERVICE FOR SERVICE DISCOVERY IN MOBILE BROADCAST	Abandoned	52014	EP	05.04.2007	7754821.2
US20070240189	UTILIZING PRESENCE SERVICE FOR SERVICE DISCOVERY IN MOBILE BROADCAST	Abandoned	52014	US	06.04.2006	11/398757
US7869837	MOBILE IP NODE LOSSLESS TRANSITION FROM IDLE TO AWAKE STATE	Grant	52069	US	13.12.2006	11/610436
US8112075	HARQ-AWARE CQI REPORTING	Grant	52716	US	23.03.2007	11/728265
EP1873998	USER PRIVACY: PROTECTING IMSI FROM ACTIVE ATTACKERS IN 3GPPLTE (REL 8)	Publication	53394	EP	22.06.2007	7252548.8
US20080002829	USER PRIVACY: PROTECTING IMSI FROM ACTIVE ATTACKERS IN 3GPPLTE (REL 8)	Pending	53394	US	27.06.2007	11/769621
US20080153510	UPDATING SERVER WHEN NO TAG EXISTING	Pending	54228	US	22.12.2006	11/615327
CN101653023	I-HSPA ADAPTER IDENTIFICATION IN SGSN	Publication	56536	CN	31.03.2008	200880010870
EP2132915	I-HSPA ADAPTER IDENTIFICATION IN SGSN	Local filing	56536	EP	31.03.2008	8736805.6
IN5874/CHENP/2	I-HSPA ADAPTER IDENTIFICATION IN SGSN	Publication	56536	IN	31.03.2008	5874/CHENP/2
US7907969	I-HSPA ADAPTER IDENTIFICATION IN SGSN	Grant	56536	US	30.03.2007	11/731127
US20080256627	COPYRIGHTS WITH POST-PAYMENTS FOR P2P FILE SHARING	Pending	56542	US	13.04.2007	11/734863

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Exhibit B

ESSENTIAL CELLULAR PATENTS

Patent/ Publication	STD Org.	Standard	Title	Status	Family	County	Filing Date	Filing No.
US5722074	ETSI ARIB	WC DMA T63	SOFT HANDOFF IN A CELLULAR TELECOMMUNICATIONS SYSTEM	Grant	2314	US	24.09.1993	08/619701
US5805301	ETSI	GSM	FACSIMILE TRANSMISSION IN A MOBILE COMMUNICATION SYSTEM	Grant	2390	US	06.03.1996	08/732467
EP740875	ATM	ATM	METHOD AND SYSTEM FOR CONTROLLING STATISTICALLY MULTIPLEXEDATM BUS	Grant	2704	EP	13.1.1995	95905653.2
US6295286	ETSI	GSM	A METHOD FOR INDICATING A MULTI-SLOT CHANNEL IN A TDMA RADIOSYSTEM	Grant	7158	US	24.11.1995	08/836969
US6081534	ETSI	GSM, DECT	IMPLEMENTATION OF MUTUAL RATE ADAPTATIONS IN DATA SERVICES BETWEEN GSM AND	Grant	7164	US	06.06.1996	08/659590
US7420948	ETSI	GSM	NEW 14.4 KBIT/S SERVICE FOR GSM	Grant	7272	US	09.09.2005	11/221797
US6859447	ETSI ARIB	WC DMA T63	A BASESTATION CONTROLLER (BSC) BASED ON AN ATM SWITCH	Grant	7794	US	30.12.1997	09/607065
US6456237	ETSI ARIB	GSM, WC DMA T63	TRACKING OF REAL TIME AND OBSERVED TIME DIFFERENCE VALUES INTIME	Grant	7882	US	30.03.1999	09/677114
US6393121	ETSI ITU	GSM Q1238.2	SCP.N OHJAAMAN LISÄVALINNAN KERÄÄMISEN MONIPUOLISTAMINEN	Grant	14028	US	26.10.1998	09/331874
US7792092	IETF	IETF	Data transmission method and a network element	Grant	14268	US	23.12.1999	09/868819
US7072358	ETSI ARIB	GSM, WC DMA T63	TRANSMISSION AND INTERCONNECTION METHOD	Grant	14734	US	31.05.1999	09/997200
US7242933	ETSI ARIB	LTE, WC DMA T63	RELOCATION OF RRC PROTOCOL IN SRNS RELOCATION	Grant	15038	US	13.09.2000	10/088452
EP1221212	ETSI ARIB	GSM, WC DMA T63	SYNCHRONIZATION OF PROTOCOL REMAPPING	Grant	15081	EP	11.10.1999	99950691.8
US7043246	ETSI ARIB	GSM, WC DMA, SAE T63	PROVIDING MT SERVICES FOR UNREGISTERED SUBSCRIBERS IN R2000IM NETWORKS	Grant	15483	US	04.01.2002	10/035339

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Patent/ Publication	STD Org.	Standard	Title	Status	Family	County	Filing Date	Filing No.
US7155173	IETF	IETF	CROSS SESSION DICTIONARY FOR COMPRESSION OF TEXT-BASED MESSAGES	Grant	17233	US	17.12.2001	10/024412
US7218618	IETF	IETF	GPRS/UMTS GGSN/IGSN ACTING AS MOBILE IP PROXY	Grant	17242	US	19.07.2002	10/198599
US6331978	ITU-T	G.7041/Y.1303	GENERIC LABEL ENCAPSULATION PROTOCOL FOR CARRYING LABEL SWITCHED PACKETS	Grant	17315	US	09.03.1999	09/264758
US7558283	ARIB	T64(cdma2000)	CORRELATION OF SERVICE INSTANCE, R-P CONNECTION AND RADIO CONNECTION IN	Grant	17746	US	02.03.2005	11/071492
US6408063	ETSI	GSM, WC DMA	A SUBSCRIBER RELATED INFO	Grant	18052	US	05.10.1999	09/412926
	ARIB	T63, T64	TO B-SUBSCRIBER BEFORE CALL IS ANSWERED					
US6973060	ETSI	GSM	ROTATING SCH TRANSMISSION	Grant	18319	US	03.01.2000	09/476500
US7126940	ETSI	GSM	ASSOCIATION OF TLLI AND SCCP CONNECTION TO ENABLE FAST DEPLOYMENT OF LCS IN	Grant	18965	US	23.10.2001	10/004084
US7724720	ETSI	WC DMA	METHOD FOR TRANSMITTING A	Grant	24835	US	17.07.2006	11/457879
	ARIB	T63	SEQUENCE OF SYMBOLS					
US6901046	ETSI	WC DMA	METHOD AND APPARRATUS OF	Grant	25862	US	26.12.2001	10/025609
	ARIB	T63, T64	SCHEDULING AND MODULATION/CODING SELECTION FOR					
US7050406	ETSI	WC DMA	METHODS AND APPARATUS OF	Grant	25975	US	12.12.2003	10/735266
	ARIB	T63, T64	CHANNEL ALLOCATION WITH CODE DIVISION MULTIPLEXING					
US7920499	OMA	OMA	INDICATING INITIAL FLOOR STATE IN SDP	Grant	40217	US	26.03.2004	10/809710
US7333793	ETSI	GSM	PS HANDOVER MECHANISM - LLC SYCHRONISATION	Grant	40284	US	05.04.2004	10/816931
AU2005212893	ETSI	WC DMA	HSDPA HS-DPCCH DUTY CYCLE	Grant	40312	AU	14.02.2005	2005212893
	ARIB	T63						
EP1779697	ETSI	WC DMA	SCHEDULING NODE B CHANGE	Publication	40609	EP	12.08.2005	5772926.1
	ARIB	T63	DURING SHO					
US20090156215	ETSI	GSM, WC DMA	LACK OF CHANNEL CODINGS	Pending	40773	US	27.04.2007	11/666578
	ARIB	T63	IMPLIES A HANDOVER					
EP1842386	ETSI	GSM	DOWNLINK DATA	Publication	40985	EP	08.12.2005	5824117.5
			OPTIMIZATION FOR PS HANDOVER					
US20070070949	ETSI	WC DMA	PSI/SI INDICATOR AND	Pending	46841	US	28.09.2006	11/540940
	ARIB	T63	TRANSFERING PSI/SI BLOCKS IN THE TRANSPARENT CONTAINER FOR					

Portions of this Exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Exchange Act of 1934, as amended.

Exhibit C

ASSIGNMENT

For good and valuable consideration, the receipt of which is hereby acknowledged, Nokia Corporation, with a registered address at Keilalahdentie 2-4, 02150 Espoo, Finland ("**Assignor**"), does hereby assign, transfer and convey unto _____, with an office at _____ ("**Assignee**"), all of Assignor's entire right, title and interest in and to (a) all Assigned Patents and patent applications listed below (including all inventions and discoveries claimed or otherwise disclosed therein); (b) all reissues, reexaminations, continuations, parents, continuations-in-part, divisionals and extensions (collectively "**Related Cases**") of such Assigned Patents and patent applications; (c) Assigned Patents or patent applications (i) to which any or all of the foregoing directly or indirectly claims priority, and (ii) for which any or all of the foregoing directly or indirectly forms a basis for priority; and (d) all Related Cases (whether pending, issued, abandoned or filed in the future) and foreign counterparts to any or all of the foregoing , certificates of invention and equivalent rights worldwide (collectively "**Patent Rights**"):
Assigned Patents specified in Exhibit A attached hereto.

In addition, Assignor agrees to and hereby does sell, assign, transfer and convey unto Assignee all rights (i) in and to causes of action and enforcement rights for the Patent Rights including all rights to pursue damages, injunctive relief and other remedies for past, present and future infringement of the Patent Rights, (ii) the right to apply (or continue prosecution) in any and all countries of the world for Assigned Patents, design Assigned Patents, utility models, certificates of invention or other governmental grants for the Patent Rights, including under the Paris Convention for the Protection of Industrial Property, the International Patent Cooperation Treaty, or any other convention, treaty, agreement or understanding, and (iii) the rights, if any, to revive prosecution of any abandoned Patent Rights.

Assignor also hereby authorizes the respective patent office or governmental agency in each jurisdiction to issue any and all Assigned Patents or certificates of invention or equivalent which may be granted upon any of the Patent Rights in the name of Assignee, as the assignee to the entire interest therein.

The terms and conditions of this Assignment shall inure to the benefit of Assignee, its successors, assigns and other legal representatives, and shall be binding upon Assignor, its successor, assigns and other legal representatives.

IN WITNESS WHEREOF, this Assignment of Patent Rights is executed at _____ on_____.

ASSIGNOR

By: _____

Name: _____

Title: _____

(Signature must be notarized)

Portions of this Exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Exchange Act of 1934, as amended.

Exhibit D

[***]

Portions of this Exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Exchange Act of 1934, as amended.

VRINGO, INC.

2012 EMPLOYEE, DIRECTOR AND CONSULTANT EQUITY INCENTIVE PLAN

1. DEFINITIONS.

Unless otherwise specified or unless the context otherwise requires, the following terms, as used in this Vringo, Inc. 2012 Employee, Director and Consultant Equity Incentive Plan, have the following meanings:

Administrator means the Board of Directors, unless it has delegated power to act on its behalf to the Committee, in which case the Administrator means the Committee.

Affiliate means a corporation which, for purposes of Section 424 of the Code, is a parent or subsidiary of the Company, direct or indirect.

Agreement means an agreement between the Company and a Participant delivered pursuant to the Plan and pertaining to a Stock Right, in such form as the Administrator shall approve.

Board of Directors means the Board of Directors of the Company.

Cause means, with respect to a Participant (a) dishonesty with respect to the Company or any Affiliate, (b) insubordination, substantial malfeasance or non-feasance of duty, (c) unauthorized disclosure of confidential information, (d) breach by a Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or similar agreement between the Participant and the Company or any Affiliate, and (e) conduct substantially prejudicial to the business of the Company or any Affiliate; provided, however, that any provision in an agreement between a Participant and the Company or an Affiliate, which contains a conflicting definition of Cause for termination and which is in effect at the time of such termination, shall supersede this definition with respect to that Participant. The determination of the Administrator as to the existence of Cause will be conclusive on the Participant and the Company.

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

(i) *Ownership*. Any "Person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities (excluding for this purpose any such voting securities held by the Company or its Affiliates or by any employee benefit plan of the Company) pursuant to a transaction or a series of related transactions which the Board of Directors does not approve; or

(ii) *Merger/Sale of Assets*. (A) A merger or consolidation of the Company whether or not approved by the Board of Directors, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or the parent of such corporation) more than 50% of the total voting power represented by the voting securities of the Company or such surviving entity or parent of such corporation, as the case may be, outstanding immediately after such merger or consolidation; or (B) the sale or disposition by the Company of all or substantially all of the Company's assets in a transaction requiring stockholder approval; or

(iii) *Change in Board Composition*. A change in the composition of the Board of Directors, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" shall mean directors who either (A) are directors of the Company as of the effective date of the Plan, which is the date of its approval by the shareholders of the Company, or (B) are elected, or nominated for election, to the Board of Directors with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company).

(iv) "Change of Control" shall be interpreted, if applicable, in a manner, and limited to the extent necessary, so that it will not cause adverse tax consequences under Section 409A.

Code means the United States Internal Revenue Code of 1986, as amended including any successor statute, regulation and guidance thereto.

Committee means the committee of the Board of Directors to which the Board of Directors has delegated power to act under or pursuant to the provisions of the Plan.[1]

Common Stock means shares of the Company's common stock, $0.01 par value per share.

Company means Vringo, Inc., a Delaware corporation.

Consultant means any natural person who is an advisor or consultant that provides bona fide services to the Company or its Affiliates, provided that such services are not in connection with the offer or sale of securities in a capital raising transaction, and do not directly or indirectly promote or maintain a market for the Company's or its Affiliates' securities.

[1] The Committee should be comprised of "disinterested persons" as defined under Rule 16b-3 of the Exchange Act and "outside directors" as defined in Section 162(m) of the Code.

Disability or Disabled means permanent and total disability as defined in Section 22(e)(3) of the Code.

Employee means any employee of the Company or of an Affiliate (including, without limitation, an employee who is also serving as an officer or director of the Company or of an Affiliate), designated by the Administrator to be eligible to be granted one or more Stock Rights under the Plan.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Fair Market Value of a Share of Common Stock means:

(1) If the Common Stock is listed on a national securities exchange or traded in the over-the-counter market and sales prices are regularly reported for the Common Stock, the closing or, if not applicable, the last price of the Common Stock on the composite tape or other comparable reporting system for the trading day on the applicable date and if such applicable date is not a trading day, the last market trading day prior to such date;

(2) If the Common Stock is not traded on a national securities exchange but is traded on the over-the-counter market, if sales prices are not regularly reported for the Common Stock for the trading day referred to in clause (1), and if bid and asked prices for the Common Stock are regularly reported, the mean between the bid and the asked price for the Common Stock at the close of trading in the over-the-counter market for the trading day on which Common Stock was traded on the applicable date and if such applicable date is not a trading day, the last market trading day prior to such date; and

(3) If the Common Stock is neither listed on a national securities exchange nor traded in the over-the-counter market, such value as the Administrator, in good faith, shall determine. This value will be based on an external valuation in compliance with the applicable laws of the taxing jurisdiction.

ISO means an option intended to qualify as an incentive stock option under Section 422 of the Code.

Non-Qualified Option means an option which is not intended to qualify as an ISO.

Option means an ISO or Non-Qualified Option granted under the Plan.

Participant means an Employee, director or Consultant of the Company or an Affiliate to whom one or more Stock Rights are granted under the Plan. As used herein, “Participant” shall include “Participant’s Survivors” where the context requires.

Plan means this Vringo, Inc. 2012 Employee, Director and Consultant Equity Incentive Plan.

Securities Act means the Securities Act of 1933, as amended.

Shares means shares of the Common Stock as to which Stock Rights have been or may be granted under the Plan or any shares of capital stock into which the Shares are changed or for which they are exchanged within the provisions of Paragraph 3 of the Plan. The Shares issued under the Plan may be authorized and unissued shares or shares held by the Company in its treasury, or both.

Stock-Based Award means a grant by the Company under the Plan of an equity award or an equity based award which is not an Option or a Stock Grant.

Stock Grant means a grant by the Company of Shares under the Plan.

Stock Right means a right to Shares or the value of Shares of the Company granted pursuant to the Plan — an ISO, a Non-Qualified Option, a Stock Grant or a Stock-Based Award.

Survivor means a deceased Participant's legal representatives and/or any person or persons who acquired the Participant's rights to a Stock Right by will or by the laws of descent and distribution.

2. PURPOSES OF THE PLAN.

The Plan is intended to encourage ownership of Shares by Employees and directors of and certain Consultants to the Company and its Affiliates in order to attract and retain such people, to induce them to work for the benefit of the Company or of an Affiliate and to provide additional incentive for them to promote the success of the Company or of an Affiliate. The Plan provides for the granting of ISOs, Non-Qualified Options, Stock Grants and Stock-Based Awards.

3. SHARES SUBJECT TO THE PLAN.

(a) The number of Shares which may be issued from time to time pursuant to this Plan shall be the sum of: (i) 15.6 mm shares of Common Stock and (ii) any shares of Common Stock that are represented by awards granted under the Company's 2006 Stock Option Plan that are forfeited, expire or are cancelled without delivery of shares of Common Stock or which result in the forfeiture of shares of Common Stock back to the Company on or after the date of the Plan approval by the shareholders of the Company, or the equivalent of such number of Shares after the Administrator, in its sole discretion, has interpreted the effect of any stock split, stock dividend, combination, recapitalization or similar transaction in accordance with Paragraph 24 of this Plan; provided, however, that no more than 3.2 mm shares shall be added to the Plan pursuant to subsection (ii).

(b) If an Option ceases to be "outstanding", in whole or in part (other than by exercise), or if the Company shall reacquire (at not more than its original issuance price) any Shares issued pursuant to a Stock Grant or Stock-Based Award, or if any Stock Right expires or is forfeited, cancelled, or otherwise terminated or results in any Shares not being issued, the unissued or reacquired Shares which were subject to such Stock Right shall again be available for issuance from time to time pursuant to this Plan. Notwithstanding the foregoing, if a Stock Right is exercised, in whole or in part, by tender of Shares or if the Company's or an Affiliate's tax withholding obligation is satisfied by withholding Shares, the number of Shares deemed to have been issued under the Plan for purposes of the limitation set forth in Paragraph 3(a) above shall be the number of Shares that were subject to the Stock Right or portion thereof, and not the net number of Shares actually issued. However, in the case of ISOs, the foregoing provisions shall be subject to any limitations under the Code.

4. ADMINISTRATION OF THE PLAN.

The Administrator of the Plan will be the Board of Directors, except to the extent the Board of Directors delegates its authority to the Committee, in which case the Committee shall be the Administrator. Subject to the provisions of the Plan, the Administrator is authorized to:

(a) Interpret the provisions of the Plan and all Stock Rights and to make all rules and determinations which it deems necessary or advisable for the administration of the Plan;

(b) Determine which Employees, directors and Consultants shall be granted Stock Rights;

(c) Determine the number of Shares for which a Stock Right or Stock Rights shall be granted, provided, however, that in no event shall Stock Rights with respect to more than 4.0 mm Shares be granted to any Participant in any fiscal year;

(d) Specify the terms and conditions upon which a Stock Right or Stock Rights may be granted;

(e) Amend any term or condition of any outstanding Stock Right, including, without limitation, to accelerate the vesting schedule or extend the expiration date up to eighteen months from termination date, provided that (i) such term or condition as amended is permitted by the Plan; (ii) any such amendment shall not impair the rights of a Participant under any Stock Right previously granted without such Participant's consent or in the event of death of the Participant the Participant's Survivors; and (iii) any such amendment shall be made only after the Administrator determines whether such amendment would cause any adverse tax consequences to the Participant, including, but not limited to, the annual vesting limitation contained in Section 422(d) of the Code and described in Paragraph 6(b)(iv) below with respect to ISOs and pursuant to Section 409A of the Code; and

(f) Adopt any appendices applicable to residents of any specified jurisdiction as it deems necessary or appropriate in order to comply with or take advantage of any tax or other laws applicable to the Company, any Affiliate or to Participants or to otherwise facilitate the administration of the Plan, which appendices may include additional restrictions or conditions applicable to Stock Rights or Shares issuable pursuant to a Stock Right;

provided, however, that all such interpretations, rules, determinations, terms and conditions shall be made and prescribed in the context of not causing any adverse tax consequences under Section 409A of the Code and preserving the tax status under Section 422 of the Code of those Options which are designated as ISOs. Subject to the foregoing, the interpretation and construction by the Administrator of any provisions of the Plan or of any Stock Right granted under it shall be final, unless otherwise determined by the Board of Directors, if the Administrator is the Committee. In addition, if the Administrator is the Committee, the Board of Directors may take any action under the Plan that would otherwise be the responsibility of the Committee.

To the extent permitted under applicable law, the Board of Directors or the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any portion of its responsibilities and powers to any other person selected by it. The Board of Directors or the Committee may revoke any such allocation or delegation at any time. Notwithstanding the foregoing, only the Board of Directors or the Committee shall be authorized to grant a Stock Right to any director of the Company or to any "officer" of the Company as defined by Rule 16a-1 under the Exchange Act.

5. ELIGIBILITY FOR PARTICIPATION.

The Administrator will, in its sole discretion, name the Participants in the Plan; provided, however, that each Participant must be an Employee, director or Consultant of the Company or of an Affiliate at the time a Stock Right is granted. Notwithstanding the foregoing, the Administrator may authorize the grant of a Stock Right to a person not then an Employee, director or Consultant of the Company or of an Affiliate; provided, however, that the actual grant of such Stock Right shall be conditioned upon such person becoming eligible to become a Participant at or prior to the time of the execution of the Agreement evidencing such Stock Right. ISOs may be granted only to Employees who are deemed to be residents of the United States for tax purposes. Non-Qualified Options, Stock Grants and Stock-Based Awards may be granted to any Employee, director or Consultant of the Company or an Affiliate. The granting of any Stock Right to any individual shall neither entitle that individual to, nor disqualify him or her from, participation in any other grant of Stock Rights or any grant under any other benefit plan established by the Company or any Affiliate for Employees, directors or Consultants.

6. TERMS AND CONDITIONS OF OPTIONS.

Each Option shall be set forth in writing in an Option Agreement, duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Administrator may provide that Options be granted subject to such terms and conditions, consistent with the terms and conditions specifically required under this Plan, as the Administrator may deem appropriate including, without limitation, subsequent approval by the shareholders of the Company of this Plan or any amendments thereto. The Option Agreements shall be subject to at least the following terms and conditions:

(a) Non-Qualified Options: Each Option intended to be a Non-Qualified Option shall be subject to the terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company, subject to the following minimum standards for any such Non-Qualified Option:

(i) Exercise Price: Each Option Agreement shall state the exercise price (per share) of the Shares covered by each Option, which exercise price shall be determined by the Administrator and shall be at least equal to the Fair Market Value per share of Common Stock on the date of grant of the Option provided, that if the exercise price is less than Fair Market Value, the terms of such Option must comply with the requirements of Section 409A of the Code unless granted to a Consultant or to a non U.S. person as to whom Section 409A of the Code does not apply.

(ii) Number of Shares: Each Option Agreement shall state the number of Shares to which it pertains.

(iii) Option Periods: Each Option Agreement shall state the date or dates on which it first is exercisable and the date after which it may no longer be exercised, and may provide that the Option rights accrue or become exercisable in installments over a period of months or years, or upon the occurrence of certain conditions or the attainment of stated goals or events.

(iv) Option Conditions: Exercise of any Option may be conditioned upon the Participant's execution of a Share purchase agreement in form satisfactory to the Administrator providing for certain protections for the Company and its other shareholders, including requirements that:

A. The Participant's or the Participant's Survivors' right to sell or transfer the Shares may be restricted; and

B. The Participant or the Participant's Survivors may be required to execute letters of investment intent and must also acknowledge that the Shares will bear legends noting any applicable restrictions.

(v) Term of Option: Each Option shall terminate not more than ten years from the date of the grant or at such earlier time as the Option Agreement may provide.

(b) ISOs: Each Option intended to be an ISO shall be issued only to an Employee who is deemed to be a resident of the United States for tax purposes, and shall be subject to the following terms and conditions, with such additional restrictions or changes as the Administrator determines are appropriate but not in conflict with Section 422 of the Code and relevant regulations and rulings of the Internal Revenue Service:

(i) Minimum standards: The ISO shall meet the minimum standards required of Non-Qualified Options, as described in Paragraph 6(a) above, except clause (i) and (v) thereunder.

(ii) Exercise Price: Immediately before the ISO is granted, if the Participant owns, directly or by reason of the applicable attribution rules in Section 424(d) of the Code:

A. 10% or less of the total combined voting power of all classes of stock of the Company or an Affiliate, the exercise price per share of the Shares covered by each ISO shall not be less than 100% of the Fair Market Value per share of the Common Stock on the date of grant of the Option; or

B. More than 10% of the total combined voting power of all classes of stock of the Company or an Affiliate, the exercise price per share of the Shares covered by each ISO shall not be less than 110% of the Fair Market Value per share of the Common Stock on the date of grant of the Option.

(iii) Term of Option: For Participants who own:

A. 10% or less of the total combined voting power of all classes of stock of the Company or an Affiliate, each ISO shall terminate not more than ten years from the date of the grant or at such earlier time as the Option Agreement may provide; or

B. More than 10% of the total combined voting power of all classes of stock of the Company or an Affiliate, each ISO shall terminate not more than five years from the date of the grant or at such earlier time as the Option Agreement may provide.

(iv) Limitation on Yearly Exercise: The Option Agreements shall restrict the amount of ISOs which may become exercisable in any calendar year (under this or any other ISO plan of the Company or an Affiliate) so that the aggregate Fair Market Value (determined on the date each ISO is granted) of the stock with respect to which ISOs are exercisable for the first time by the Participant in any calendar year does not exceed $100,000.

7. TERMS AND CONDITIONS OF STOCK GRANTS.

Each Stock Grant to a Participant shall state the principal terms in an Agreement duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Agreement shall be in a form approved by the Administrator and shall contain terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company, subject to the following minimum standards:

(a) Each Agreement shall state the purchase price per share, if any, of the Shares covered by each Stock Grant, which purchase price shall be determined by the Administrator but shall not be less than the minimum consideration required by the Delaware General Corporation Law, if any, on the date of the grant of the Stock Grant;

(b) Each Agreement shall state the number of Shares to which the Stock Grant pertains; and

(c) Each Agreement shall include the terms of any right of the Company to restrict or reacquire the Shares subject to the Stock Grant, including the time and events upon which such rights shall accrue and the purchase price therefor, if any.

8. TERMS AND CONDITIONS OF OTHER STOCK-BASED AWARDS.

The Administrator shall have the right to grant other Stock-Based Awards based upon the Common Stock having such terms and conditions as the Administrator may determine, including, the grant of Shares based upon certain conditions, the grant of securities convertible into Shares and the grant of stock appreciation rights, phantom stock awards or stock units. The principal terms of each Stock-Based Award shall be set forth in an Agreement, duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Agreement shall be in a form approved by the Administrator and shall contain terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company.

The Company intends that the Plan and any Stock-Based Awards granted hereunder be exempt from the application of Section 409A of the Code or meet the requirements of paragraphs (2), (3) and (4) of subsection (a) of Section 409A of the Code, to the extent applicable, and be operated in accordance with Section 409A so that any compensation deferred under any Stock-Based Award (and applicable investment earnings) shall not be included in income under Section 409A of the Code. Any ambiguities in the Plan shall be construed to affect the intent as described in this Paragraph 8.

9. EXERCISE OF OPTIONS AND ISSUE OF SHARES.

An Option (or any part or installment thereof) shall be exercised by giving written notice to the Company or its designee (in a form acceptable to the Administrator, which may include electronic notice), together with provision for payment of the aggregate exercise price in accordance with this Paragraph for the Shares as to which the Option is being exercised, and upon compliance with any other condition(s) set forth in the Option Agreement. Such notice shall be signed by the person exercising the Option (which signature may be provided electronically in a form acceptable to the Administrator), shall state the number of Shares with respect to which the Option is being exercised and shall contain any representation required by the Plan or the Option Agreement. Payment of the exercise price for the Shares as to which such Option is being exercised shall be made (a) in United States dollars in cash or by check, or (b) at the discretion of the Administrator, through delivery of shares of Common Stock held for at least six months (if required to avoid negative accounting treatment) having a Fair Market Value equal as of the date of the exercise to the aggregate cash exercise price for the number of Shares as to which the Option is being exercised, or (c) at the discretion of the Administrator, by having the Company retain from the Shares otherwise issuable upon exercise of the Option, a number of Shares having a Fair Market Value equal as of the date of exercise to the aggregate exercise price for the number of Shares as to which the Option is being exercised, or (d) at the discretion of the Administrator, in accordance with a cashless exercise program established with a securities brokerage firm, and approved by the Administrator, or (e) at the discretion of the Administrator, by any combination of (a), (b), (c), and (d) above or (f) at the discretion of the Administrator, by payment of such other lawful consideration as the Administrator may determine. Notwithstanding the foregoing, the Administrator shall accept only such payment on exercise of an ISO as is permitted by Section 422 of the Code.

The Company shall then reasonably promptly deliver the Shares as to which such Option was exercised to the Participant (or to the Participant's Survivors, as the case may be). In determining what constitutes "reasonably promptly," it is expressly understood that the issuance and delivery of the Shares may be delayed by the Company in order to comply with any law or regulation (including, without limitation, state securities or "blue sky" laws) which requires the Company to take any action with respect to the Shares prior to their issuance. The Shares shall, upon delivery, be fully paid, non-assessable Shares.

10. PAYMENT IN CONNECTION WITH THE ISSUANCE OF STOCK GRANTS AND STOCK-BASED AWARDS AND ISSUE OF SHARES.

Any Stock Grant or Stock-Based Award requiring payment of a purchase price for the Shares as to which such Stock Grant or Stock-Based Award is being granted shall be made (a) in United States dollars in cash or by check, or (b) at the discretion of the Administrator, through delivery of shares of Common Stock held for at least six months (if required to avoid negative accounting treatment) and[2] having a Fair Market Value equal as of the date of payment to the purchase price of the Stock Grant or Stock-Based Award, or (c) at the discretion of the Administrator, by any combination of (a) and (b) above; or (d) at the discretion of the Administrator, by payment of such other lawful consideration as the Administrator may determine.

The Company shall when required by the applicable Agreement, reasonably promptly deliver the Shares as to which such Stock Grant or Stock-Based Award was made to the Participant (or to the Participant's Survivors, as the case may be), subject to any escrow provision set forth in the applicable Agreement. In determining what constitutes "reasonably promptly," it is expressly understood that the issuance and delivery of the Shares may be delayed by the Company in order to comply with any law or regulation (including, without limitation, state securities or "blue sky" laws) which requires the Company to take any action with respect to the Shares prior to their issuance.

[2] If an employee uses previously owned shares to pay for a stock purchase and those shares have not been held by the employee for at least six months, the company will incur a variable accounting charge.

11. RIGHTS AS A SHAREHOLDER.

No Participant to whom a Stock Right has been granted shall have rights as a shareholder with respect to any Shares covered by such Stock Right except after due exercise of an Option or issuance of Shares as set forth in any Agreement, tender of the aggregate exercise or purchase price, if any, for the Shares being purchased and registration of the Shares in the Company's share register in the name of the Participant.

12. ASSIGNABILITY AND TRANSFERABILITY OF STOCK RIGHTS.

By its terms, a Stock Right granted to a Participant shall not be transferable by the Participant other than (i) by will or by the laws of descent and distribution, or (ii) as approved by the Administrator in its discretion and set forth in the applicable Agreement provided that no Stock Right may be transferred by a Participant for value. Notwithstanding the foregoing, an ISO transferred except in compliance with clause (i) above shall no longer qualify as an ISO. The designation of a beneficiary of a Stock Right by a Participant, with the prior approval of the Administrator and in such form as the Administrator shall prescribe, shall not be deemed a transfer prohibited by this Paragraph. Except as provided above during the Participant's lifetime a Stock Right shall only be exercisable by or issued to such Participant (or his or her legal representative) and shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of any Stock Right or of any rights granted thereunder contrary to the provisions of this Plan, or the levy of any attachment or similar process upon a Stock Right, shall be null and void.

13. EFFECT ON OPTIONS OF TERMINATION OF SERVICE OTHER THAN FOR CAUSE OR DEATH OR DISABILITY.

Except as otherwise provided in a Participant's Option Agreement, in the event of a termination of service (whether as an Employee, director or Consultant) with the Company or an Affiliate before the Participant has exercised an Option, the following rules apply:

(a) A Participant who ceases to be an Employee, director or Consultant of the Company or of an Affiliate (for any reason other than termination for Cause, Disability, or death for which events there are special rules in Paragraphs 14, 15, and 16, respectively), may exercise any Option granted to him or her to the extent that the Option is exercisable on the date of such termination of service, but only within such term as the Administrator has designated in a Participant's Option Agreement and in no event later than eighteen months after the Participant's termination of employment. In addition, the Administrator may extend the period in which the Participant is eligible to exercise any vested Options but in no event may an Option be exercised later than eighteen months after the Participant's termination of employment,

(b) Except as provided in Subparagraph (c) below, or Paragraph 15 or 16, in no event may an Option intended to be an ISO, be exercised later than three months after the Participant's termination of employment.

(c) The provisions of this Paragraph, and not the provisions of Paragraph 15 or 16, shall apply to a Participant who subsequently becomes Disabled or dies after the termination of employment, director status or consultancy; provided, however, in the case of a Participant's Disability or death within three months after the termination of employment, director status or consultancy, the Participant or the Participant's Survivors may exercise the Option within eighteen months after the date of the Participant's termination of service or twelve months in the case of an ISO, but in no event after the date of expiration of the term of the Option.

(d) Notwithstanding anything herein to the contrary, if subsequent to a Participant's termination of employment, termination of director status or termination of consultancy, but prior to the exercise of an Option, the Administrator determines that, either prior or subsequent to the Participant's termination, the Participant engaged in conduct which would constitute Cause, then such Participant shall forthwith cease to have any right to exercise any Option.

(e) A Participant to whom an Option has been granted under the Plan who is absent from the Company or an Affiliate because of temporary disability (any disability other than a Disability as defined in Paragraph 1 hereof), or who is on leave of absence for any purpose, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have terminated such Participant's employment, director status or consultancy with the Company or with an Affiliate, except as the Administrator may otherwise expressly provide; provided, however, that, for ISOs, any leave of absence granted by the Administrator of greater than ninety days, unless pursuant to a contract or statute that guarantees the right to reemployment, shall cause such ISO to become a Non-Qualified Option on the 181st day following such leave of absence.

(f) Except as required by law or as set forth in a Participant's Option Agreement, Options granted under the Plan shall not be affected by any change of a Participant's status within or among the Company and any Affiliates, so long as the Participant continues to be an Employee, director or Consultant of the Company or any Affiliate.

14. EFFECT ON OPTIONS OF TERMINATION OF SERVICE FOR CAUSE.

Except as otherwise provided in a Participant's Option Agreement, the following rules apply if the Participant's service (whether as an Employee, director or Consultant) with the Company or an Affiliate is terminated for Cause prior to the time that all his or her outstanding Options have been exercised:

(a) All outstanding and unexercised Options as of the time the Participant is notified his or her service is terminated for Cause will immediately be forfeited.

(b) Cause is not limited to events which have occurred prior to a Participant's termination of service, nor is it necessary that the Administrator's finding of Cause occur prior to termination. If the Administrator determines, subsequent to a Participant's termination of service but prior to the exercise of an Option, that either prior or subsequent to the Participant's termination the Participant engaged in conduct which would constitute Cause, then the right to exercise any Option is forfeited.

15. EFFECT ON OPTIONS OF TERMINATION OF SERVICE FOR DISABILITY.

Except as otherwise provided in a Participant's Option Agreement:

(a) A Participant who ceases to be an Employee, director or Consultant of the Company or of an Affiliate by reason of Disability may exercise any Option granted to such Participant:

(i) To the extent that the Option has become exercisable but has not been exercised on the date of the Participant's termination of service due to Disability; and

(ii) In the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of the Participant's termination of service due to Disability of any additional vesting rights that would have accrued on the next vesting date had the Participant not become Disabled. The proration shall be based upon the number of days accrued in the current vesting period prior to the date of the Participant's termination of service due to Disability.

(b) A Disabled Participant may exercise the Option only within the period ending one year after the date of the Participant's termination of service due to Disability, notwithstanding that the Participant might have been able to exercise the Option as to some or all of the Shares on a later date if the Participant had not been terminated due to Disability and had continued to be an Employee, director or Consultant or, if earlier, within the originally prescribed term of the Option.

(c) The Administrator shall make the determination both of whether Disability has occurred and the date of its occurrence (unless a procedure for such determination is set forth in another agreement between the Company and such Participant, in which case such procedure shall be used for such determination). If requested, the Participant shall be examined by a physician selected or approved by the Administrator, the cost of which examination shall be paid for by the Company.

16. EFFECT ON OPTIONS OF DEATH WHILE AN EMPLOYEE, DIRECTOR OR CONSULTANT.

Except as otherwise provided in a Participant's Option Agreement:

(a) In the event of the death of a Participant while the Participant is an Employee, director or Consultant of the Company or of an Affiliate, such Option may be exercised by the Participant's Survivors:

(i) To the extent that the Option has become exercisable but has not been exercised on the date of death; and

(ii) In the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of death of any additional vesting rights that would have accrued on the next vesting date had the Participant not died. The proration shall be based upon the number of days accrued in the current vesting period prior to the Participant's date of death.

(b) If the Participant's Survivors wish to exercise the Option, they must take all necessary steps to exercise the Option within one year after the date of death of such Participant, notwithstanding that the decedent might have been able to exercise the Option as to some or all of the Shares on a later date if he or she had not died and had continued to be an Employee, director or Consultant or, if earlier, within the originally prescribed term of the Option.

17. EFFECT OF TERMINATION OF SERVICE ON STOCK GRANTS AND STOCK-BASED AWARDS.

In the event of a termination of service (whether as an Employee, director or Consultant) with the Company or an Affiliate for any reason before the Participant has accepted a Stock Grant or a Stock-Based Award and paid the purchase price, if required, such grant shall terminate.

For purposes of this Paragraph 17 and Paragraph 18 below, a Participant to whom a Stock Grant has been issued under the Plan who is absent from work with the Company or with an Affiliate because of temporary disability (any disability other than a Disability as defined in Paragraph 1 hereof), or who is on leave of absence for any purpose, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have terminated such Participant's employment, director status or consultancy with the Company or with an Affiliate, except as the Administrator may otherwise expressly provide.

In addition, for purposes of this Paragraph 17 and Paragraph 18 below, any change of employment or other service within or among the Company and any Affiliates shall not be treated as a termination of employment, director status or consultancy so long as the Participant continues to be an Employee, director or Consultant of the Company or any Affiliate.

18. EFFECT ON STOCK GRANTS OF TERMINATION OF SERVICE OTHER THAN FOR CAUSE OR DEATH OR DISABILITY.

Except as otherwise provided in a Participant's Stock Grant Agreement, in the event of a termination of service (whether as an Employee, director or Consultant), other than termination for Cause, Disability, or death for which events there are special rules in Paragraphs 19, 20, and 21, respectively, before all forfeiture provisions or Company rights of repurchase shall have lapsed, then the Company shall have the right to cancel or repurchase that number of Shares subject to a Stock Grant as to which the Company's forfeiture or repurchase rights have not lapsed.

19. EFFECT ON STOCK GRANTS OF TERMINATION OF SERVICE FOR CAUSE.

Except as otherwise provided in a Participant's Stock Grant Agreement, the following rules apply if the Participant's service (whether as an Employee, director or Consultant) with the Company or an Affiliate is terminated for Cause:

(a) All Shares subject to any Stock Grant whether or not then subject to forfeiture or repurchase shall be immediately subject to repurchase by the Company at par value.

(b) Cause is not limited to events which have occurred prior to a Participant's termination of service, nor is it necessary that the Administrator's finding of Cause occur prior to termination. If the Administrator determines, subsequent to a Participant's termination of service, that either prior or subsequent to the Participant's termination the Participant engaged in conduct which would constitute Cause, then all Shares subject to any Stock Grant that remained subject to forfeiture provisions or as to which the Company had a repurchase right on the date of termination shall be immediately forfeited to the Company.

20. EFFECT ON STOCK GRANTS OF TERMINATION OF SERVICE FOR DISABILITY.

Except as otherwise provided in a Participant's Stock Grant Agreement, the following rules apply if a Participant ceases to be an Employee, director or Consultant of the Company or of an Affiliate by reason of Disability: to the extent the forfeiture provisions or the Company's rights of repurchase have not lapsed on the date of Disability, they shall be exercisable; provided, however, that in the event such forfeiture provisions or rights of repurchase lapse periodically, such provisions or rights shall lapse to the extent of a pro rata portion of the Shares subject to such Stock Grant through the date of Disability as would have lapsed had the Participant not become Disabled. The proration shall be based upon the number of days accrued prior to the date of Disability.

The Administrator shall make the determination both as to whether Disability has occurred and the date of its occurrence (unless a procedure for such determination is set forth in another agreement between the Company and such Participant, in which case such procedure shall be used for such determination). If requested, the Participant shall be examined by a physician selected or approved by the Administrator, the cost of which examination shall be paid for by the Company.

21. EFFECT ON STOCK GRANTS OF DEATH WHILE AN EMPLOYEE, DIRECTOR OR CONSULTANT.

Except as otherwise provided in a Participant's Stock Grant Agreement, the following rules apply in the event of the death of a Participant while the Participant is an Employee, director or Consultant of the Company or of an Affiliate: to the extent the forfeiture provisions or the Company's rights of repurchase have not lapsed on the date of death, they shall be exercisable; provided, however, that in the event such forfeiture provisions or rights of repurchase lapse periodically, such provisions or rights shall lapse to the extent of a pro rata portion of the Shares subject to such Stock Grant through the date of death as would have lapsed had the Participant not died. The proration shall be based upon the number of days accrued prior to the Participant's date of death.

22. PURCHASE FOR INVESTMENT.

Unless the offering and sale of the Shares shall have been effectively registered under the Securities Act, the Company shall be under no obligation to issue Shares under the Plan unless and until the following conditions have been fulfilled:

(a) The person who receives a Stock Right shall warrant to the Company, prior to the receipt of Shares, that such person is acquiring such Shares for his or her own account, for investment, and not with a view to, or for sale in connection with, the distribution of any such Shares, in which event the person acquiring such Shares shall be bound by the provisions of the following legend (or a legend in substantially similar form) which shall be endorsed upon the certificate evidencing the Shares issued pursuant to such exercise or such grant:

> "The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee, unless (1) either (a) a Registration Statement with respect to such shares shall be effective under the Securities Act of 1933, as amended, or (b) the Company shall have received an opinion of counsel satisfactory to it that an exemption from registration under such Act is then available, and (2) there shall have been compliance with all applicable state securities laws."

(b) At the discretion of the Administrator, the Company shall have received an opinion of its counsel that the Shares may be issued in compliance with the Securities Act without registration thereunder.

23. DISSOLUTION OR LIQUIDATION OF THE COMPANY.

Upon the dissolution or liquidation of the Company, all Options granted under this Plan which as of such date shall not have been exercised and all Stock Grants and Stock-Based Awards which have not been accepted, to the extent required under the applicable Agreement, will terminate and become null and void; provided, however, that if the rights of a Participant or a Participant's Survivors have not otherwise terminated and expired, the Participant or the Participant's Survivors will have the right immediately prior to such dissolution or liquidation to exercise or accept any Stock Right to the extent that the Stock Right is exercisable or subject to acceptance as of the date immediately prior to such dissolution or liquidation. Upon the dissolution or liquidation of the Company, any outstanding Stock-Based Awards shall immediately terminate unless otherwise determined by the Administrator or specifically provided in the applicable Agreement.

24. ADJUSTMENTS.

Upon the occurrence of any of the following events, a Participant's rights with respect to any Stock Right granted to him or her hereunder shall be adjusted as hereinafter provided, unless otherwise specifically provided in a Participant's Agreement:

(a) Stock Dividends and Stock Splits. If (i) the shares of Common Stock shall be subdivided or combined into a greater or smaller number of shares or if the Company shall issue any shares of Common Stock as a stock dividend on its outstanding Common Stock, or (ii) additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Common Stock, each Stock Right and the number of shares of Common Stock deliverable thereunder shall be appropriately increased or decreased proportionately, and appropriate adjustments shall be made including, in the exercise or purchase price per share, to reflect such events. The number of Shares subject to the limitations in Paragraph 3(a) and 4(c) shall also be proportionately adjusted upon the occurrence of such events.

(b) Corporate Transactions. If the Company is to be consolidated with or acquired by another entity in a merger, consolidation, or sale of all or substantially all of the Company's assets other than a transaction to merely change the state of incorporation (a "Corporate Transaction"), the Administrator or the board of directors of any entity assuming the obligations of the Company hereunder (the "Successor Board"), shall, as to outstanding Options, either (i) make appropriate provision for the continuation of such Options by substituting on an equitable basis for the Shares then subject to such Options either the consideration payable with respect to the outstanding shares of Common Stock in connection with the Corporate Transaction or securities of any successor or acquiring entity; or (ii) upon written notice to the Participants, provide that such Options must be exercised (either (A) to the extent then exercisable or, (B) at the discretion of the Administrator, any such Options being made partially or fully exercisable for purposes of this Subparagraph), within a specified number of days of the date of such notice, at the end of which period such vested Options which have not been exercised shall terminate; or (iii) terminate such Options in exchange for payment of an amount equal to the consideration payable upon consummation of such Corporate Transaction to a holder of the number of shares of Common Stock into which such Option would have been exercisable (either (A) to the extent then exercisable or, (B) at the discretion of the Administrator, any such Options being made partially or fully exercisable for purposes of this Subparagraph) less the aggregate exercise price thereof. For purposes of determining the payments to be made pursuant to Subclause (iii) above, in the case of a Corporate Transaction the consideration for which, in whole or in part, is other than cash, the consideration other than cash shall be valued at the fair value thereof as determined in good faith by the Board of Directors.

Notwithstanding the foregoing, in the event the Corporate Transaction also constitutes a Change of Control, then all Options outstanding on the date of the Corporate Transaction shall have vesting acceleration until the next vesting date, unless otherwise agreed upon with the Administrator.

With respect to outstanding Stock Grants, the Administrator or the Successor Board, shall make appropriate provision for the continuation of such Stock Grants on the same terms and conditions by substituting on an equitable basis for the Shares then subject to such Stock Grants either the consideration payable with respect to the outstanding Shares of Common Stock in connection with the Corporate Transaction or securities of any successor or acquiring entity. In lieu of the foregoing, in connection with any Corporate Transaction, the Administrator may provide that, upon consummation of the Corporate Transaction, each outstanding Stock Grant shall be terminated in exchange for payment of an amount equal to the consideration payable upon consummation of such Corporate Transaction to a holder of the number of shares of Common Stock comprising such Stock Grant (to the extent such Stock Grant is no longer subject to any forfeiture or repurchase rights then in effect or, at the discretion of the Administrator, all forfeiture and repurchase rights being waived upon such Corporate Transaction).

In taking any of the actions permitted under this Paragraph 24(b), the Administrator shall not be obligated by the Plan to treat all Stock Rights, all Stock Rights held by a Participant, or all Stock Rights of the same type, identically.

(c) Recapitalization or Reorganization. In the event of a recapitalization or reorganization of the Company other than a Corporate Transaction pursuant to which securities of the Company or of another corporation are issued with respect to the outstanding shares of Common Stock, a Participant upon exercising an Option or accepting a Stock Grant after the recapitalization or reorganization shall be entitled to receive for the price paid upon such exercise or acceptance if any, the number of replacement securities which would have been received if such Option had been exercised or Stock Grant accepted prior to such recapitalization or reorganization.

(d) Adjustments to Stock-Based Awards. Upon the happening of any of the events described in Subparagraphs (a), (b) or (c) above, any outstanding Stock-Based Award shall be appropriately adjusted to reflect the events described in such Subparagraphs. The Administrator or the Successor Board shall determine the specific adjustments to be made under this Paragraph 24, including, but not limited to the effect of any, Corporate Transaction and Change of Control and, subject to Paragraph 4, its determination shall be conclusive.

(e) Modification of Options. Notwithstanding the foregoing, any adjustments made pursuant to Subparagraph (a), (b) or (c) above with respect to Options shall be made only after the Administrator determines whether such adjustments would (i) constitute a “modification” of any ISOs (as that term is defined in Section 424(h) of the Code) or (ii) cause any adverse tax consequences for the holders of Options, including, but not limited to, pursuant to Section 409A of the Code. If the Administrator determines that such adjustments made with respect to Options would constitute a modification or other adverse tax consequence, it may refrain from making such adjustments, unless the holder of an Option specifically agrees in writing that such adjustment be made and such writing indicates that the holder has full knowledge of the consequences of such “modification” on his or her income tax treatment with respect to the Option. This paragraph shall not apply to the acceleration of the vesting of any ISO that would cause any portion of the ISO to violate the annual vesting limitation contained in Section 422(d) of the Code, as described in Paragraph 6(b)(iv).

25. ISSUANCES OF SECURITIES.

Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares subject to Stock Rights. Except as expressly provided herein, no adjustments shall be made for dividends paid in cash or in property (including without limitation, securities) of the Company prior to any issuance of Shares pursuant to a Stock Right.

26. FRACTIONAL SHARES.

No fractional shares shall be issued under the Plan and the person exercising a Stock Right shall receive from the Company cash in lieu of such fractional shares equal to the Fair Market Value thereof.

27. CONVERSION OF ISOs INTO NON-QUALIFIED OPTIONS; TERMINATION OF ISOs.

The Administrator, at the written request of any Participant, may in its discretion take such actions as may be necessary to convert such Participant's ISOs (or any portions thereof) that have not been exercised on the date of conversion into Non-Qualified Options at any time prior to the expiration of such ISOs, regardless of whether the Participant is an Employee of the Company or an Affiliate at the time of such conversion. At the time of such conversion, the Administrator (with the consent of the Participant) may impose such conditions on the exercise of the resulting Non-Qualified Options as the Administrator in its discretion may determine, provided that such conditions shall not be inconsistent with this Plan. Nothing in the Plan shall be deemed to give any Participant the right to have such Participant's ISOs converted into Non-Qualified Options, and no such conversion shall occur until and unless the Administrator takes appropriate action. The Administrator, with the consent of the Participant, may also terminate any portion of any ISO that has not been exercised at the time of such conversion.

28. WITHHOLDING.

In the event that any federal, state, or local income taxes, employment taxes, Federal Insurance Contributions Act ("F.I.C.A.") withholdings or other amounts are required by applicable law or governmental regulation to be withheld from the Participant's salary, wages or other remuneration in connection with the issuance of a Stock Right or Shares under the Plan or for any other reason required by law, the Company may withhold from the Participant's compensation, if any, or may require that the Participant advance in cash to the Company, or to any Affiliate of the Company which employs or employed the Participant, the statutory minimum amount of such withholdings unless a different withholding arrangement, including the use of shares of the Company's Common Stock or a promissory note, is authorized by the Administrator (and permitted by law). For purposes hereof, the fair market value of the shares withheld for purposes of payroll withholding shall be determined in the manner set forth under the definition of Fair Market Value provided in Paragraph 1 above, as of the most recent practicable date prior to the date of exercise. If the Fair Market Value of the shares withheld is less than the amount of payroll withholdings required, the Participant may be required to advance the difference in cash to the Company or the Affiliate employer. The Administrator in its discretion may condition the exercise of an Option for less than the then Fair Market Value on the Participant's payment of such additional withholding.

29. NOTICE TO COMPANY OF DISQUALIFYING DISPOSITION.

Each Employee who receives an ISO must agree to notify the Company in writing immediately after the Employee makes a Disqualifying Disposition of any Shares acquired pursuant to the exercise of an ISO. A Disqualifying Disposition is defined in Section 424(c) of the Code and includes any disposition (including any sale or gift) of such Shares before the later of (a) two years after the date the Employee was granted the ISO, or (b) one year after the date the Employee acquired Shares by exercising the ISO, except as otherwise provided in Section 424(c) of the Code. If the Employee has died before such Shares are sold, these holding period requirements do not apply and no Disqualifying Disposition can occur thereafter.

30. TERMINATION OF THE PLAN.

The Plan will terminate on the date which is ten years from the earlier of the date of its adoption by the Board of Directors and the date of its approval by the shareholders of the Company. The Plan may be terminated at an earlier date by vote of the shareholders or the Board of Directors of the Company; provided, however, that any such earlier termination shall not affect any Agreements executed prior to the effective date of such termination. Termination of the Plan shall not affect any Stock Rights theretofore granted.

31. AMENDMENT OF THE PLAN AND AGREEMENTS.

The Plan may be amended by the shareholders of the Company. The Plan may also be amended by the Administrator, including, without limitation, to the extent necessary to qualify any or all outstanding Stock Rights granted under the Plan or Stock Rights to be granted under the Plan for favorable federal income tax treatment as may be afforded incentive stock options under Section 422 of the Code (including deferral of taxation upon exercise), and to the extent necessary to qualify the Shares issuable under the Plan for listing on any national securities exchange or quotation in any national automated quotation system of securities dealers. In addition, if NYSE Amex amends its corporate governance rules so that such rules no longer require stockholder approval of "material amendments" of equity compensation plans, then, from and after the effective date of such an amendment to such rules, no amendment of the Plan which (i) materially increases the number of shares to be issued under the Plan (other than to reflect a reorganization, stock split, merger, spin-off or similar transaction); (ii) materially increases the benefits to Participants, including any material change to: (a) permit a repricing (or decrease in exercise price) of outstanding Options, (b) reduce the price at which Shares or Options may be offered, or (c) extend the duration of the Plan; (iii) materially expands the class of Participants eligible to participate in the Plan; or (iv) expands the types of awards provided under the Plan shall become effective unless stockholder approval is obtained. Any amendment approved by the Administrator which the Administrator determines is of a scope that requires shareholder approval shall be subject to obtaining such shareholder approval. Any modification or amendment of the Plan shall not, without the consent of a Participant, adversely affect his or her rights under a Stock Right previously granted to him or her. With the consent of the Participant affected, the Administrator may amend outstanding Agreements in a manner which may be adverse to the Participant but which is not inconsistent with the Plan. In the discretion of the Administrator, outstanding Agreements may be amended by the Administrator in a manner which is not adverse to the Participant.

32. EMPLOYMENT OR OTHER RELATIONSHIP.

Nothing in this Plan or any Agreement shall be deemed to prevent the Company or an Affiliate from terminating the employment, consultancy or director status of a Participant, nor to prevent a Participant from terminating his or her own employment, consultancy or director status or to give any Participant a right to be retained in employment or other service by the Company or any Affiliate for any period of time.

33. GOVERNING LAW.

This Plan shall be construed and enforced in accordance with the law of the State of Delaware.

VRINGO, INC.

2012 EMPLOYEE, DIRECTOR AND CONSULTANT EQUITY INCENTIVE PLAN

APPENDIX A– ISRAEL

1. NAME AND EFFECTIVE DATE

1.1 This Appendix A (the "**Appendix**") to the Vringo, Inc. 2012 Employee, Director and Consultant Equity Incentive Plan (the "**Plan**") shall apply only to individuals who are granted Stock Grants, Stock Rights or Options who are residents of the State of Israel for tax purposes, or are otherwise subject to taxation in Israel with respect to Options.

1.2 This Appendix shall be effective as of September 12, 2012.

2. PURPOSE

2.1 This Appendix applies to Stock Grants, Stock Rights or Options granted to Israeli Participants under the Plan and such Stock Grants, Stock Rights and Options shall comply with Amendment no. 132 of the Israeli Tax Ordinance which is effective with respect to Options granted as of January 1, 2003 and may or may not contain such terms as will qualify such options for the special tax treatment under Section 102(b) of the Ordinance and the Rules ("**102 Options**").

2.2 The purpose of this Appendix is to establish certain rules and limitations applicable to Stock Grants, Stock Rights and Options that may be granted under the Plan from time to time, in compliance with securities and other applicable laws currently in force in the State of Israel. Except as otherwise provided by this Appendix, all grants made pursuant to this Appendix shall be governed by the terms of the Plan.

3. DEFINITIONS

3.1 Capitalized Terms not otherwise defined herein shall have the meanings assigned in the Plan. The following additional terms will apply to grants made pursuant to this Appendix:

"**3(i)** Stock Grants, Stock Rights or **Option**" means a Stock Grants, Stock Rights or an Option granted under the terms of Section 3(i) of the Ordinance to persons which do not qualify as "employees" under the provisions of Section 102.

"**102(b) Track Election**" means the right of the Company to prefer either the "Capital Track" (as set under Section 102(b)(2)), or the "Ordinary Income Track" (as set under Section 102(b)(1)), but subject to the provisions of Section 102(g) of the Ordinance.

"**102(b)** Stock Grant, Stock Right or an **Option**" means a Stock Grant, Stock Right or an Option intended to qualify, under the provisions of Section 102(b) of the Ordinance (including the Section 102(b) Choice of Track), as either:

(i) "**102(b)(2) Option**" for the special tax treatments under the "Capital Track", or

(ii) "**102(b)(1) Option**" for the special tax treatments under the "Ordinary Income Track".

"**Affiliate**" means any "employing company" within the meaning of Section 102 of the Ordinance which includes (i) any company which is a Controlling Person of the Company, or (ii) that the Company is a Controlling Person of such company, or (iii) that the Company and such company are controlled by the same Controlling Person, as such term may be amended from time to time.

"**Controlling Person**" shall have the meaning ascribed to such definition under Section 102 of the Ordinance, as may be amended from time to time.

"**Employee**" or "**employee**" for the purposes of Section 102 to the Ordinance shall mean a person who is employed by the Company or its Affiliates, including an officer and a director but excluding a Controlling Person, as such term may be amended from time to time under Section 102 of the Ordinance.

"**Fair Market Value**" Solely for the purpose of determining the tax liability pursuant to Section 102(b)(3) of the Ordinance, if at the date of grant the Company's Shares are listed on any established stock exchange or a national market system or if the Company's Shares will be registered for trading within ninety (90) days following the date of grant of the 102(b)(2) Option, the fair market value of the Shares at the date of grant shall be determined in accordance with the average value of the Company's Shares on the thirty (30) trading days preceding the date of grant or on the thirty (30) trading days following the date of registration for trading, as the case may be. In all other cases Fair Market Value shall be as defined in the Plan.

"**Ordinance"** means the Israeli Income Tax Ordinance (New Version), 5721-1961, and the rules, regulations, orders or procedures promulgated thereunder and any amendments thereto, including specifically the Rules, all as may be amended from time to time.

"**Rights**" means rights issued or distributed in respect of Shares issued pursuant to exercise of Stock Grants, Stock Rights or Options under the Appendix, including bonus shares but excluding cash dividends.

"**Rules"** means the Income Tax Rules (Tax Benefits in Share Issuances to Employees) 5763-2003.

"**Unapproved 102 Options**" means 102 Stock Grants, Stock Rights or Options granted pursuant to Section 102(c) of the Ordinance and not held in trust by a Trustee.

4. DESIGNATION OF PARTICIPANTS

The persons eligible for participation under the Appendix as recipients of Stock Grants, Stock Rights or Options shall include any Employees (including officers), directors and consultants of the Company or of any Affiliate of the Company who are residents of the State of Israel or those who are deemed to be residents of the State of Israel for the payment of tax. The grant of a Stock Grant, Stock Rights or Option hereunder shall neither entitle the recipient thereof to participate nor disqualify him from participating in, any other grant of Stock Grant, Stock Right or Options pursuant to the Appendix, the Plan or any other equity plan of the Company or any of its Affiliates. Notwithstanding the foregoing, no 102 Stock Grants, Stock Rights or Options shall be granted to any individual who is not an Employee of the Company or of an Affiliate of the Company, or which otherwise does not qualify as an "employee" under Section 102(a) to the Ordinance. 3(i) Options may be granted only to non-Employees.

5. DESIGNATION OF OPTIONS PURSUANT TO SECTION 102

5.1 The Company may designate Stock Grants, Stock Rights or Options granted to Employees pursuant to Section 102 of the Ordinance as Unapproved 102 Options or 102(b) Options.

5.2 The grant of 102(b) Stock Grants, Stock Rights or Options shall be made under this Appendix and shall be conditioned upon the approval of this Appendix by the Israeli Tax Authorities (the "**ITA**").

5.3 102(b) Stock Grants, Stock Rights or Options may either be classified as 102(b)(2) Stock Grants, Stock Rights or Options under the capital gain tax Track or 102(b)(1) Stock Grants, Stock or Options under the Ordinary Income Track.

5.4 The Company's election of the type of 102(b) Stock Grants, Stock Rights or Options as 102(b)(2) Stock Grants, Stock or Options or 102(b)(1) Stock Grants, Stock Rights or Options granted to Employees (the "**Election**"), shall be appropriately filed with the ITA before the date of grant of 102(b) Stock Grants, Stock Rights or Options. Such Election shall become effective beginning the first date of grant of 102(b) Option under this Appendix and shall remain in effect at least until the end of the year following the year during which the Company first granted 102(b) Stock Grants, Stock Rights or Options or such other period as shall be determined from time to time under Section 102 of the Ordinance and the Rules, regulation and orders promulgated thereunder. The Election shall obligate the Company to grant only the type of 102(b) Stock Grants, Stock Rights or Option it has elected, and shall apply to all Participants who were granted 102(b) Options during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Ordinance. For the avoidance of doubt, such Election shall not prevent the Company from granting Unapproved 102 tock Grants, Stock Rights or Option simultaneously.

5.5 All 102(b) Stock Grants, Stock Rights or Options must be held in trust by a Trustee, as described in Section 6 below.

5.6 For the avoidance of doubt, the designation of Unapproved 102 Options and 102(b) Stock Grants, Stock Rights or Options shall be subject to the terms and conditions set forth in Section 102 of the Ordinance and Rules, regulations and orders promulgated thereunder.

5.7 With regards to 102(b) Stock Grants, Stock Rights or Options, the provisions of the Appendix and/or the Option Agreement shall be subject to the provisions of Section 102 of the Ordinance and the Tax Assessing Officer's permit, and the said provisions and permit shall be deemed an integral part of the Plan, the Appendix and of the Option Agreement. Any provision of Section 102 of the Ordinance and/or the said permit which is necessary in order to receive and/or to keep any tax benefit pursuant to Section 102 of the Ordinance, which is not expressly specified in the Plan, Appendix or the Option Agreement, shall be considered binding upon the Company and the Participants.

6. TRUSTEE

6.1 The 102(b) Stock Grants, Stock Rights or Options which shall be granted to Participants and/or any Shares issued upon exercise of such 102(b) Stock Grants, Stock Rights or Options and/or any other shares received subsequently following any realization of rights resulting from a 102(b) Stock Grants, Stock Rights or Option or Rights resulting from Shares issued upon exercise of a 102(b) Option, including without limitation bonus shares, shall be allocated or issued to a trustee nominated by the Board of Directors or the Administrator, as required by law, and approved in accordance with the provisions of Section 102 of the Ordinance (the "**Trustee**") for such period of time, at least the minimum period required by Section 102 or any regulations, rules or orders or procedures promulgated thereunder. The Board of Directors or the Administrator, as applicable, shall determine and approve the terms of engagement of the Trustee, and shall be authorized to designate from time to time a new Trustee and replace either of them at its sole discretion, and in the event of replacement of any existing Trustee, to instruct the transfer of all 102(b) Stock Grants, Stock Rights or Options and Shares held by such Trustee at such time to its successor. The Trustee will hold such 102(b) Stock Grants, Stock Rights or Options or Shares resulting from the exercise thereof in accordance with the provisions of the Ordinance and the Rules promulgated thereunder, the trust agreement and any other instructions the Board of Directors or the Administrator, as applicable, may issue to him/it from time to time (so long as they do not contradict the Ordinance and the Rules promulgated thereunder). Thereafter, the Trustee will transfer the 102(b) Stock Grants, Stock Rights or Options or the Shares, as the case may be, to the Participants upon his/her demand, subject to any deduction or withholding of taxes required under the Ordinance, the Rules or any other applicable law. In the case the requirements for Approved 102 Options are not met, then the Approved 102 Stock Grants, Stock Rights or Options may be regarded as Unapproved 102 Options, all in accordance with the provisions of Section 102.

6.2 Anything to the contrary notwithstanding, the Trustee shall not release any 102(b) Options which were not already exercised into Shares by the Participant or release any Shares issued upon exercise of such 102(b) Stock Grants, Stock Rights or Options prior to the full payment of the Participant's tax liabilities arising from such 102(b) Stock Grants, Stock Rights or Options which were granted to him and/or any Shares issued upon exercise of such 102(b) Stock Grants, Stock Rights or Options.

6.3 Upon receipt of a 102(b) Stock Grants, Stock Rights or Option, the Participant will sign the Stock Grants, Stock Rights or Option Agreement or an applicable option award which shall be deemed as the Participant's undertaking to exempt the Trustee from any liability in respect of any action or decision duly taken and bona fide executed in relation with the Plan and the Appendix, or any 102(b) Stock Grants, Stock Rights or Option or Share granted to him thereunder.

6.4 Subject to applicable law, the Board of Directors or the Administrator shall be entitled to revise, amend or replace the terms of the trust agreement with the Trustee, to the extent that same (i) do not adversely affect any rights of a Participant under any valid and outstanding 102(b) Stock Grants, Stock Rights or Option, which are expressly provided for in this Appendix or the respective Option Agreement with such Participant, or is (ii) necessary or desirable in the light of any change or replacement of Section 102 of the Ordinance.

6.5 Any and all Rights with respect to a 102(b) Stock Grants, Stock Rights or Option shall be issued or distributed, as the case may be, to the Trustee and held thereby. Such Rights will not be sold or transferred until the lapse of the minimum period permitted by applicable law, and such Rights shall be subject to the taxation track which is applicable to such Shares issued pursuant to the exercise of a 102(b) Stock Grants, Stock Rights or Option hereunder. Notwithstanding the aforesaid, Shares issued pursuant to the exercise of 102(b) Stock Grants, Stock Rights or Options hereunder or Rights may be sold or transferred, and the Trustee may release such Shares issued pursuant to the exercise of 102(b) Stock Grants, Stock Rights or Options hereunder (or the applicable option award) or Rights from trust, prior to the lapse of the transferred until the lapse of the minimum period permitted by applicable law**.**

6.6 During the period in which Shares, issued to the Trustee on behalf of a Participant upon exercise of a 102(b) Stock Grants, Stock Rights or Option, are held by the Trustee, the cash dividends paid with respect thereto shall be paid directly to the Participant; all subject to the provisions of applicable law including in particular the provisions of Section 102 and the rules, regulations or orders promulgated thereunder and Section 6.2 above.

6.7 As long as Shares are held by the Trustee in favor of the Participant, then all rights the last possesses over the Shares are personal, cannot be transferred, assigned, pledged or mortgaged, other than by will or laws of descent and distribution.

7. SHARES RESERVED FOR THE PLAN; RESTRICTION THEREON

7.1 Each Stock Grant, Stock Right or Option granted pursuant to this Appendix, shall be evidenced by an Option Agreement between the Company and the Participant, in such form as the Board of Directors or the Administrator, as applicable, shall from time to time approve. Each Stock Grants, Stock Rights or Option Agreement shall state a number of the Shares to which the Option relates and the type of Stock Grants, Stock Rights or Option granted thereunder (whether a 102(b)(1) Stock Grants, Stock Rights or Option, 102(b)(2) Stock Grants, Stock Rights or Option, Other 102 Stock Grants, Stock Rights or Option, or a 3(i) Stock Grants, Stock Rights or Option, the purchase price per Share and the vesting schedule to which such Stock Grants, Stock Rights or Option shall become exercisable. Stock Grants, Stock Rights or Options may be granted at any time after this Appendix has been approved by the Company, subject to any further approval or consent required under Section 102 of the Ordinance or the Rules, in case of 102(b) Stock Grants, Stock Rights or Options, and other applicable law.

7.3 Each Stock Grants, Stock Rights or Option Agreement evidencing 102(b) Stock Grants, Stock Rights or Options shall include (i) an approval and acknowledgment by the Participant of the agreement of the Company with the Trustee (as may be amended from time to time), (ii) a declaration that the Participant is familiar with the provisions of Section 102 and the "Capital Track" (if applicable) and (iii) an undertaking not to sell or transfer the Stock Grants, Stock Rights or Options and/or the Shares issued pursuant to the exercise of Stock Grants, Stock Rights or Options prior to the lapse of the period in which the Stock Grants, Stock Rights or Options and/or such Shares are held in trust, unless the Participant pays all taxes, which may arise in connection with such sale and/or transfer (as provided in Section 6.5 above).

8. AMENDMENTS OR TERMINATION

8.1 The Board of Directors or the Administrator, as required by law, may, at any time and from time to time, amend, alter or discontinue this Appendix, except that no amendment or alteration shall be made which would impair the rights of the holder of any share and/or Stock Grants, Stock Rights or Option granted, if and to the extent such rights are specifically set forth under the applicable Stock Grants, Stock Rights or Option Agreement, without such Participant's written consent.

9. GOVERNMENT REGULATION

This Appendix and the granting and exercise of Stock Grants, Stock Rights or Options hereunder, and the obligation of the Company to sell and deliver Shares under such Options, shall be subject to all applicable laws, rules and regulations of the State of Israel and of the United States, if applicable, and to such approvals by any governmental agencies as may be required.

10. CONTINUANCE OF EMPLOYMENT OR HIRED SERVICES

Neither the Plan nor the Stock Grants, Stock Rights or Option Agreement with the Participant shall impose any obligation on the Company or an Affiliate thereof, to continue any Participant in its employ, or the hiring by the Company of the Participant's services and nothing in the Plan or in any Stock Grants, Stock Rights or Option granted pursuant thereto shall confer upon any Participant any right to continue in the employ or service of the Company or an Affiliate thereof or restrict the right of the Company or an Affiliate thereof to terminate such employment or service hiring at any time.

11. TAX CONSEQUENCES

11.1 To the extent permitted by applicable law, any tax consequences arising from the grant or exercise of any Stock Grants, Stock Rights or Option, from the payment for Shares covered thereby or from any other event or act (of the Company, its Affiliates ,the Trustee or the Participant), hereunder, shall be borne solely by the Participant. The Company and/or the Trustee (where applicable) shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including the withholding of taxes at source. Furthermore, the Participant shall agree to indemnify the Company and the Trustee (where applicable) and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Participant.

11.2 The Board of Directors, the Administrator and/or the Trustee shall not be required to release any Share certificate, issued upon exercise of Stock Grants, Stock Rights or Option, to a Participant, until all required payments have been fully made.

11.3 Notwithstanding anything herein to the contrary, this Appendix shall be governed by the provisions of the Ordinance, the rules promulgated thereunder, and any other applicable Israeli laws.

11.4 Following the grant of Stock Grants, Stock Rights or Options under this Appendix and in any case in which the Participant shall stop being considered as an “Israeli Resident”, as defined in the Ordinance, the Company may, if and to the extent the Ordinance and/or the rules promulgated thereunder shall impose such obligation on the Company, to withhold all applicable taxes from the Participant, to remit the amount withheld to the appropriate Israeli tax authorities and to report to such Participant the amount so withheld and paid to said tax authorities.

* * *

LEASE

between

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA,
for the benefit of its separate Real Estate Account
Landlord

and

VRINGO INC.,
Tenant

Premises:

A portion of the 15th floor at
780 Third Avenue, New York, New York

Dated: July 10, 2012

TABLE OF CONTENTS

This Table of Contents is included only as a matter of convenience and reference and shall not be deemed or construed in any way to define or limit the scope of the following lease or the intent of any provision thereof.

LEASE, dated July 10, 2012, between TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA, for the benefit of its separate Real Estate Account, a New York corporation, having an office at c/o TIAA-CREF, Global Real Estate, 730 Third Avenue, 4th Floor, New York, New York 10017 ("Landlord"), and VRINGO, INC., a Delaware corporation, having an office at 44 West 28th Street, Suite 1414, New York, New York ("Tenant")

WITNESSETH:

Landlord and Tenant hereby covenant and agree as follows:

ARTICLE 1

Demise; Premises

Section 1.01 Landlord hereby leases to Tenant, and Tenant hereby hires from Landlord the premises hereinafter described ("Premises") in the building ("Building") located on the land ("Land") known by the street address 780 Third Avenue, New York, New York, in the Borough of Manhattan, City and State of New York, as more particularly described in Exhibit A annexed hereto and made a part hereof, for the Term hereinafter stated, for the rents hereinafter reserved, and upon and subject to the terms of this Lease.

Section 1.02 The Premises consist of a portion of the fifteenth (15th) floor in the Building, substantially as shown on the floor plan annexed hereto as Exhibit B and made a part hereof, together with all fixtures and improvements which, at the commencement of the Term or at any time during the Term, are attached thereto or installed therein and together with all appurtenances to the Premises, including the right to use, in common with others, the Building Equipment, subject to the terms of this Lease.

Section 1.03 The definitions of certain terms used in this Lease are set forth in Section 40.01 and in various other Sections of this Lease.

ARTICLE 2

Term

Section 2.01 The Premises are leased for a term ("Term") which shall commence on the later of (i) the date of execution and delivery of the Lease by both Landlord and Tenant and (ii) two (2) days following the date of notice of Landlord to Tenant of the completion of Landlord’s Work set forth in Section 4.01("Commencement Date"), and shall end on the day immediately preceding the three (3) year and one (1) month anniversary of the Commencement Date ("Expiration Date") unless the Term shall sooner terminate pursuant to any of the terms of this Lease or pursuant to law.

Section 2.02 When the Commencement Date has been determined by Landlord as set forth in Section 2.01, Landlord and Tenant shall, upon the request of either of them, execute a statement prepared by Landlord setting forth such date. Neither Landlord's failure to request nor Tenant's failure to execute such agreement shall affect Landlord's proper determination of the Commencement Date.

ARTICLE 3

Rent

Section 3.01 A. Tenant shall pay to Landlord, without notice or demand, in lawful money of the United States of America, by check drawn on a bank or trust company which is a member of the New York Clearinghouse Association, at the office of the Landlord or at such other place as Landlord may designate, the following:

(a) annual fixed rent (such annual fixed rent being referred to herein as "Fixed Rent") of $136,976.00 ($11,414.67 per month) payable in equal monthly installments, in advance, on the first (lst) day of each and every calendar month during the Term; and

(b) additional rent ("Additional Rent") consisting of all other sums of money as shall become due from and be payable by Tenant hereunder (for default in the payment of which Landlord shall have the same remedies as for a default in the payment of Fixed Rent).

If Tenant shall fail to pay when due any installment of Fixed Rent or any payment of Additional Rent for a period of 10 days after such installment or payment shall have become due, Tenant shall pay interest thereon at the Interest Rate, from the date when such installment or payment shall have become due to the date of the payment thereof, and such interest shall be deemed Additional Rent.

B. There shall be no abatement of, deduction from, counter-claim or setoff against, Fixed Rent and Additional Rent except as otherwise specifically provided in this Lease.

Section 3.02 Notwithstanding the provisions of Section 3.01, Tenant shall pay $11,414.67 on account of Fixed Rent upon the execution of this Lease, which shall be credited on a per diem basis toward the payment of the installment(s) of Fixed Rent first due and payable hereunder. If by reason of any of the provisions of this Lease, the Commencement Date for all or any part of the Premises shall be other than the first day of a calendar month, Fixed Rent for such month shall be pro-rated on a per diem basis.

Section 3.03 Tenant covenants to (a) pay the Fixed Rent and Additional Rent when due and (b) observe and perform, and not to suffer or permit any violation of, Tenant's obligations under this Lease.

Section 3.04 Notwithstanding anything contained in Article 3 of this Lease to the contrary, but provided Tenant is not then in breach or default under any of the terms, covenants or conditions in this Lease on Tenant’s part to observe or perform beyond notice and the expiration of any applicable cure period, Tenant shall not be obligated to pay the first $11,414.67 of Fixed Rent becoming payable by Tenant to Landlord under this Lease and the installment of Fixed Rent paid by Tenant to Landlord pursuant to Section 3.02 of this Lease shall be applied to the second monthly installment(s) of Fixed Rent that Tenant is obligated to pay to Landlord under this Lease.

ARTICLE 4

Delivery of Possession of the Premises

Section 4.01 Tenant acknowledges that it has made a full and complete inspection of the Premises and is thoroughly familiar with the condition thereof, and Tenant agrees to accept possession of the Premises on the Commencement Date in its then "as-is" broom clean condition. Tenant, at Tenant’s sole cost and expense, shall perform all work in connection with preparing the Premises for its occupancy in accordance with the provisions of Article 10 of the Lease. Notwithstanding the foregoing, Landlord agrees that it shall, prior to the Commencement Date, remove the wall of the executive corner office (“ Landlord’s Work”).

Section 4.02 The taking of occupancy of the whole or any part of the Premises by Tenant shall be conclusive evidence, as against Tenant, that Tenant accepts possession of the same and that the Premises and the Building were in good and satisfactory condition at the time such occupancy was so taken and that the Premises were substantially as shown on Exhibit B.

ARTICLE 5

Use

Section 5.01 Tenant shall use and occupy the Premises for general, executive and administrative offices, and for no other purpose. Tenant shall not use or occupy or suffer or permit the use or occupancy of any part of the Premises in any manner which in Landlord's reasonable judgment would adversely affect (i) the proper and economical rendition of any service required to be furnished to any tenant, (ii) the use or enjoyment of any part of the Building by any other tenant, or (iii) the appearance, character or reputation of the Building as a first-class office building with retail stores. Tenant shall not at any time use or occupy or suffer or permit anyone to use or occupy the Premises, or do or permit anything to be done in the Premises in violation of the Certificate of Occupancy for the Building. Notwithstanding anything contained herein to the contrary, a breach of such covenant shall be deemed a material and substantial default by Tenant under this lease, for which Landlord shall have all remedies available to it under this lease and under the law, including, without limitation, the right to enforce such covenant by injunctive or other appropriate equitable relief. Without limiting the generality of the foregoing, it is expressly understood that no portion of the demised premises shall be used as, by or for (a) retail operations of any bank, trust company, savings bank, industrial bank, savings and loan association, credit union or personal loan association or other form of entity, (b) a public stenographer or typist, (c) a barber shop, beauty shop or beauty parlor, (d) a telephone or telegraph agency, (e) a telephone, court reporting, stenographic or secretarial service, (f) a messenger service, (g) a travel or tourist agency, (h) an employment agency, (i) a restaurant or bar, (j) a commercial document reproduction or offset printing service, (k) a public vending machine operation, (l) a retail, wholesale or discount shop for the sale of books, magazines, audio or video tapes, CD ROM, DVD ROM or other devices for the recording or transmitting of audio or visual signals, images, music or speech, electronic equipment and accessories or any other merchandise, (m) a retail service shop, (n) a labor union, (o) a school or classroom, (p) a governmental or quasi-governmental bureau, department or agency, including an autonomous governmental corporation, embassy or consular office of any country or other quasi-autonomous or sovereign organization, whether or not subject to the Foreign Sovereign Immunities Act of 1976, as from time to time amended, or any successor statute, (q) an advertising agency, (r) a firm whose principal business is real estate brokerage, (s) a company engaged in the business of renting office or desk space, (t) any person, organization, association, corporation, company, partnership entity or other agency immune from service or suit in the courts of the State of New York or the assets of which may be exempt from execution by Landlord in any action for damages, (u) a factory of any kind, (v) retail sales, (w) any use to which material increased security costs or insurance premiums payable by Landlord are attributed, (x) a payroll office or check cashing operation, (y) a clinic or (z) any illegal purpose.

Section 5.02 If any governmental license or permit, other than a certificate of occupancy, shall be required for the proper and lawful conduct of Tenant's business in the Premises or any part thereof, then Tenant, at its expense, shall duly procure and thereafter maintain such license or permit and submit the same to Landlord for inspection. Tenant shall at all times comply with the terms and conditions of each such license and permit, but in no event shall failure to procure or maintain such license or permit by Tenant affect Tenant's obligations hereunder.

ARTICLE 6

Floor Load; Telephone System

Section 6.01 Tenant shall not place a load upon any floor that exceeds either the floor load per square foot that such floor was designed to carry or which is allowed by any Legal Requirement. Subject to the preceding sentence, if Tenant wishes to place any safes or vaults in the Premises it may do so at its own expense after giving notice to Landlord, but Landlord reserves the right to prescribe their weight and position. Business machines and mechanical equipment in the Premises shall be placed and maintained by Tenant at Tenant's sole expense, in such manner as shall be sufficient, in Landlord's reasonable judgment, to prevent vibration, noise, annoyance and inconvenience to Landlord and other tenants.

Section 6.02 Tenant may install, maintain, or operate in the Premises business machines customarily used in offices such as computers, printers, copy machines, fax machines, scanners, telephone systems, local area networks, data processing, teletype and other business machines customarily used in offices; provided, however, Tenant shall comply with all of the terms of this Lease that may be applicable to such installation, maintenance or operation. Tenant may, with the consent of Landlord, which shall not be unreasonably withheld, install, maintain, or operate in the Premises business machines not customarily used in offices; provided, however, Tenant shall comply with all of the terms of this Lease that may be applicable to such installation, maintenance or operation and shall give Landlord prior notice of the installation thereof.

ARTICLE 7

Rent Adjustments

Section 7.01 For the purpose of this Lease:

A. The term "Premises Area" shall be deemed to mean 2,446 square feet.

B. The term "Building Area" shall be deemed to mean 470,000 square feet.

C. The term "Tenant's Proportionate Share" shall be deemed to mean 0.52%.

D. "Landlord's Statement" shall mean an instrument containing a computation of Additional Rent due pursuant to the provisions of this Article 7 furnished by Landlord to Tenant.

E. The term "Base Tax Factor" shall mean the Taxes for the 2012/2013 Tax Year.

F. The term "Taxes" shall mean (i) all real estate taxes, assessments (special or otherwise), sewer and water rents, rates and charges and any other governmental levies, impositions or charges of a similar or dissimilar nature, whether general, special, ordinary, extraordinary, foreseen or unforeseen, which may be assessed, levied or imposed upon all or any part of the Real Property, whether or not the same constitute one or more tax lots, and (ii) any expenses (including reasonable attorney's fees and disbursements and experts' and other witness' fees) incurred by Landlord in contesting any of the foregoing or the assessed valuation of all or any part of the Real Property; but "Taxes" shall not include any interest or penalties incurred by Landlord as a result of Landlord's late payment of Taxes, except for interest payable in connection with the installment payments of assessments pursuant to the next sentence. If by law, any assessment may be divided and paid in annual installments, then, provided the same is not prohibited under the terms of the Superior Lease or the Superior Mortgage, for the purposes of this Article (x) such assessment shall be deemed to have been so divided and to be payable in the maximum number of annual installments permitted by law and (y) there shall be deemed included in Taxes for each Tax Year the annual installment of such assessment becoming payable during such Tax Year, together with interest payable during such Tax Year on such annual installment and on all installments thereafter becoming due as provided by law, all as if such assessment had been so divided. If at any time after the date hereof the methods of taxation prevailing at the date hereof shall be altered so that in lieu of or as an addition to or as a substitute for the whole or any part of the taxes, assessments, rents, rates, charges, levies or impositions now assessed, levied or imposed upon all or any part of the Real Property, there shall be assessed, levied or imposed (a) a tax, assessment, levy, imposition or charge based on the income or rents received therefrom whether or not wholly or partially as a capital levy or otherwise, or (b) a tax, assessment, levy, imposition or charge measured by or based in whole or in part upon all or any part of the Real Property and imposed upon Landlord, or (c) a license fee measured by the rents, or (d) any other tax, assessment, levy, imposition, charge or license fee however described or imposed, then all such taxes, assessments, levies, impositions, charges or license fees or the part thereof so measured or based shall be deemed to be Taxes; provided that any tax, assessment, levy, imposition or charge imposed on income from the Real Property shall be calculated as if the Real Property is the only asset of the Landlord.

G. The term "Tax Year" shall mean the 12 month period commencing on the first (1st) day of July of each year, or such other period of 12 months as may be duly adopted as the fiscal year for real estate tax purposes in The City of New York.

H. The term "Escalation Year" shall mean each calendar year which shall include any part of the Term.

I. The term "Base Operating Factor" shall mean Landlord's actual Operating Expenses for the 2012 calendar year.

J. The term "Operating Expenses" shall mean all costs and expenses (and taxes thereon, if any) paid or incurred by Landlord or on behalf of Landlord with respect to the operation, cleaning, repair, safety, replacement, management, security and maintenance of the Real Property, Building Equipment, sidewalks, curbs, plazas, and other areas adjacent to the Building, and with respect to the services provided tenants, including, without limitation: (i) salaries, wages and bonuses paid to, and the cost of any hospitalization, medical, surgical, union and general welfare benefits (including group life insurance), any pension, retirement or life insurance plans and other benefit or similar expense relating to, employees of Landlord engaged in the operation, cleaning, repair, safety, management, security or maintenance of the Real Property and the Building Equipment or in providing services to tenants; (ii) social security, unemployment and other payroll taxes, the cost of providing disability and worker's compensation coverage imposed by any Legal Requirements, union contract or otherwise with respect to said employees; (iii) the cost of electricity, gas, steam, water, heat, ventilation, air conditioning and other fuel and utilities; (iv) the cost of casualty, rent, liability, fidelity, plate glass and any other insurance; (v) the cost of repairs, maintenance and painting; (vi) expenditures for capital improvements and capital equipment which under generally applied real estate practice are expensed or regarded as deferred expenses and capital expenditures which are made by reason of Legal Requirements or Insurance Requirements, in each case such expenditures to be included in Operating Expenses for the Escalation Year in which such costs are incurred and every subsequent Escalation Year, on a straight-line basis, to the extent that such items are amortized over an appropriate period, but not more than 10 years, with interest calculated at an annual rate equal to 1% above the prime rate at the time of Landlord's having made said expenditure; (vii) the cost or rental of all building and cleaning supplies, tools, materials and equipment; (viii) the cost of uniforms, work clothes and dry cleaning; (ix) window cleaning, concierge, guard, watchman or other security personnel, service or system, if any; (x) management fees or if no managing agent is employed by Landlord, a sum in lieu thereof which is not in excess of then prevailing rates for management fees payable in the Borough of Manhattan for first-class Third Avenue office buildings; (xi) charges of independent contractors performing work included within this definition of Operating Expenses; (xii) telephone and stationery; (xiii) legal, accounting and other professional fees and disbursements incurred in connection with the operation and management of the Real Property; (xiv) association fees and dues; (xv) decorations; (xvi) depreciation of hand tools and other movable equipment used in the operation, cleaning, repair, safety, management, security or maintenance of the Building; and (xvii) exterior and interior landscaping.

Provided, however, that the foregoing costs and expenses shall exclude or have deducted from them, as the case be: (a) executives' salaries above the grade of building manager;(b) expenditures for capital improvements or capital equipment, other than those referred to above and in the next succeeding paragraph; (c) amounts received by Landlord through proceeds of insurance to the extent they are compensation for sums previously included in Operating Expenses (d) cost of repairs or replacements incurred by reason of fire or other casualty or condemnation to the extent Landlord is compensated therefor, (e) advertising and promotional expenditures; (f) costs incurred in performing work or furnishing services for any tenant (including Tenant), whether at such tenant's or Landlord's expense, to the extent that such work or service is in excess of any work or service that Landlord is obligated to furnish to Tenant at Landlord's expense; (g) depreciation except as provided above; (h) brokerage commissions; (i) taxes; and (j) refinancing costs and mortgage interest and amortization payments.

If Landlord shall purchase any item of capital equipment or make any capital expenditure which has the effect of reducing the expenses which would otherwise be included in Operating Expenses, then the costs of such capital equipment or capital expenditure are to be included in Operating Expenses for the Escalation Year in which the costs are incurred and every subsequent Escalation Year, on a straight-line basis, to the extent that such items are amortized over such period of time as Landlord reasonably estimates such savings or reductions in Operating Expenses will equal Landlord's costs for such capital equipment or capital expenditure, with interest calculated at an annual rate of 1% above the prime rate at the time of Landlord's having made said expenditure. If Landlord shall lease any items of capital equipment designed to result in savings or reductions in expenses which would otherwise be included in Operating Expenses, then the rentals and other costs paid with respect to such leasing shall be included in Operating Expenses for the Escalation Years in which incurred.

If during all or part of any Escalation Year, Landlord shall not furnish any particular item(s) of work or service (which would otherwise constitute an Operating Expense hereunder) to portions of the Building due to the fact (i) such portions are not occupied or leased, (ii) such item(s) of work or service is not required or desired by the tenant of such portion, (iii) such tenant is itself obtaining and providing such item of work or service or (iv) any other reason, then, for the purposes of computing Operating Expenses, the amount of such item(s) for such period shall be deemed to be increased by an amount equal to the additional costs and expenses which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such item(s) of work or service to such portion of the Building or to such tenant.

Section 7.02 A. Tenant shall pay as Additional Rent for each and every Tax Year all or a portion of which shall be within the Term (including the Tax Year in effect on the Commencement Date) an amount ("Tenant's Tax Payment") equal to Tenant's Proportionate Share of the amount by which the Taxes for such Tax Year are greater than the Base Tax Factor. Tenant's Tax Payment shall be payable by Tenant to Landlord within ten (10) days after receipt of a Landlord's Statement regardless of whether such Landlord's Statement is received prior to, on or after the first (1st) day of such Tax Year. If there shall be any increase in Taxes for any Tax Year, whether during or after such Tax Year, or if there shall be any decrease in the Taxes for any Tax Year during such Tax Year, Landlord may furnish a revised Landlord's Statement for such Tax Year, and Tenant's Tax Payment for such Tax Year shall be adjusted and, (a) within ten (10) days after Tenant's receipt of such revised Landlord's Statement, Tenant shall (with respect to any increase in Taxes for such Tax Year) pay such increase in Tenant's Tax Payment to Landlord, or (b) (with respect to any decrease in Taxes for such Tax Year), Landlord shall credit such decrease in Tenant's Tax Payment against the next installment of Additional Rent payable by Tenant pursuant to Section 7.02B below. If during the Term, Taxes are required to be paid (either to the appropriate taxing authorities or as tax escrow payments, to the Superior Lessor or the Superior Mortgagee), in full or in monthly, quarterly or other installments on any other date or dates than as presently required, then Tenant's Tax Payments shall be correspondingly accelerated or revised so that said Tenant's Tax Payments are due at least 30 days prior to the date payments are due to the taxing authorities or the Superior Lessor or the Superior Mortgagee. The benefit of any discount for any early payment or prepayment of Taxes and of any tax exemption or abatement relating to all or any part of the Real Property shall accrue solely to the benefit of Landlord and Taxes shall be computed without subtracting such discount or taking into account any such exemption or abatement.

B. (1) At any time, and from time to time, during the Term, Landlord may give to Tenant a Landlord's Statement setting forth Tenant's Projected Share of Taxes (as hereinafter defined). Commencing on the first day of the first full calendar month next succeeding the date on which Landlord gives Tenant such Landlord's Statement with respect to Tenant's Projected Share of Taxes and continuing thereafter on the first day of each and every calendar month of the Term, Tenant shall pay to Landlord, as Additional Rent for the Tax Year in which such Additional Rent payment is due, Tenant's Projected Share of Taxes. "Tenant's Projected Share of Taxes" shall mean Landlord's estimate of Tenant's Tax Payment for the Tax Year next succeeding the Tax Year in which Tenant's Projected Share of Taxes is payable by Tenant, divided by twelve (12).

(2) Upon each date that a Tenant's Tax Payment (or an installment thereof) shall be due from Tenant pursuant to the terms of Section 7.02A hereof, Landlord shall apply the aggregate of the installments of Tenant's Projected Share of Taxes theretofore paid to Landlord (but not previously applied pursuant to this Section 7.02B) against the Tax Payment (or installment thereof) then due from Tenant. If such aggregate amount is insufficient to discharge such Tax Payment (or installment thereof), Landlord shall so notify Tenant in the Landlord's Statement served upon Tenant pursuant to Section 7.02A, and the amount of Tenant's payment obligation with respect to such Tax Payment (or installment thereof) pursuant to Section 7.02A, shall equal the amount of such insufficiency. If, however, such aggregate amount shall be greater than the Tax Payment (or installment thereof), Landlord, at Landlord's option shall either (x) pay the amount of such excess directly to Tenant, or (y) credit the amount of such excess against the next installment(s) of Tenant's Projected Share of Taxes due hereunder.

(3) Notwithstanding anything contained in Section 7.02(B)(2) above to the contrary, (a) if the first Landlord's Statement with respect to Tenant's Projected Share of Taxes is given to Tenant after the Commencement Date, then in addition to the first payment of Tenant's Projected Share of Taxes payable by Tenant hereunder, Tenant shall pay on the date that such first payment of Tenant's Projected Share of Taxes is due, as Additional Rent for the Tax Year in which such first payment is due, an amount equal to such first payment of Tenant's Projected Share of Taxes, multiplied by the number of full calendar months of the Term immediately prior to the date such first payment is due, and (b) if any Landlord's Statement with respect to Tenant's Projected Share of Taxes (after said first Landlord's Statement) is given to Tenant after the first day of any Tax Year, then in addition to the payment of Tenant's Projected Share of Taxes payable by Tenant after the rendition of such Landlord's Statement, Tenant shall pay on the date that such payment of Tenant's Projected Share of Taxes is due, as Additional Rent for the Tax Year in which such payment is due, an amount equal to (a) such payment of Tenant's Projected Share of Taxes, multiplied by the number of full calendar months of such Tax Year preceding the date that such payment of Tenant's Projected Share of Taxes is due, less (b) the aggregate amount of Tenant's Projected Share of Taxes (if any) previously paid by Tenant during such period.

C. If the real estate tax fiscal year of the City of New York shall be changed at any time after the date hereof, any Taxes for such fiscal year, a part of which is included within a particular Tax Year and a part of which is not so included, shall be apportioned on the basis of the number of days in such fiscal year included in the particular Tax Year for the purpose of making the computations under this Section 7.02.

D. Only Landlord shall be eligible to institute tax reduction or other proceedings to reduce the assessed valuation of the Real Property. If Landlord shall receive a refund of Taxes for any Tax Year, Landlord shall either pay to Tenant, or, at Landlord's election, credit against subsequent payments under this Section 7.02 or Section 7.03, an amount equal to Tenant's Proportionate Share of the refund, but which amount shall not exceed Tenant's Tax Payment paid for such Tax Year. Nothing herein shall obligate Landlord to file any application or institute any proceeding seeking a reduction in Taxes or assessed valuation.

E. Tenant's Tax Payment and any credits with respect thereto as provided in this Section 7.02 shall be made as provided in this Section 7.02 regardless of the fact that Tenant may be exempt, in whole or in part, from the payment of any taxes by reason of Tenant's diplomatic or other tax exempt status or for any other reason whatsoever.

F. Tenant shall pay to Landlord upon demand as Additional Rent any occupancy tax or rent tax now in effect or hereafter enacted, if payable by Landlord in the first instance or hereafter required to be paid by Landlord.

G. If the Commencement Date or the Expiration Date shall occur on a date other than July 1 or June 30, respectively, any Additional Rent under this Section 7.02 for the Tax Year in which such Commencement Date or Expiration Date shall occur shall be apportioned in that percentage which the number of days in the period from the Commencement Date to June 30 or from July 1 to the Expiration Date, as the case may be, both inclusive, shall bear to the total number of days in such Tax Year. In the event of a termination of this Lease, any Additional Rent under this Section 7.02 shall be paid or adjusted within 30 days after submission of Landlord's Statement. In no event shall Fixed Rent ever be reduced by operation of this Section 7.02 and the rights and obligations of Landlord and Tenant under the provisions of this Section 7.02 with respect to any Additional Rent shall survive the termination of this Lease.

H. Each Landlord's Statement furnished by Landlord with respect to Tenant's Tax Payment shall be accompanied by a copy of the real estate tax bill for the Tax Year referred to therein, but Landlord shall have no obligation to deliver more than one such copy of the real estate tax bill in respect of any Tax Year.

Section 7.03 A. Tenant shall pay as Additional Rent for each Escalation Year an amount ("Tenant's Operating Payment"), calculated as follows:

In the case of each Escalation Year a sum equal to Tenant's Proportionate Share of the amount by which Operating Expenses for such Escalation Year exceed the Base Operating Factor.

B. Landlord may furnish to Tenant, with respect to each Escalation Year, a written statement setting forth Landlord's estimate of Tenant's Operating Payment for such Escalation Year. Tenant shall pay to Landlord on the first day of each month during such Escalation Year an amount equal to one-twelfth of Landlord's estimate of Tenant's Operating Payment for such Escalation Year. If, however, Landlord shall furnish any such estimate for an Escalation Year subsequent to the commencement thereof, then (a) until the first day of the month following the month in which such estimate is furnished to Tenant, Tenant shall pay to Landlord on the first day of each month an amount equal to the monthly sum payable by Tenant to Landlord under this Section 7.03 in respect of the last month of the preceding Escalation Year; (b) promptly after such estimate is furnished to Tenant or together therewith, Landlord shall give notice to Tenant stating whether the installments of Tenant's Operating Payment previously made for such Escalation Year were greater or less than the installments of Tenant' s Operating Payment to be made for such Escalation Year in accordance with such estimate, and (i) if there shall be a deficiency, Tenant shall pay the amount thereof within 10 days after demand therefor, or (ii) if there shall have been an overpayment, Landlord shall either refund to Tenant the amount thereof or, at Landlord's election, credit the amount thereof against subsequent payments under this Section 7.03 or Section 7.02; and (c) on the first day of the month following the month in which such estimate is furnished to Tenant, and monthly thereafter throughout the remainder of such Escalation Year, Tenant shall pay to Landlord an amount equal to one-twelfth of Tenant's Operating Payment shown on such estimate. Landlord may at any time or from time to time (but not more than twice with respect to any Escalation Year) furnish to Tenant a revised statement of Landlord's estimate of Tenant's Operating Payment for such Escalation Year, and in such case, Tenant's Operating Payment for such Escalation Year shall be adjusted and paid or refunded, as the case may be, substantially in the same manner as provided in the preceding sentence.

C. After the end of each Escalation Year Landlord shall furnish to Tenant a Landlord's Statement for such Escalation Year. Each such year-end Landlord's Statement for any Escalation Year shall be accompanied by a computation of operating expenses for the Building prepared by an independent certified public accountant or independent managing agent designated by Landlord from which Landlord shall make the computation of Operating Expenses hereunder. In making computations of operating expenses, the certified public accountant or managing agent may rely on Landlord's estimates and allocations whenever said estimates and allocations are needed for this Article. If the Landlord's Statement shall show that the sums paid by Tenant under Section 7.03C exceeded Tenant's Operating Payment required to be paid by Tenant for such Escalation Year, Landlord shall either refund to Tenant the amount of such excess or, at Landlord's election, credit the amount of such excess against subsequent payments under this Section 7.03 or Section 7.02; and if the Landlord's Statement for such Escalation Year shall show that the sums so paid by Tenant were less than Tenant's Operating Payment paid by Tenant for such Escalation Year, Tenant shall pay the amount of such deficiency within 10 days after demand therefor.

D. If the Commencement Date or the Expiration Date shall occur on a date other than January 1 or December 31, respectively, any Additional Rent under this Section 7.03 for the Escalation Year in which such Commencement Date or Expiration Date shall occur shall be apportioned in that percentage which the number of days in the period from the Commencement Date to December 31 or from January 1 to the Expiration Date, as the case may be, both inclusive, shall bear to the total number of days in such Escalation Year. In the event of a termination of this Lease, any Additional Rent under this Article shall be paid or adjusted within 30 days after submission of a Landlord's Statement. In no event shall Fixed Rent ever be reduced by operation of this Section 7.03B and the rights and obligations of Landlord and Tenant under the provisions of this Article with respect to any Additional Rent shall survive the Expiration Date or sooner termination of this Lease.

Section 7.04 A. Landlord's failure to render Landlord's Statements with respect to any Tax Year or Escalation Year shall not prejudice Landlord's right to thereafter render a Landlord's Statement with respect thereto or with respect to any subsequent Tax Year or Escalation Year, nor shall the rendering of a Landlord's Statement prejudice Landlord's right to thereafter render a corrected Landlord's Statement for that Tax Year or Escalation Year, as the case may be, provided that the corrected Landlord's Statement for that Tax Year or Escalation Year is rendered within twelve (12) months of the original Landlord's Statement. Nothing herein contained shall restrict Landlord from issuing a Landlord's Statement at any time there is an increase in Taxes, or Operating Expenses during any Tax Year or Escalation Year or any time thereafter.

B. Each Landlord's Statement shall be conclusive and binding upon Tenant unless (a) within 90 days after receipt of such Landlord's Statement Tenant shall notify Landlord that it disputes the correctness of Landlord's Statement, specifying the particular respects in which Landlord's Statement is claimed to be incorrect and (b) if such dispute shall not be resolved within 90 days after the giving of such Landlord's Statement, Tenant shall, within 30 days after the expiration of such 90-day period, submit the dispute to arbitration pursuant to Article 28. Pending the determination of such dispute, Tenant shall pay Additional Rent in accordance with the applicable Landlord's Statement, without prejudice to Tenant's position. If such dispute is ultimately determined in Tenant's favor, Landlord shall promptly after such determination, upon demand, pay to Tenant any amount so overpaid by Tenant.

ARTICLE 8

Insurance

Section 8.01 A. Tenant at all times during the Lease Term shall, at its own expense, keep in full force and effect (A) commercial general liability insurance providing coverage against bodily injury and disease, including death resulting therefrom and property damage to a combined single limit of $1,000,000 to one or more than one person as the result of any one accident or occurrence, which shall include provision for contractual liability coverage insuring Tenant for the performance of its indemnity obligations set forth in this Article 8 and in Article 20 of this Lease, with an Excess Limits (Umbrella) Policy in the amount of $3,000,000, (B) worker's compensation insurance to the statutory limit, if any, and employer's liability insurance to the limit of $500,000 per occurrence, and (C) All Risk or Causes of Loss - Special Form property insurance, including fire and extended coverage, sprinkler leakage (including earthquake, sprinkler leakage), vandalism, malicious mischief, wind and/or hurricane coverage, covering full replacement value of all of Tenant's personal property, trade fixtures and improvements in the Premises. Landlord and its designated property management firm shall be named an additional insured on each of said policies (excluding the worker's compensation policy) and said policies shall be issued by an insurance company or companies authorized to do business in the State and which have policyholder ratings not lower than "A-" and financial ratings not lower than "VII" in Best's Insurance Guide (latest edition in effect as of the Effective Date and subsequently in effect as of the date of renewal of the required policies). EACH OF SAID POLICIES SHALL ALSO INCLUDE A WAIVER OF SUBROGATION PROVISION OR ENDORSEMENT IN FAVOR OF LANDLORD, AND AN ENDORSEMENT PROVIDING THAT LANDLORD SHALL RECEIVE THIRTY (30) DAYS PRIOR WRITTEN NOTICE OF ANY CANCELLATION OF, NONRENEWAL OF, REDUCTION OF COVERAGE OR MATERIAL CHANGE IN COVERAGE ON SAID POLICIES. Tenant hereby waives its right of recovery against any Landlord Party (as defined in Article 20) of any amounts paid by Tenant or on Tenant's behalf to satisfy applicable worker's compensation laws. The policies or duly executed certificates showing the material terms for the same, together with satisfactory evidence of the payment of the premiums therefor, shall be deposited with Landlord on the date Tenant first occupies the Premises and upon renewals of such policies not less than fifteen (15) days prior to the expiration of the term of such coverage. If certificates are supplied rather than the policies themselves, Tenant shall allow Landlord, at all reasonable times, to inspect the policies of insurance required herein.

B. It is expressly understood and agreed that the coverages required represent Landlord's minimum requirements and such are not to be construed to void or limit Tenant's obligations contained in this Lease, including without limitation Tenant's indemnity obligations hereunder. Neither shall (A) the insolvency, bankruptcy or failure of any insurance company carrying Tenant, (B) the failure of any insurance company to pay claims occurring nor (C) any exclusion from or insufficiency of coverage be held to affect, negate or waive any of Tenant's indemnity obligations under this Article 8 or any other provision of this Lease. With respect to insurance coverages, except worker's compensation, maintained hereunder by Tenant and insurance coverages separately obtained by Landlord, all insurance coverages afforded by policies of insurance maintained by Tenant shall be primary insurance as such coverages apply to Landlord, and such insurance coverages separately maintained by Landlord shall be excess, and Tenant shall have its insurance policies so endorsed. The amount of liability insurance under insurance policies maintained by Tenant shall not be reduced by the existence of insurance coverage under policies separately maintained by Landlord. Tenant shall be solely responsible for any premiums, assessments, penalties, deductible assumptions, retentions, audits, retrospective adjustments or any other kind of payment due under its policies. Tenant shall increase the amounts of insurance or the insurance coverages as Landlord may reasonably request from time to time, but not in excess of the requirements of prudent landlords or lenders for similar tenants occupying similar premises in the New York metropolitan area.

C. Tenant's occupancy of the Premises without delivering the certificates of insurance shall not constitute a waiver of Tenant's obligations to provide the required coverages. If Tenant provides to Landlord a certificate that does not evidence the coverages required herein, or that is faulty in any respect, such shall not constitute a waiver of Tenant's obligations to provide the proper insurance

D. Throughout the Lease Term, Landlord agrees to maintain (i) fire and extended coverage insurance, and, at Landlord's option, earthquake damage coverage, terrorism coverage, wind and hurricane coverage, and such additional property insurance coverage as Landlord deems appropriate, on the insurable portions of Building in an amount not less than the fair replacement value thereof, subject to reasonable deductibles (ii) boiler and machinery insurance amounts and with deductibles that would be considered standard for similar class office building in the metropolitan area in which the Premises is located, and (iii) commercial general liability insurance with a combined single limit coverage of at least $1,000,000.00 per occurrence. All such insurance shall be obtained from insurers Landlord reasonably believes to be financially responsible in light of the risks being insured. The premiums for any such insurance shall be a part of Operating Expenses.

E. If, by reason of any failure of Tenant to comply with the provisions of this Lease, the rate of fire, boiler, sprinkler, water damage or other insurance (with extended coverage) on the Building or on the property and equipment of Landlord or any other tenant or subtenant in the Building shall be higher than it otherwise would be, Tenant shall reimburse Landlord and the other tenants in the Building for that part of the fire, boiler, sprinkler, water damage or other insurance premiums thereafter paid by Landlord which shall have been charged because of such failure by Tenant and Tenant shall make the reimbursement on the first day of the month following such payment by Landlord. If Tenant shall fail to make such reimbursement when billed for the same, Landlord may treat the same as a default in the payment of rental and shall also be entitled to interest on the unpaid sum at the then Default Rate until such sum shall be fully paid to Landlord. In any action or proceeding wherein Landlord and Tenant are parties, a schedule or "make up" of rates for the Building or Premises issued by the New York Fire Insurance Exchange or other body making fire insurance rates for the Premises, shall be conclusive evidence of the facts therein stated and of the several items and charges in the fire insurance rate then applicable to said Building or Premises.

Section 8.02 Mutual Waivers of Recovery. Landlord, Tenant, and all parties claiming under them, each mutually release and discharge each other from responsibility for that portion of any loss or damage paid or reimbursed by an insurer of Landlord or Tenant under any fire, extended coverage or other property insurance policy maintained by Tenant with respect to its Premises or by Landlord with respect to the Building (or which would have been paid had the insurance required to be maintained hereunder been in full force and effect), no matter how caused, including negligence, and each waives any right of recovery from the other including, but not limited to, claims for contribution or indemnity, which might otherwise exist on account thereof. Any fire, extended coverage or property insurance policy maintained by Tenant with respect to the Premises, or Landlord with respect to the Building, shall contain, in the case of Tenant's policies, a waiver of subrogation provision or endorsement in favor of Landlord, and in the case of Landlord's policies, a waiver of subrogation provision or endorsement in favor of Tenant, or, in the event that such insurers cannot or shall not include or attach such waiver of subrogation provision or endorsement, Tenant and Landlord shall obtain the approval and consent of their respective insurers, in writing, to the terms of this Lease. Tenant agrees to indemnify, protect, defend and hold harmless each and all of the Landlord Parties from and against any claim, suit or cause of action asserted or brought by Tenant's insurers for, on behalf of, or in the name of Tenant, including, but not limited to, claims for contribution, indemnity or subrogation, brought in contravention of this paragraph. The mutual releases, discharges and waivers contained in this provision shall apply EVEN IF THE LOSS OR DAMAGE TO WHICH THIS PROVISION APPLIES IS CAUSED SOLELY OR IN PART BY THE NEGLIGENCE OF LANDLORD OR TENANT.

Section 8.03 Business Interruption. Landlord shall not be responsible for, and Tenant releases and discharges Landlord from, and Tenant further waives any right of recovery from Landlord for, any loss for or from business interruption or loss of use of the Premises suffered by Tenant in connection with Tenant's use or occupancy of the Premises, EVEN IF SUCH LOSS IS CAUSED SOLELY OR IN PART BY THE NEGLIGENCE OF LANDLORD.

Section 8.04 Adjustment of Claims. Tenant shall cooperate with Landlord and Landlord's insurers in the adjustment of any insurance claim pertaining to the Building or Landlord's use thereof.

Section 8.05 Increase in Landlord's Insurance Costs. Tenant agrees to pay to Landlord any increase in premiums for Landlord's insurance policies primarily and directly resulting from Tenant's use or occupancy of the Premises.

Section 8.06 Failure to Maintain Insurance. Any failure of Tenant to obtain and maintain the insurance policies and coverages required hereunder or failure by Tenant to meet any of the insurance requirements of this Lease shall constitute an event of default hereunder, and such failure shall entitle Landlord to pursue, exercise or obtain any of the remedies provided for in Article 17, and Tenant shall be solely responsible for any loss suffered by Landlord as a result of such failure. In the event of failure by Tenant to maintain the insurance policies and coverages required by this Lease or to meet any of the insurance requirements of this Lease, Landlord, at its option, and without relieving Tenant of its obligations hereunder, may obtain said insurance policies and coverages or perform any other insurance obligation of Tenant, but all costs and expenses incurred by Landlord in obtaining such insurance or performing Tenant's insurance obligations shall be reimbursed by Tenant to Landlord, together with interest on same from the date any such cost or expense was paid by Landlord until reimbursed by Tenant, at the rate of interest provided to be paid on judgments, by the law of the jurisdiction to which the interpretation of this Lease is subject.

ARTICLE 9

Compliance with Laws/Environmental Compliance

Section 9.01 A. Tenant shall give prompt notice to Landlord of any notice it receives of the violation of any law or requirement of public authority, and Tenant, at its expense, shall comply with all laws and requirements of public authorities which shall, with respect to the Premises or the use and occupation thereof, or the abatement of any nuisance, impose any violation, order or duty on Landlord or Tenant, arising from (i) Tenant's use of the Premises, (ii) the manner of conduct of Tenant's business or operation of its installations, equipment or other property therein, (iii) any cause or condition created by or at the instance of Tenant, other than by Landlord's performance of any work for or on behalf of Tenant, or (iv) breach of any of Tenant's obligations hereunder. However, Tenant shall not be so required to make any structural or other substantial change in the Premises unless the requirement arises from a cause or condition referred to in clause (ii), (iii) or (iv) above. Furthermore, Tenant need not comply with any such law or requirement of public authority so long as Tenant shall be contesting the validity thereof, or the applicability thereof to the Premises, in accordance with Section 9.02. Landlord, at its expense, shall comply with all other such laws and requirements of public authorities as shall affect the Premises, but may similarly contest the same subject to conditions reciprocal to Subsections (a), (b) and (d) of Section 9.02.

B. If in any Escalation Year, all or any portion of which shall be within the Term, Landlord shall incur any expenditure in respect of the Real Property for capital improvements or capital equipment by reason of Legal Requirements or Insurance Requirements or which under generally accepted real estate practice would be expensed or regarded as deferred expenses, Tenant shall reimburse Landlord, on demand, for Tenant's Proportionate Share of the annual amortization (reasonably determined by Landlord on a straight-line basis over an appropriate period not to exceed 10 years, with interest calculated at an annual rate of 1% above the prime rate at the time of Landlord's having made such expenditures) of such expenditures; provided, however, that in the event Landlord receives an exemption or abatement of Taxes by reason of any such capital improvement or capital equipment (other than an exemption, abatement or credit which is the result of the application of Section 38 of the Internal Revenue Code, as amended, or any similar provision of Federal or New York law), the cost of such capital improvement or capital equipment shall be reduced by the amount of such exemption or abatement.

Section 9.02 Tenant may, at its expense (and if necessary, in the name of but without expense to Landlord) contest, by appropriate proceedings prosecuted diligently and in good faith, the validity, or applicability to the Premises, of any law or requirement of public authority, and Landlord shall cooperate with Tenant in such proceedings, provided that:

(a) Landlord shall not be subject to criminal penalty or to prosecution for a crime nor shall the Premises or any part thereof be subject to being condemned or vacated, by reason of non-compliance or otherwise by reason of such contest;

(b) Tenant shall defend, indemnify and hold harmless Landlord against all liability, loss or damage which Landlord shall suffer by reason of such non-compliance or contest, including reasonable attorney's fees and other expenses reasonably incurred by Landlord;

(c) Such non-compliance or contest shall not constitute or result in any violation of any superior lease or superior mortgage, or if such superior lease and/or superior mortgage shall permit such non-compliance or contest on condition of such taking of action or furnishing of security by Landlord, such action shall be taken and such security shall be furnished at the expense of Tenant; and

(d) Tenant shall keep Landlord advised as to the status of such proceedings. Without limiting the application of Subsection (a) above thereto, Landlord shall be deemed subject to prosecution for a crime within the meaning of said Subsection, if Landlord, or any officer of Landlord individually, is charged with a crime of any kind or degree whatever, whether by service of a summons or otherwise, unless such charge is withdrawn before Landlord or such officer (as the case may be) is required to plead or answer thereto.

Section 9.03 A. Tenant shall comply with all federal, state and local environmental protection and regulatory laws applicable to the Premises.

Tenant shall not use, generate, manufacture, store or dispose of any hazardous substance on, under or about the Premises or the Building nor transport any hazardous substance thereto. Tenant shall immediately advise the Landlord, in writing of any and all enforcement, clean-up, remediation, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any applicable laws relating to any hazardous substances; and all claims made or threatened by any person (including a governmental authority) against the Premises, Tenant or Landlord relating to any damage, injury, costs, remedial action or cost recovery compensation arising out of or due to the existence of any hazardous substance in or about the Premises or the Building.

B. Tenant shall defend, indemnify and hold Landlord harmless from and against all actions, causes of action, claims, lawsuits, administrative proceedings, hearings, judgments, awards, fines, penalties, costs (including legal, engineers', experts', investigatory and consulting fees), damages, remediation activities and clean-up costs, liens, and all other liabilities incurred by Landlord whenever incurred, arising out of any Tenant's act or failure to act directly resulting in (i) the existence or presence (or alleged existence or presence) on or about the Building of any hazardous substance or the release of any hazardous substance into the environment; (ii) any personal injury or property damage resulting from any hazardous substance in or about the Building; (iii) the violation of any federal, state or municipal environmental protection or regulatory law; or (iv) the commencement or prosecution by any governmental authority or private person or entity of any judicial or administrative procedure arising out of any claims under any federal, state or municipal environmental protection or regulatory law or common law cause of action in which Landlord is named a party or in which it may intervene. The obligations of Tenant under this paragraph B shall survive the expiration or earlier termination of the term hereof.

“Hazardous substance” means any hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986; hazardous waste as defined in the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901 et seq., as any of the foregoing may be amended or superseded; oil; petroleum product, derivative, compound or mixture; mineral, including asbestos; chemical; gas; medical waste; polychlorinated biphenyls (pcb's); methane; radon; radioactive material; volatile hydrocarbons; or other material, whether naturally occurring, man-made or the by-product of any process, which is toxic, harmful or hazardous or acutely hazardous to the environment or public health or safety; or any other substance the existence of which on or at any property would be the basis for a claim for damages, clean-up costs or remediation costs, fine, penalty or lien under any federal, state or municipal environmental protection or regulatory law or applicable common law.

ARTICLE 10

Improvements; Tenant's Property

Section 10.01 Upon and subject to the terms of this Article, Tenant, at any time and from time to time during the Term, at its sole cost and expense, may make Improvements in and to the Premises, excluding structural changes, provided:

(a) The Improvements will not result in a violation of or require a change in any certificate of occupancy applicable to the Premises or to the Building;

(b) The outside appearance, usefulness or rentability of the Building or any part thereof shall not be affected in any way;

(c) No part of the Building outside of the Premises shall be physically affected;

(d) The proper or economical functioning of the Building Equipment shall not be adversely affected;

(e) In performing the work involved in making such Improvements, Tenant shall be bound by and observe all of the terms of this Article;

(f) Tenant shall not use the elevators during business hours on business days for haulage or removal of materials or debris;

(g) Before proceeding with any Improvements, Tenant shall submit to Landlord plans and specifications and all changes and revisions thereto, for the work to be done for Landlord's approval and Tenant shall, upon demand of Landlord, pay to Landlord the reasonable professional fees incurred by Landlord for the review of such plans and specifications and all changes and revisions thereto by its architect, engineer and other consultants. Landlord may as a condition of its approval require Tenant to make revisions in and to the plans and specifications and to post a bond or other security reasonably satisfactory to Landlord to insure the completion of such change;

(h) Tenant shall not be permitted to install and make part of the Premises any materials, fixtures or articles which are subject to liens, conditional sales contracts, chattel mortgages or security interests (as such term is defined in the Uniform Commercial Code as in effect in New York at the time of the making of the Improvement);

(i) No Improvements estimated to cost more than $50,000 (as estimated by Landlord's architect or licensed professional engineer or general contractor) shall be undertaken (i) except under the supervision of a licensed architect or licensed professional engineer reasonably satisfactory to Landlord, (ii) except after at least 30 days' prior notice to Landlord and (iii) prior to Tenant delivering to Landlord either (y) a performance bond and a labor and materials payment bond (issued by a surety company satisfactory to Landlord and licensed to do business in New York State) or (z) such other security as shall be satisfactory to Landlord;

(j) The sprinkler system design is not thereby modified, altered or changed;

(k) Tenant shall not (i) attach or affix any screws or fasteners to the exterior curtainwall of the Building or (ii) install, without the written consent of Landlord, any materials that will come in contact with the exterior curtainwall of the Building; and

(l) Upon termination of this Lease, Tenant shall, on Landlord's request, restore the Premises to their condition prior to the making of any Improvements by Tenant, reasonable wear and tear and damage insured by casualty excepted.

Section 10.02 All Improvements shall at all times comply with all Legal Requirements and Insurance Requirements and all Rules and Regulations (including any Landlord may adopt with respect to the making of Improvements) and shall be made at such times and in such manner as Landlord may from time to time reasonably designate. Tenant, at its expense, shall (a) obtain all necessary municipal and other governmental permits, authorizations, approvals and certificates for the commencement and prosecution of such improvements and for final approval thereof upon completion, (b) deliver copies thereof to Landlord and (c) cause all Improvements to be performed in a good and first-class workmanlike manner, using materials and equipment at least equal in quality to the original installations of the Building or the then standards for the Building established by Landlord. Improvements shall be promptly commenced and completed and shall be performed in such manner so as not to interfere with the occupancy of any other tenant nor delay or impose any additional expense upon Landlord in the construction, maintenance, cleaning, repair, safety, management, security or operation of the Building or the Building Equipment; and if any such additional expense shall be incurred by Landlord as a result of Tenant's performance of any Improvements, Tenant shall pay such additional expense as Additional Rent upon demand. Tenant shall furnish Landlord with satisfactory evidence that the insurance required during the performance of the Improvements pursuant to Article 8 is in effect at or before the commencement of the Improvements and, on request, at reasonable intervals thereafter. No Improvements shall involve the removal of any fixtures, equipment or other property in the Premises which are not Tenant's Property without Landlord's prior consent and unless they shall be promptly replaced, at Tenant's expense and free of superior title, liens, security interests and claims, with fixtures, equipment or other property, as the case may be, of like utility and at least equal value, unless Landlord shall otherwise consent. In addition to the foregoing, all Improvements shall be performed in compliance with all applicable provisions of this Lease, all building regulations and with all applicable laws, ordinances, directions, rules and regulations of governmental authorities having jurisdiction, including, without limitation, the Americans with Disabilities Act of 1990, as amended, New York City Local Law No. 5/73 and New York City Local Law No. 58/87 and similar present or future laws, and regulations issued pursuant thereto, and also New York City Local Law No. 76 and similar present or future laws, and regulations issued pursuant thereto, on abatement, storage, transportation and disposal of asbestos, which work, if required, shall be effected at Tenant's sole cost and expense, by contractors and consultants approved by Landlord and in strict compliance with the aforesaid rules and regulations and with Landlord's rules and regulations thereon. Within thirty (30) days after final completion of any Improvement, Tenant shall deliver to the Landlord final record drawings of the Improvement including, as may be pertinent to the work performed, a reflected ceiling plan, mechanical and electrical drawings, partition plan and any other drawings which may be required to indicate accurately the layout and systems of the Premises. Tenant shall require its architect to load and maintain such record plans on a CADD system.

Section 10.03 Tenant, at its expense, shall promptly procure the cancellation or discharge of all notices of violation arising from or otherwise connected with Improvements which shall be issued by any public authority having or asserting jurisdiction.

Section 10.04 Tenant shall promptly pay the cost of all Improvements. Tenant hereby indemnifies Landlord against liability for any and all mechanic's and other liens filed in connection with any Improvements or repairs. Tenant, at its expense, shall procure the discharge of all such liens within 10 days after the filing of any such lien against the Premises or the Real Property. If Tenant shall fail to cause any such lien to be discharged within the period aforesaid, then, in addition to any other right or remedy, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by deposit or bonding proceedings, and in any such event Landlord shall be entitled, if it elects, to compel the prosecution of an action for the foreclosure of such lien and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Landlord, and all costs and expenses incurred by Landlord in connection therewith, shall constitute Additional Rent and shall be paid by Tenant to Landlord on demand.

Section 10.05 Only contractors reasonably approved by Landlord shall be permitted to act as a contractor for any work to be performed in accordance with this Article.

Section 10.06 Tenant agrees that it will not at any time prior to or during the Term, either directly or indirectly, employ or permit the employment of any contractor, mechanic or laborer, or permit any materials in the Premises, if the use of such contractor, mechanic or laborer or such materials would, in Landlord's reasonable opinion, create any difficulty, strike or jurisdictional dispute with other contractors, mechanics or laborers engaged by Tenant or Landlord or others, or would in any way disturb the construction, maintenance, cleaning, repair, management, security or operation of the Building or any part thereof. In the event of any interference or conflict, Tenant, upon demand of Landlord, shall cause all contractors, mechanics or laborers, or all materials causing such interference, difficulty or conflict, to leave or be removed from the Building immediately.

Section 10.07 All fixtures, equipment, improvements and appurtenances attached to, or built into, the Premises at the commencement of or during the Term (collectively "Fixtures"), whether or not at the expense of Tenant, shall be surrendered to Landlord upon the termination of this Lease except as otherwise expressly provided in this Lease; provided, however, that any Fixtures attached to, or built into, the Premises at the expense of Tenant shall be and remain the property of Tenant during the Term and any Fixtures attached to, or built into, the Premises at the expense of Landlord shall be and remain the property of Landlord during the Term. The Fixtures shall include all electrical, plumbing, heating and sprinkling equipment, fixtures, outlets, venetian blinds, partitions, railways, gates, doors, vaults, paneling, molding, shelving, radiator enclosures, cork, rubber, linoleum and composition floors, ventilating, silencing, air conditioning and cooling equipment, and all fixtures, equipment, improvements and appurtenances of a similar nature or purpose whether or not attached to or built into the Premises.

Section 10.08 No approval of plans or specifications by Landlord or consent by Landlord allowing Tenant to make Improvements in the Premises shall in any way be deemed to be an agreement by Landlord that the contemplated Improvements comply with any Legal Requirements or Insurance Requirements or the certificate of occupancy for the Building nor shall it be deemed to be a waiver by Landlord of the compliance by Tenant with any of the terms of this Lease. Notice is hereby given that neither Landlord, Landlord's agents, the Superior Lessor, the Superior Mortgagee nor the Fee Mortgagee shall be liable for any labor or materials furnished or to be furnished to Tenant upon credit, and that no mechanic's or other lien for such labor or materials shall attach to or affect any estate or interest of Landlord or the Superior Lessor, Superior Mortgagee or Fee Mortgagee in and to the Premises or the Real Property.

ARTICLE 11

Repairs

Section 11.01 Tenant, at its sole cost and expense, shall take good care of the Premises and Building Equipment therein and Tenant's Property and the Fixtures. Tenant, at its sole cost and expense, shall make and be responsible for all repairs, interior or exterior, structural and otherwise, ordinary or extraordinary as and when needed to preserve the Premises and the Building Equipment therein and Tenant's Property and the Fixtures in good working order and condition, the need for which arises primarily and directly out of (a) the installation, use, existence or operation of Improvements, Tenant's Property or Fixtures, (b) the moving of Tenant's Property or Fixtures in or out of the Building or the Premises, (c) the acts, omissions, negligence or misuse of Tenant or any of its subtenants or any of its or their employees, agents, contractors, Licensees or invitees or their use or occupancy or manner of use or occupancy of the Premises otherwise than in accordance with the terms of this Lease (except fire or other casualty caused by Tenant's negligence, if the fire or other casualty insurance policies insuring Landlord are not invalidated and the rights of Landlord are not adversely affected by this provision) or (d) pursuant to the provisions of Section 9.01A, provided, however, that Landlord, at its option, may make any of the foregoing repairs (other than repairs to Tenant's Property) and in such event, Tenant shall pay to Landlord the cost thereof, as Additional Rent, on demand. In no event shall Tenant be required to make, be responsible for or pay for any repairs which are required as a result of the acts, omissions, negligence or willful misconduct of Landlord, its agents, other tenants, contractors or employees. Tenant, at its sole cost and expense, shall promptly replace scratched, damaged or broken doors and glass in and about the Premises and shall be responsible for all repairs and maintenance of wall and floor coverings in the Premises. Tenant shall promptly make, at its sole cost and expense, all repairs in or to the Premises for which it is primarily and directly responsible. If the Premises shall include any space on any ground, street, mezzanine or basement floor in the Building, Tenant, at its sole cost and expense, shall make all necessary repairs to all windows and other glass in, on or about such space and put, keep and maintain all portions of the Premises and any sidewalks, curbs, entranceways, passageways and vaults adjoining and/or appurtenant to the Premises in clean and orderly condition, free of dirt, rubbish, snow, ice and other accumulations and unlawful obstructions. All repairs made by or on behalf of Tenant or any person claiming through or under Tenant shall be made and performed in conformity with the provisions of Article 10, and shall be at least equal in quality and class to the original work or installation or the then standards for the Building established by Landlord.

Section 11.02 Landlord shall operate the Building as a first-class office building with retail stores. Landlord shall, at its expense, make or cause to be made all necessary repairs to keep the Building in good order and repair excluding, however, (a) repairs of Tenant's Property or Improvements not occasioned by Landlord's acts, omissions, negligence or willful misconduct and (b) repairs which Tenant is obligated to make pursuant to Section 11.01 and the other terms of this Lease. Landlord shall, at Tenant's sole cost and expense, perform all maintenance and make all necessary repairs to the air conditioning equipment and any security systems or devices which may be installed in the Premises by Landlord, Tenant or others, except the building standard air conditioning system which (except as otherwise provided in Section 11.01) shall be maintained and repaired at Landlord's sole cost and expense. Nothing contained in this Section shall require Landlord to paint the Premises. No liability of Landlord to Tenant shall, however, accrue under this Section unless and until Tenant has given notice to Landlord of the specific repair required to be made, or of the failure properly to furnish any service.

Section 11.03 Tenant recognizes and acknowledges that the operation of the Building Equipment may cause vibration, noise, heat or cold which may be transmitted throughout the Premises. Landlord shall have no obligation to endeavor to reduce such vibration, noise, heat or cold beyond what is prevalent in the Building.

ARTICLE 12

Heating, Ventilation and Air Conditioning

Section 12.01 Landlord, at Landlord's expense (except as may be set forth in Article 13), shall furnish and distribute to the Premises, through the Building heating, ventilating and air conditioning systems, heat, ventilating and air conditioning, as may be required for reasonably comfortable occupancy of the Premises from 8:00 A.M. to 6:00 P.M. ("business hours") on business days. Business days as used in this Lease shall mean all days except Saturdays, Sundays and the days observed by the Federal or the New York State or City governments as legal holidays and such other days as shall be designated as holidays by the applicable operating engineers union or building service employees union contract. Landlord and Tenant further agree to operate the heating, ventilating and air conditioning equipment in accordance with their design criteria unless a recognized energy or water conservation program, guidelines, regulations or recommendations promulgated by any Federal, State, City or other governmental or quasi-governmental bureau, board, department, agency, office, commission or other subdivision thereof or the American Society of Heating, Refrigeration and Air-Conditioning Engineers, Inc. or any successor thereto or other organization serving a similar function shall provide for any reduction in operations below said criteria in which case such equipment shall be operated so as to provide reduced service in accordance with such program, guidelines, regulations or recommendations.

Section 12.02 If Tenant shall require heating, ventilating or air conditioning service at any time other than during business hours on business days ("after hours"), Landlord shall furnish the same upon advance notice from Tenant given prior to 2:00 P.M. on the last business day to occur prior to such non-business day, and Tenant shall pay Landlord's then established charges therefor as Additional Rent on demand.

Section 12.03 Tenant acknowledges that the Building has windows capable of being opened. However, Tenant covenants that no one shall open said windows, nor shall Tenant permit the opening of said windows at any time by anyone for any reason, except in full compliance with the provisions of Section 37.01 of this Lease. As a result of the foregoing, Tenant acknowledges that the Premises may become uninhabitable during hours or days when Landlord is not required to furnish heat, ventilation or air conditioning pursuant to this Article 12. Any use or occupancy of the Premises during such hours or days when Landlord is not so required to furnish heating, ventilating or air conditioning shall be at the sole risk, responsibility and hazard of Tenant. Landlord shall have no liability to Tenant with respect to such condition of the Premises. In addition, Landlord shall not be responsible if the normal operation of the Building heating or ventilating system or the air conditioning system serving the Premises shall fail to provide such service in accordance with the requirements of this Lease in any portions of the Premises (a) which shall have an electrical load in excess of 3-1/2 watts per square foot of usable area for all purposes (including lighting and power), or which shall have a human occupancy factor in excess of one person per 100 square feet of usable area, or (b) because of any rearrangement of partitioning or other improvements. Tenant shall cooperate fully with Landlord at all times and abide by all regulations and requirements which Landlord may reasonably prescribe for the proper functioning and protection of the heating, ventilating and air conditioning systems.

ARTICLE 13

Electricity

Section 13.01 Landlord has installed in the Building and the Premises such electrical risers, feeders and wiring as shall be necessary to permit Tenant to receive electrical energy for (a) Tenant's reasonable use of normal office equipment and such lighting, electrical appliances and other machines and equipment as Landlord may reasonably permit to be installed in the Premises and (b) the operation of the heating, ventilating and air conditioning system serving the Premises. Landlord has installed, at Landlord's expense, a meter for the purpose of measuring electrical consumption on the fifteenth (15^{th}) floor of the Building ("Tenant's Floor"). Landlord shall maintain, service, repair and, if necessary, replace such meter. Tenant, upon demand by Landlord, shall pay to Landlord, as Additional Rent, an amount equal to 25.92% of the costs incurred by Landlord in connection with such maintenance, service, repair and replacement. Following the Commencement Date, Landlord shall have the right to cause an electrical engineer or a utility consultant selected by Landlord to make a survey of Tenant's connected power load and the connected power load of that portion of the rentable area of the Tenant's Floor not included within the Premises. Landlord, at Landlord's option, shall have the right, at any time and from time to time during the Term, to cause similar surveys to be made. The term "Tenant's Share" shall mean 25.92% or that percentage equal to Tenant's percentage of the aggregate of the connected power load for the entire rentable area of the Tenant's Floor as determined from time to time pursuant hereto, plus 5% of Tenant’s Share for Landlord administrative and overhead charges. The findings of Landlord's engineer or consultant shall be binding on Landlord and Tenant, subject to adjustment as hereinafter provided. Promptly after receipt by Landlord of a bill from the public utility company furnishing electrical energy to the Tenant's Floor, Landlord shall furnish to Tenant a copy thereof together with a request for payment to Landlord by Tenant of Tenant's Share of such bill. Tenant shall promptly pay to Landlord, as Additional Rent, Tenant's Share of such bill. In the event Tenant shall dispute any findings of the engineer or consultant designated by Landlord, Tenant may, within thirty (30) days of receiving notice of such findings, designate by notice to Landlord an independent electrical engineer or utility consultant to make, at Tenant's sole cost and expense, another determination of Tenant's connected power load. If the engineer or consultant selected by Tenant shall determine that Tenant's connected power load is less than as determined by Landlord's engineer or consultant and the two are unable to adjust such difference within twenty (20) days after the determination made by Tenant's engineer or consultant is delivered to Landlord, the dispute shall be resolved by arbitration in accordance with Article 28. Pending a final determination pursuant to such arbitration, however, Tenant shall pay Landlord for such electrical energy based on the determination of Landlord's engineer or consultant' and, if it is determined that Tenant has overpaid, Landlord shall reimburse Tenant for any overpayment at the conclusion of such arbitration. In any such arbitration, the arbitrator to be appointed shall be an electrical engineer having at least five (5) years' experience in similar matters in New York City. Landlord will permit electrical risers, feeders and wiring in the Building serving the Premises to be used by Tenant to the extent that they are available, suitable, safe and within the plan and design capacities for the Building.

Section 13.02 Tenant shall not, without the prior consent of Landlord, make or perform or permit any alteration to wiring installations or other electrical facilities in or serving the Premises or any additions to the electrical fixtures, business machines or office equipment or appliances (other than typewriters and similar low energy consuming office machines) in the Premises which utilize electrical energy. Should Landlord grant such consent, all additional risers or other equipment required therefor shall be provided by Landlord and the cost thereof shall be paid by Tenant within 10 days after being billed therefor, provided that Landlord shall not be obligated to consent to any such alteration or installation if, in Landlord's judgment, the same or will cause permanent damage or injury to the Building or the Premises or will cause or create a hazardous condition or entail excessive or unreasonable alterations, repairs or expense or interfere with or disturb other tenants. Rigid conduit only will be allowed or such other wiring or conduit which will not violate any applicable Legal Requirements.

Section 13.03 Landlord shall have no liability to Tenant for any loss, damage or expense which Tenant may sustain or incur by reason of any change, failure, inadequacy or defect in the supply or character of the electrical energy furnished to the Premises or if the quantity or character of the electrical energy is no longer available or suitable for Tenant's requirements except for any actual damage suffered by Tenant by reason of any such failure, inadequacy or defect caused by Landlord's negligence, and then only after actual notice as provided in Section 11.02.

Section 13.04 Landlord shall furnish and install all lighting, tubes, lamps, starters, bulbs and ballasts required in the Premises and Tenant shall pay to Landlord or its designated contractor the then established charges therefor as Additional Rent on demand, except that any such items installed at the commencement of the Term for building standard fixtures shall be at Landlord's sole cost and expense.

Section 13.05 If pursuant to a Legal Requirement or the policies of the public utility company servicing the Building, Tenant is no longer permitted to obtain electrical energy in the manner provided in Section 13.01, Landlord will furnish electrical energy to the Premises either, at Landlord's option, on a submetering basis or a rent inclusion basis. Landlord shall give Tenant notice at least 30 days prior to the date on which Landlord shall commence furnishing electrical energy to the Premises (unless such notice is not feasible under the circumstances, in which event Landlord will give Tenant such reasonable notice as is possible), which notice will set forth the method chosen by Landlord for furnishing electrical energy to the Premises and the terms on which Landlord will so furnish electrical energy.

ARTICLE 14

Cleaning and Other Services

Section 14.01 A. Provided this Lease is then in full force and effect, without any defaults by Tenant hereunder Landlord, at its expense, shall cause the Premises, including the windows thereof (subject to Tenant maintaining unrestricted access to such windows), but excluding any portions of the Premises used for the storage, preparation, service or consumption of food or beverages, to be cleaned, substantially in accordance with the standard set forth in Exhibit D. Tenant shall pay to Landlord as Additional Rent on demand Landlord's charges for (a) cleaning work in the Premises or the Building required because of (i) misuse or neglect on the part of Tenant or its agents, employees, contractors, licensees or invitees, (ii) use of portions of the Premises for the storage, preparation, or consumption of food or beverages, reproduction, data processing or computer operations, private lavatories or toilets or other special purposes requiring greater or more difficult cleaning work than office areas, (iii) interior glass surfaces, (iv) non-Building Standard materials or finishes installed by Tenant or at its request, (v) increases in frequency or scope in any of the items set forth in Exhibit Das shall have been requested by Tenant, and (b) removal from the Premises and the Building of (i) so much refuse and rubbish of Tenant as shall exceed that normally accumulated in the daily routine of ordinary business office occupancy, and (ii) all of the refuse and rubbish of Tenant's machines and of any eating facilities requiring special handling and (c) material additional cleaning work in the Premises or the Building required because of the use of the Premises by Tenant after hours. Landlord and its cleaning contractor and their employees shall have access to the Premises at all times except between 8:00 A.M. and 5:30 P.M. on business days and, to the extent that it will not unreasonably interfere with the operation of Tenant's business, during business hours. Landlord and its cleaning contractor and their employees shall have the use of the Tenant's light, power and water in the Premises, without charge therefor, as may be reasonably required for the purpose of cleaning the Premises. If Tenant is permitted hereunder to and does have a separate area for the storage, preparation, service or consumption of food or beverages in the Premises, Tenant, at its sole cost and expense, shall cause all portions of the Premises so used to be cleaned periodically in a manner reasonably satisfactory to Landlord and to be exterminated regularly and, in addition, whenever there shall be evidence of any infestation.

B. The cleaning services to be furnished by Landlord pursuant to this Section may be furnished by a contractor or contractors employed by Landlord and Tenant agrees that Landlord shall not be deemed in default of any of its obligations under this Section unless such default shall continue for an unreasonable period of time after notice from Tenant to Landlord setting forth the specific nature of such default.

Section 14.02 Landlord, at Landlord's expense, shall furnish necessary elevator service on business days during business hours and shall have an elevator subject to call at all other times. Landlord shall not be required to furnish any operator service for automatic elevators. If Landlord shall, at any time, elect to furnish operator service for any automatic elevators, Landlord shall have the right to discontinue furnishing such service. In the event Tenant shall require the use of the Building's elevators for purposes not otherwise supplied by Landlord or after hours, Landlord shall provide a service elevator or passenger elevator, as the case may be, for the use of Tenant, provided that Tenant gives Landlord reasonable notice of the time and use of such elevators to be made by Tenant and Tenant pays Landlord's usual and reasonable charges for the use thereof as Additional Rent on demand, including, without limitation, any expense for operator service for such elevator which Landlord may deem necessary in connection with Tenant's use of such elevator. Landlord shall have the right to change the operation or manner of operating any of the elevators in the Building and shall have the right to discontinue, temporarily or permanently, the use of any one or more cars in any of the banks provided reasonable elevator service is provided to the Premises.

Section 14.03 Landlord shall supply reasonably adequate quantities of hot and cold water to a point or points in the Premises for ordinary lavatory, cleaning and drinking purposes. If Tenant requires, uses or consumes water for any other purpose, Landlord may install a water meter and measure Tenant's consumption of water for all purposes. Tenant shall pay Landlord the cost of any such meter and its installation and the cost of keeping such meter and any such installation equipment in good working order and repair as Additional Rent on demand. Tenant agrees to pay for water consumed as shown on said meter and all sewer and any other rent, tax, levy or charge based thereon which now or hereafter is assessed, imposed or a lien upon the Premises or the Building, as and when bills are rendered.

Section 14.04 Landlord reserves the right to stop, interrupt or reduce service of the heating, ventilating or air conditioning systems, elevator, electrical energy, or plumbing or any other service or systems, because of Force Majeure, Legal Requirements or Insurance Requirements or for repairs or improvements, which, in the judgment of Landlord, are desirable or necessary. Landlord shall have no liability to Tenant for failure to supply any such service or system during such period. Landlord agrees, however, to use its reasonable efforts so that any such repairs, alterations and improvements shall be made with a minimum amount of inconvenience to Tenant and that Landlord will diligently proceed therewith to completion, subject to Force Majeure.

Section 14.05 Tenant, its employees, or invitees may bring food or beverages into the Building for consumption within the Premises solely by Tenant, its employees or invitees. In all events, all food and beverages shall be carried into the Building in closed containers.

Section 14.06 In the event Landlord supplies Tenant with condenser water for use in any Tenant air conditioning system, Tenant shall pay Landlord for such condenser water at Landlord’s standard charges for supplying the same.

ARTICLE 15

Damage to or Destruction of the Premises

Section 15.01 If the Premises or any part thereof shall be damaged or rendered Untenantable by fire or other insured casualty and Tenant gives prompt notice thereof to Landlord and this Lease is not terminated pursuant to any provision of this Article, Landlord shall proceed, with reasonable diligence after the collection of the insurance proceeds attributable to such damage, to repair or cause to be repaired such damage to the Basic Construction of the Building. All other repairs required by reason of such casualty shall be performed by Tenant, at its sole cost and expense, promptly and with due diligence. Except as provided in Section 15.07, the rent shall be equitably abated to the extent that the Premises shall have been rendered Untenantable, such abatement to be from the date of such damage to the date the Premises shall no longer be Untenantable; provided, however, should Tenant reoccupy a portion of the Premises during the period the repair work is taking place and prior to the date the Premises are no longer Untenantable, the rent allocable to such reoccupied portion, based upon the proportion which the reoccupied portion of the Premises bears to the total area of the Premises, shall be payable by Tenant from the date of such occupancy.

Section 15.02 If the Premises shall be totally damaged or rendered wholly Untenantable by fire or other casualty, and Landlord has not terminated this Lease pursuant to Section 15.03 and Landlord has not completed the making of the required repairs to the Premises and access thereto within 9 months from the date of such damage or destruction and such additional time after such date (but in no event to exceed 3 months), as shall equal the aggregate period Landlord may have been delayed in doing so by Force Majeure or adjustment of insurance, Tenant, within 30 days after the date on which Landlord is required to complete the repairs pursuant to this Section, may serve notice on Landlord of its intention to terminate this Lease, and if within said 30 day period, Landlord shall not have substantially completed the making of the required repairs, this Lease shall terminate on the expiration of such 30 day period as if such termination date were the Expiration Date without prejudice, however, to Landlord's or Tenant's other rights and remedies under the terms of this Lease.

Section 15.03 If the Premises shall be totally destroyed or rendered wholly Untenantable by fire or other casualty or if the Building shall be so damaged by fire or other casualty that substantial alteration or reconstruction of the Building shall, in Landlord's sole opinion, be required (whether or not the Premises shall have been damaged by such fire or other casualty), then in any such event Landlord may, at its option, terminate this Lease, by giving Tenant 30 days' notice of such termination, within 120 days after the date of such fire or other casualty. In the event that such notice of termination shall be given, this Lease shall terminate as of the date provided in such notice of termination (whether or not the Term shall have commenced) with the same affect as if that date were the Expiration Date without prejudice, however, to Landlord's or Tenant's rights and remedies under the terms of this Lease. If, at any time prior to Landlord giving Tenant the aforesaid notice of termination or commencing the repair pursuant to Section 15.01, there shall be a Successor Landlord, such Successor Landlord shall have a further period of 60 days from the date of so taking possession to terminate this Lease by 30 days' notice to Tenant and in the event that such a notice of termination shall be given, this Lease shall terminate as of the date provided in such 30 day notice of termination (whether or not the Term shall have commenced) with the same effect as if that date were the Expiration Date without prejudice, however, to Landlord's (or Successor Landlord's) or Tenant's rights and remedies under the terms of this Lease.

Section 15.04 Landlord shall not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from any such damage by fire or other casualty or the repair thereof, except to the extent such fire or other casualty was caused by Landlord's negligence or willful misconduct. Landlord shall not be obligated to carry insurance of any kind on Tenant's Property or any improvements made at Tenant's sole cost and expense, and Landlord shall not be obligated to repair any damage thereto or replace the same, except to the extent such fire or other casualty was caused by Landlord's negligence or willful misconduct.

Section 15.05 Except as expressly provided in Article 8, nothing herein contained shall relieve Tenant from any liability to Landlord or to its insurers in connection with any damage to the Premises or the Building by fire or other casualty if Tenant shall be legally liable in such respect.

Section 15.06 This Article shall be considered an express agreement governing any case of damage to or destruction of the Building or any part thereof by fire or other casualty, and Section 227 of the Real Property Law of the State of New York providing for such a contingency in the absence of such express agreement, and any other law of like import now or hereafter enacted, shall have no application in such case.

Section 15.07 Notwithstanding any of the foregoing provisions of this Article, if, by reason of some action or inaction on the part of Tenant or any of its employees, agents, licensees or contractors, either (a) Landlord or the Superior Lessor, the Superior Mortgagee or the Fee Mortgagee shall be unable to collect all of the insurance proceeds (including rent insurance proceeds) applicable to damage or destruction of the Premises or the Building by fire or other casualty or (b) the Premises or the Building shall be damaged or destroyed or rendered completely or partially Untenantable on account of fire or other casualty then, without prejudice to any other remedy which may be available against Tenant, the abatement of rent provided for in this Article shall not be effective to the extent of the uncollected insurance proceeds.

ARTICLE 16

Eminent Domain

Section 16.01 If the whole or any substantial part of the Premises shall be acquired or condemned by Eminent Domain for any public or quasi public use or purpose, then and in that event, the term of this Lease shall cease and terminate from the date of title vesting in such proceeding and Tenant shall have no claim for the value of any unexpired term of the Lease and assigns to Landlord, Tenant's entire interest in any such award. If less than a substantial part of the Premises is condemned, this Lease shall not terminate, but Rent shall abate in proportion to the portion of the Premises condemned.

ARTICLE 17

Conditions of Limitation

Section 17.01 To the extent permitted by applicable law this Lease and the term and estate hereby granted are subject to the limitation that whenever Tenant shall make an assignment of the property of Tenant for the benefit of creditors, or shall file a voluntary petition under any bankruptcy or insolvency law, or an involuntary petition alleging an act of bankruptcy or insolvency shall be filed against Tenant under any bankruptcy or insolvency law, or whenever a petition shall be filed or against Tenant under the reorganization provisions of the United States Bankruptcy Act or under the provisions of any law of like import, or whenever a petition shall be filed by Tenant under the arrangement provisions of the United States Bankruptcy Act or under the provisions of any law of like import, or whenever a permanent receiver of Tenant or of or for the property of Tenant shall be appointed, provided that any such case is not dismissed, discharged or denied within one hundred twenty (120) days of the filing thereof, then, Landlord, (a) at any time after receipt of notice of the occurrence of any such event, or (b) if such event occurs without the acquiescence of Tenant, at any time after the event continues for ninety (90) days Landlord may give Tenant a notice of intention to end the term of this Lease at the expiration of five (5) days from the date of service of such notice of intention, and upon the expiration of said five (5) day period this Lease and the term and estate hereby granted, whether or not the term shall theretofore have commenced, shall terminate with the same effect as if that day were the Expiration Date, but Tenant shall remain liable for damages as provided in Article 18.

Section 17.02 This Lease and the Term and estate hereby granted are subject to the limitations that:

(a) if Tenant shall default in the payment when due of any installment of Fixed Rent or in the payment when due of any Additional Rent, and such default shall continue for a period of 5 business days after notice by Landlord to Tenant of such default; or

(b) if Tenant shall default in the performance of any term of this Lease on Tenant's part to be performed (other than the payment of Fixed Rent and Additional Rent) and Tenant shall fail to remedy such default within 30 days after notice by Landlord to Tenant of such default, or if such default is of such a nature that it cannot be completely remedied within said period of 30 days if Tenant shall not (x) promptly upon the giving by Landlord of such notice, advise Landlord of Tenant's intention to institute all steps necessary to remedy such situation, (y) promptly institute and thereafter diligently prosecute to completion all steps necessary to remedy the same, and (z) complete such remedy within a reasonable time after the date of the giving of said notice by Landlord; and in any event prior to such time as would either (i) subject Landlord, Landlord's agents, the Superior Lessor, the Superior Mortgagee or the Fee Mortgagee to prosecution for a crime or (ii) cause a default under the Superior Lease or the Superior Mortgage; or

(c) if any financial statement or other financial information furnished by Tenant or Guarantor pursuant to the provisions of this Lease or at the request of Landlord (including credit bureau reports or statements) shall evidence or disclose either net worth or net assets of Tenant or Guarantor at least 50% less than the net worth or net assets, as the case may be, shown in either the immediately prior financial statement or in the financial statement furnished at the time of execution of this Lease of Tenant or Guarantor, as the case may be, and Tenant fails to furnish to Landlord promptly after notice from Landlord to Tenant requesting it, an additional security deposit in cash (or other security acceptable to Landlord in its sole discretion) equivalent to the aggregate of the Fixed Rent and Additional Rent payable hereunder for the 3 full calendar months immediately preceding such notice, which security shall be held by Landlord pursuant to the terms of Article 36 until Tenant or Guarantor, as the case may be, shall furnish 2 succeeding annual financial statements to Landlord evidencing increases of not less than 25% over each prior statement of Tenant and Guarantor, as the case may be, in both net worth and net assets; or

(d) if any event shall occur or any contingency shall arise whereby this Lease or the estate hereby granted or the unexpired balance of the Term would, by operation of law or otherwise, devolve upon or pass to any person other than Tenant except as is expressly permitted under Article 22; or

(e) if the Premises shall become abandoned (unless as a result of a casualty); or

(f) if Tenant shall default in the performance of any term, covenant, agreement or condition on Tenant's part to be observed or performed under any other lease with Landlord of space in the Building and such default shall continue beyond the grace period, if any, set forth in such other lease for the remedying of such default,

then in any of said events Landlord may give to Tenant notice of intention to terminate this Lease to end the Term and the estate hereby granted at the expiration of 5 days from the date of the giving of such notice, and, in the event such notice is given, this Lease and the Term and estate hereby granted (whether or not the Term shall have commenced) shall terminate upon the expiration of said 5 days with the same effect as if that day were the Expiration Date, but Tenant shall remain liable for damages as provided in Article 18.

Section 17.03 If the notice provided for in Section 17.01 shall have been given and this Lease shall be terminated or if the Premises shall be or become abandoned, then, in any such event, Landlord may without notice terminate all services.

ARTICLE 18

Re-Entry by Landlord; Remedies

Section 18.01 A. If Tenant shall default in the payment when due of any installment of Fixed Rent or in the payment when due of any Additional Rent and such default shall continue for a period of 5 business days after notice from Landlord to Tenant of such default or if this Lease and the Term shall terminate as provided in Article 17:

(a) Landlord and Landlord's agents may immediately, or at any time after such default or after the date upon which this Lease and the Term shall terminate, re-enter the Premises or any part thereof, without notice, either by summary proceedings or by any other applicable action or proceeding, or by force or otherwise (without being liable to indictment, prosecution or damages thereof), and may repossess the Premises and dispossess Tenant and any other persons from the Premises and remove any and all of its or their property and effects from the Premises, without liability for damage thereto, to the end that Landlord may have, hold and enjoy the Premises and in no event shall reentry be deemed an acceptance of surrender of this Lease; and

(b) Landlord, at its option, may relet the whole or any part or parts of the Premises from time to time, either in the name of Landlord or otherwise, to such tenant or tenants, for such term or terms ending before, on or after the Expiration Date, at such rental or rentals and upon such other terms and conditions, which may include concessions and free rent periods, as Landlord, in its sole discretion, may determine. Landlord shall use reasonable efforts, but shall have no absolute obligation to relet the Premises or any part thereof and shall in no event be liable for refusal or failure to relet the Premises or any part thereof, or, in the event of such reletting, for reasonable refusal or failure to collect any rent upon any such reletting, and no such reasonable refusal or failure shall operate to relieve Tenant of any liability under this Lease or otherwise to affect any such liability. Landlord, at Landlord's option, may make such repairs, improvement, alterations, additions, decorations and other physical changes in and to the Premises as Landlord, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting, without relieving Tenant of any liability under this Lease or otherwise affecting any such liability.

B. No such re-entry or taking possession of the Premises by Landlord shall be construed as an election by Landlord to terminate this Lease, unless Landlord gives written notice to Tenant of such election. In the event Landlord relets the whole or any part or parts of the Premises pursuant to this Article 18 without terminating this Lease, Landlord may at any time thereafter elect to terminate this Lease for such previous default.

Section 18.02 Intentionally Deleted.

Section 18.03 In the event of any breach by Tenant or any person claiming through or under Tenant of any of the terms of this Lease, Landlord shall be entitled to seek to enjoin such breach or threatened breach and shall have the right to invoke any right allowed at law or in equity, by statute or otherwise, as if re-entry, summary proceedings or other specific remedies were not provided for in this Lease.

Section 18.04 If this Lease is terminated under the provisions of Article 17, or if Landlord shall re-enter the Premises, or in the event of the termination of this lease, or of re-entry, by or under any summary dispossess or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Tenant shall pay to Landlord as damages, at the election of Landlord, either:

(a) a sum which at the time of such termination of this Lease or at the time of any such re-entry by Landlord, as the case may be, represents the then value of the excess, if any, of:

(1) the aggregate of the Fixed Rent and the Additional Rent payable hereunder which would have been payable by Tenant (conclusively presuming the Additional Rent to be the same as was payable for the year immediately preceding such termination) for the period commencing with such earlier termination of this Lease or the date of any such re-entry, as the case may be, and ending with the Expiration Date, had this lease not so terminated or had Landlord not so re-entered the Premises for the same period; over

(2) the aggregate rental value of the Premises for the same period; or

(b) sums equal to the Fixed Rent and the Additional Rent (as above presumed) payable hereunder which would have been payable by Tenant had this Lease not so terminated, or had Landlord not so re-entered the Premises, payable upon the due dates therefor specified herein following such termination or such re-entry and until the Expiration Date, provided, however, that if Landlord shall relet the Premises during said period, Landlord shall credit Tenant with the net rents received by Landlord from such reletting, such net rents to be determined by first deducting from the gross rents as and when received by Landlord from such reletting the expenses incurred or paid by Landlord in terminating this Lease or in re-entering the Premises and in securing possession thereof, as well as the expenses of reletting, including altering and preparing the Premises for new tenants, brokers' commissions, and all other expenses properly chargeable against the Premises and the rental therefrom; it being understood that any such reletting may be for a period shorter or longer than the remaining term of this Lease; but in no event shall Tenant be entitled to receive any excess of such net rents over the sums payable by Tenant to Landlord hereunder, nor shall Tenant be entitled in any suit for the collection of damages pursuant to this Subsection to a credit in respect of any net rents from a reletting, except to the extent that such net rents are actually received by Landlord. If the Premises or any part thereof should be relet in combination with other space, then proper apportionment on a square foot basis (for equivalent space) shall be made of the rent received from such reletting and of the expenses of reletting.

If the Premises or any part thereof be relet by Landlord for the unexpired portion of the term of this Lease, or any part thereof, before presentation of proof of such damages to any court, commission or tribunal, the amount of rent reserved upon any reletting to a third party that is not, directly or indirectly, affiliated with or related to Landlord shall, prima facie, be the fair and reasonable rental value for the Premises, or part thereof, so relet during the term of the reletting.

Section 18.05 Suit or suits for the recovery of such damages, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the term of this Lease would have expired if it had not been so terminated under the provisions of Article 17, or under any provision of law, or had Landlord not re-entered the Premises. Nothing herein contained shall be construed to limit or preclude recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant. Nothing herein contained shall be construed to limit or prejudice the right of Landlord to prove for and obtain as liquidated damages by reason of the termination of this Lease or re-entry on the Premises for the default of Tenant under this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved whether or not such amount be greater, equal to, or less than any of the sums referred to in Section 18.04.

Section 18.06 Nothing herein contained shall be construed as limiting or precluding the recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant.

Section 18.07 Each right of Landlord provided for in this Lease shall be cumulative and shall be in addition to every other right provided for in this Lease or now or hereafter existing at law or in equity, by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of such rights shall not preclude the simultaneous or later exercise by Landlord of any or all other rights provided for in this Lease or now or hereafter existing at law or in equity, by statute or otherwise.

ARTICLE 19

Curing Tenant's Defaults; Fees and Expenses

Section 19.01 If Tenant shall default in the performance of any term of this Lease on Tenant's part to be performed, Landlord, without thereby waiving such default and without liability to Tenant in connection therewith, may, but shall not be obligated to, perform the same for the account and at the expense of Tenant, without notice in case of emergency and upon 5 days' prior notice in all other cases, Landlord may enter the Premises at any time to cure any default without any liability to Tenant. Bills for any expenses incurred by Landlord in connection with any such performances or involved in collecting or endeavoring to collect rent or enforcing or endeavoring to enforce any rights against Tenant under or in connection with this Lease or pursuant to law, including any cost, expense and disbursement involved in instituting and prosecuting summary proceedings, as well as bills for any property, material, labor or services provided, furnished or rendered, including reasonable attorneys' fees and disbursements, shall be paid by Tenant as Additional Rent on demand. In the event that Tenant is in arrears in payment of rent, Tenant waives Tenant's right, if any, to designate the items against which any payments made by Tenant are to be credited and Landlord may apply any payments made by Tenant to any items Landlord sees fit, irrespective of and notwithstanding any designation or requests by Tenant as to the items against which any such payments shall be credited. Landlord reserves the right, without liability to Tenant to suspend furnishing to Tenant electrical energy and all or any other services (including heat, ventilation and air conditioning), whenever Landlord is obligated to furnish the same after hours or otherwise at Tenant's expense, in the event that (but only for so long as) Tenant is in arrears in paying Landlord therefor.

ARTICLE 20

Non-Liability and Indemnification

Section 20.01 Tenant shall not do or permit any act or thing to be done upon the Premises which may subject Landlord to any liability or responsibility for injury, damages to persons or property or to any liability by reason of any violation of law or of any legal requirement of public authority, but shall exercise such control over the Premises to fully protect Landlord against any such liability. Tenant shall defend, indemnify and hold harmless Landlord, managing agent, other agents, officers, directors, shareholders, partners, principals, employees and tenants in common (whether disclosed or undisclosed) (hereinafter collectively referred to as the “Landlord Parties”) from and against any and all claims, demands, liability, losses, damages, costs and expenses (including reasonable attorneys’ fees and disbursements) arising primarily and directly from (a) any breach or default by Tenant in the full and prompt payment and performance of Tenant’s obligations hereunder beyond the cure period contained in a written notice; (b) the use or occupancy or manner of use or occupancy of the Premises by Tenant or any person claiming under or through Tenant; (c) any act, omission or negligence of Tenant or any of its subtenants, assignees or licensees or its or their partners, principals, directors, officers, agents, invitees, employees, guests, customers or contractors during the term hereof; (d) any accident, injury or damage occurring in or about the Premises during the term hereof; (e) the performance by Tenant of any alteration or improvement to the Premises including, without limitation, Tenant’s failure to obtain any permit, authorization or license or failure to pay in full any contractor, subcontractor or materialmen performing work on such alteration; (f)any mechanics lien filed, claimed or asserted in connection with any alteration or any other work, labor, services or materials done for or supplied to, or claimed to have been done for or supplied to, Tenant or any person claiming through or under Tenant and (g) any certification made by any architect or engineer retained by or on behalf of Tenant to any governmental authority (as well as any certification also executed or submitted by Landlord if prepared by Tenant) in connection with any alteration or improvement to the Premises, except to the extent that any such claims, demands, liability, losses, damages, costs or expenses in subsections (a) through (g) have resulted primarily and directly from any Landlord Parties’ acts, omissions, negligence, or willful misconduct. If any claim, action or proceeding is brought against any of the Landlord Parties for a matter covered by this indemnity, Tenant, upon notice from the indemnified person or entity, shall defend such claim, action or proceeding with counsel reasonably satisfactory to Landlord and the indemnified person or entity (Landlord hereby agreeing that counsel for Tenant’s insurance company is acceptable to Landlord). The provisions of this Article shall survive the expiration or sooner termination of this Lease.

ARTICLE 21

Surrender

Section 21.01 On the Expiration Date or upon the sooner termination of this Lease or upon any reentry by Landlord upon the Premises, Tenant shall, at its sole cost and expense, quit, surrender, vacate and deliver the Premises to Landlord “broom clean” and in good order, condition and repair except for ordinary wear, tear and damage by fire or other insured casualty, together with all Improvements and Fixtures (except as otherwise provided for in this Lease). Tenant shall remove from the Real Property all of Tenant’s Property and all other personal property and personal effects of all persons claiming through or under Tenant, and shall pay the cost of repairing all damage to the Premises and the Real Property occasioned by such removal. Any Tenant’s property or other personal property which shall remain in the Premises after the termination of this Lease shall be deemed to have been abandoned and either may be retained by Landlord as its property or may be disposed of in such a manner as Landlord may see fit. If such Tenant’s Property or other personal property or any part thereof shall be sold, Landlord may receive and retain the proceeds of such sale as the property of Landlord. Any expense incurred by Landlord in removing or disposing of such Tenant’s Property or other personal property shall be reimbursed to Landlord by Tenant as Additional Rent on demand.

Section 21.02 If the Expiration Date or the date of sooner termination of this Lease shall fall on a day which is not a business day, then Tenant's obligations under Section 21.01 shall be performed on or prior to the immediately preceding business day.

Section 21.03 If the Premises are not surrendered upon the termination of this Lease, Tenant hereby indemnifies Landlord against liability primarily and directly resulting from delay by Tenant in so surrendering the Premises, including any claims made by any succeeding tenant or prospective tenant founded upon such delay.

Section 21.04 In the event Tenant remains in possession of the Premises after the termination of this Lease without the execution of a new lease, Tenant, at the option of the Landlord, shall be deemed to be occupying the Premises as a tenant from month to month, at a monthly rental equal to two times the Fixed Rent and Additional Rent payable during the last month of the Term, subject to all of the other terms of this Lease insofar as the same are applicable to a month-to-month tenancy.

Section 21.05 Tenant's obligation under this Article shall survive the termination of this Lease.

ARTICLE 22

Assignment, Mortgaging and Subletting

Section 22.01 Tenant, for itself, its heirs, distributee, executors, administrators, legal representatives, successors and assigns, expressly covenants that it shall not assign, mortgage, pledge, or otherwise encumber, all or any part of its interest in this Lease, sublet the Premises, in whole or in part, or suffer or permit the Premises or any part thereof to be used or occupied by others, without the prior written consent of Landlord in each instance. Any assignment, sublease, mortgage, pledge, encumbrance or transfer in contravention of the provisions of this Article 22 shall be void.

Section 22.02 If Tenant shall, at any time or from time to time, desire to assign its interest in this Lease or to sublet the Premises, the Tenant shall submit to Landlord a written request for Landlord's consent to such assignment or subletting, which request shall be accompanied by the following information: (i) a true copy of the proposed instrument of assignment or sublease, the effective or commencement date of which shall be not less than 60 nor more than 180 days after the giving of such notice, and copies of all other agreements between the parties signed concurrently or in connection with such assignment or sublease; (ii) a statement setting forth in reasonable detail the name and address of the proposed assignee or subtenant, the nature of its business and the proposed uses of the Premises; and (iii) current financial information about the proposed assignee or subtenant and any guarantor of its obligations, including, without limitation, its most recent financial statement, and any other information Landlord may reasonably request with respect to the proposed assignee or subtenant. Landlord, by notice given to Tenant within sixty (60) days after receipt of Tenant's request for consent, may terminate this Lease on a date to be specified in said notice (the "Termination Date"), which date shall be not earlier than one (1) day before the effective date of the proposed assignment or subletting nor later than sixty-one (61) days after said effective date, and, in such event, all rent and additional rent due hereunder shall be paid and apportioned to such date, and Tenant shall vacate and surrender the Premises on or before the Termination Date as if it were the Expiration Date. If Landlord shall so exercise its option to terminate this Lease, Landlord shall have the right to let all or portions of the Premises to any person (including, without limitation, Tenant's proposed assignee or subtenant), without any liability to Tenant.

Section 22.03 If Landlord shall not exercise its option to terminate this Lease pursuant to Section 22.02 above, Landlord shall not unreasonably withhold its consent to the proposed assignment or subletting for the use expressly permitted in this Lease, provided that:

(1) the Premises shall not, without Landlord's prior consent, have been listed or otherwise publicly advertised for assignment or subletting at a rental rate lower than the higher of (a) the Fixed Rent and all Additional Rent then payable, or (b) the then prevailing rental rate for other space in the Building, and Tenant shall not enter into any sublease at a lower rental rate than the Fixed Rent and all Additional Rent then payable;

(2) Tenant shall employ, as exclusive renting agent for subletting and assignment of this Lease, having the sole and exclusive right to lease, Landlord's managing agent for the Building or such broker as shall be approved by Landlord;

(3) Tenant shall not then be in default hereunder;

(4) the proposed assignee or subtenant shall have a financial standing, be of a character be engaged in a business, and propose to use the Premises, in a manner in keeping with the standards of the Building;

(5) The proposed assignee or subtenant shall not then be a tenant, subtenant or assignee of any space in the Building, nor shall the proposed assignee or subtenant be a person or entity with whom Landlord is then or has been, within the prior six-month period, negotiating to lease space in the Building;

(6) the character of the business to be conducted in the Premises by the proposed assignee or subtenant shall not be likely to increase building operating expenses, use of elevators, cleaning services or other services in the Building;

(7) there shall be no more than one subtenant in the Premises at any time;

(8) Tenant shall reimburse Landlord on demand for any costs, including reasonable attorneys' fees and disbursements, that may be incurred by Landlord in connection with said assignment or sublease; and

(9) the proposed assignee or subtenant shall not be any entity which is entitled to diplomatic or sovereign immunity or which is not subject to service of process in the State of New York or to the jurisdiction of the courts of the State of New York and the United States located in New York County.

If there is a dispute between Landlord and Tenant as to the reasonableness of Landlord's refusal to consent to any subletting or assignment, such dispute shall be determined by arbitration in The City of New York in accordance with the prevailing rules of the American Arbitration Association. The arbitrators shall be bound by the provisions of this Lease and shall not add to, subtract from, or otherwise modify such provisions. Notwithstanding any contrary provisions hereof, Tenant hereby waives any claim against Landlord for money damages which it may have based upon any assertion that Landlord has unreasonably withheld or delayed any consent to any assignment or a subletting pursuant to this Article. Tenant agrees that, in the event of any such dispute, its sole remedy shall be an action or proceeding to enforce such provision or for specific performance.

Section 22.04 Every subletting hereunder is subject to the express condition, and by accepting a sublease hereunder each subtenant shall be conclusively deemed to have agreed, that if this Lease should be terminated prior to the Expiration Date or if Landlord should succeed to any portion of Tenant's estate in the Premises, then at Landlord's election such subtenant shall either surrender that portion of the Premises to Landlord within sixty (60) days of Landlord's request therefor, or shall attorn to and recognize Landlord as such subtenant's landlord under such sublease (except that Landlord shall not be liable for any previous act or omission of Tenant, nor bound by any modification of the Sublease not approved in writing by Landlord, nor liable for any security not received by landlord or any prepaid rent in excess of one month's rent), and such subtenant shall promptly execute and deliver any instrument Landlord may reasonably request to evidence such attornment.

Section 22.05 Tenant shall deliver to Landlord a copy of each sublease or assignment made hereunder within ten (10) days after the date of its execution. Tenant shall remain fully liable for the due and timely performance of all of Tenant's obligations hereunder notwithstanding any subletting or assignment provided for herein and, without limiting the generality of the foregoing, shall remain fully responsible and liable to Landlord for all acts and omissions of any subtenant, assignee or anyone claiming by, through or under any subtenant or assignee which shall be in violation of any of the obligations of this Lease, and any such violation shall be deemed to be a violation by Tenant. Notwithstanding any assignment and assumption by the assignee of the obligations of Tenant hereunder, Tenant herein named, and each immediate or remote successor in interest of Tenant herein named, shall remain liable jointly and severally (as a primary obligor) with its assignee and all subsequent assignees for the performance of Tenant's obligations hereunder, and shall remain fully and directly responsible and liable to Landlord for all acts and omission on the part of any assignee subsequent to it in violation of any of the obligations of this Lease.

Section 22.06 Each sublease shall be in form and content satisfactory to Landlord, and shall contain provisions setting forth the matters contained in Section 22.04 above, and further provisions that: (i) the sublease is subject and subordinate to this Lease and all amendments and modifications hereof, and (ii) the sublease shall not be assigned, transferred, pledged, mortgaged or encumbered by the subtenant, in whole or in part, nor shall the sublet premises be further sublet or used or occupied by persons other than the subtenant, without the prior written consent of Landlord in each instance. No subletting shall end later than one day before the Expiration Date of this Lease.

Section 22.07 No assignment of Tenant's interest in this Lease shall be binding upon Landlord unless the assignee shall execute, acknowledge and deliver to Landlord an agreement, in form and substance satisfactory to Landlord, whereby such assignee agrees unconditionally to be personally bound by and to perform all of the obligations of Tenant hereunder and further expressly agrees that notwithstanding such assignment the provisions of this Article shall continue to be binding upon such assignee with respect to all future assignments and transfers.

Section 22.08 If Landlord shall have consented to any assignment or subletting, or if there is any transfer of this Lease by operation of law or otherwise, and if Tenant shall receive any consideration from its assignee or subtenant for or in connection with the assignment of Tenant's interest in this Lease or the subletting of the Premises or any part thereof, as the case may be, or if Tenant shall sublet the Premises or a part thereof at a rental rate (including additional rent) which shall exceed the rental rate payable hereunder (explicitly excluding sums paid for the sale or rental of Tenant's fixtures, leasehold improvements, equipment, furniture or other personal leasehold property), then Tenant shall pay to Landlord, as Additional Rent hereunder, 50% of the amount of such excess after deducting the actual reasonable expenses of Tenant in connection with such assignment or sublease for broker’s fees, attorney’s fees, tenant allowances and abatement of rent. In the case of a subletting of less than the entire Premises, the above calculation of rental rates shall be made on a per square foot basis.

Section 22.09 If Tenant or any general partner of Tenant is ever a partnership or corporation or other entity, the provisions of this lease limiting or prohibiting the assignment hereof or subletting of the Premises shall be deemed to have been violated by (i) the transfer or transfers of a partnership interest, stock ownership or other equity interest, or (ii) the issuance of new such partnership or stock interests, or (iii) the merger, dissolution or liquidation, in or of Tenant, or any entity which is a general partner of Tenant, whether voluntarily or by operation of law, if such happening or happenings, individually or in the aggregate result in (a) the admission of a new general partner of Tenant, or (b) a change in control (hereinafter defined) of Tenant or any general partner of Tenant. As used in the preceding sentence the term "control" shall mean actual operating control of Tenant's ordinary business operations or a beneficial ownership interest (direct or indirect) of 50% or more in Tenant or any general partner of Tenant. Throughout the term of this Lease, within ten (10) days after request by Landlord, Tenant will advise Landlord by sworn statement in writing as to the identity and ownership interests of its shareholders, partners and other principals.

Section 22.10 In the event that Tenant fails to execute and deliver any assignment or sublease to which Landlord consented under the provisions of this Article within forty-five (45) days after the giving of such consent, then Tenant shall again comply with all of the provisions of this Article before assigning its interest in this Lease or subletting the Premises.

Section 22.11 The consent of Landlord to an assignment or a subletting shall not relieve Tenant from obtaining the express consent in writing of Landlord to any further assignment or subletting.

Section 22.12 If Tenant's interest in this Lease be assigned, or if the Premises or any part thereof be sublet or occupied by anyone other than Tenant, upon default by Tenant, Landlord may collect rent from the assignee, subtenant or occupant and apply the net amount collected to the rental herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of the provisions of this Article or of any default hereunder or the acceptance of the assignee, subtenant or occupant as Tenant, or a release of Tenant from the further observance or performance by Tenant of all of the covenants, conditions, terms and provisions on the part of Tenant to be performed or observed.

Section 22.13 Tenant agrees to forever indemnify and hold harmless Landlord from and against the claims of any proposed subtenant or assignee relating to Landlord's response to Tenant's request for consent to an assignment or subletting, and claims of any broker who alleges to have played any part in bringing about a proposed sublease or assignment in each case whether or not such sublessor assignment shall be consented to by Landlord and/or consummated, and against all losses, damages, costs and expenses incurred by Landlord (including, without limitation, attorneys fees) relating to or resulting from such claims.

Section 22.14 The listing or posting of any name, other than that of Tenant, whether on the door or exterior wall of the Premises, the Building’s tenant directory in the lobby or elevator, or elsewhere, shall not:

(i) Constitute a waiver of Landlord’s right to withhold consent to any sublet or assignment pursuant to this Article 22.

(ii) Be deemed an implied consent by Landlord to any sublet of the Premises or any portion thereof, to any assignment or transfer of the Lease, or to any unauthorized occupancy of the Premises, except in accordance with the express terms of the Lease; or

Section 22.15 Notwithstanding anything to the contrary contained in Article 22, Tenant shall have the privilege, subject to the terms and conditions hereinafter set forth without the consent of Landlord (and without Landlord having the right set forth in Section 22.02) to assign its interest in this Lease (i) to a purchaser of all or substantially all of Tenant's assets or stock or pursuant to a merger or consolidation (provided such purchaser shall have also assumed substantially all of Tenant's liabilities), or (ii) to a corporation or partnership entity or limited liability company which shall control, be under the control of, or be under common control with, Tenant or its principals (the term "control" as used herein shall be deemed to mean ownership of more than 50% of the outstanding voting stock of a corporation, or other majority equity and controlling interest if the assignee is not a corporation) (any such entity being a "Related Entity"). Tenant may, without consent of Landlord, also sublease all or any portion of the Premises to any corporation or other entity which is a Related Entity only for so long as such corporation or other entity shall remain a Related Entity. Any assignment or subletting described above may be made upon the condition that (A) the principal purpose of such assignment or sublease is not the acquisition of Tenant's interest in this Lease (except if such assignment or sublease is made to a Related Entity and is made for a valid business purpose) and (B) no such assignment shall be valid unless Tenant shall, within ten (10) business days after execution thereof, deliver to Landlord (x) a duplicate original instrument of assignment in form and substance reasonably satisfactory to Landlord, duly executed by the Tenant and (y) a duplicate original instrument in form and substance reasonably satisfactory to Landlord, duly executed by the assignee, in which such assignee shall assume observance and performance of, and agree to be bound by, all of the terms, covenants and conditions of this Lease on Tenant's part to be observed and performed and (C) no such sublease shall be valid unless Tenant shall, within ten (10) business days after the execution thereof, deliver to Landlord a duplicate original sublease in form and substance reasonably satisfactory to Landlord, duly executed by Tenant and subtenant. If at any time following such subletting to a Related Entity, such subtenant shall cease to be a Related Entity, then Tenant shall not more than ten (10) business days after the date such subtenant shall cease to be a Related Entity, deliver to Landlord a duplicate original instrument or assignment and assumption in form and substance reasonably satisfactory to Landlord duly executed by such subtenant and Tenant terminating such sublease. If at any time following such assignment to a Related Entity, such assignee shall cease to be a Related Entity, then Tenant shall not more than ten (10) business days after the date such assignee shall cease to be a Related Entity, deliver to Landlord a duplicate original instrument of assignment and assumption in form and substance reasonably satisfactory to Landlord duly executed by such assignee and Tenant whereby the assignee shall assign this Lease and right such assignee may have hereunder to Tenant.

ARTICLE 23

Subordination and Attornment

Section 23.01 This Lease and all rights of Tenant hereunder are and shall be subject and subordinate in all respects to (a) all present and future ground leases, operating leases, superior leases, overriding leases and underlying leases and grants of term of the Land and the Building or any portion thereof (collectively, including the applicable items set forth in subdivision (d) of this Section 23.01, the "Superior Lease"), (b) all mortgages and building loan agreements, including leasehold mortgages and spreader and consolidation agreements, which may now or hereafter affect the Land, the Building or the Superior Lease (collectively, including the applicable items set forth in subdivisions (c) and (d) of this Section 23.01, the "Superior Mortgage") whether or not the Superior Mortgage shall also cover other lands or buildings or leases except that a mortgage on the Land only shall not be a Superior Mortgage so long as there is in effect a Superior Lease which is not subordinate to such mortgage, (c) each advance made or to be made under the Superior Mortgage, (d) all renewals, modifications, replacements, supplements, substitutions and extensions of the Superior Lease and the Superior Mortgage and all spreader and consolidations of the Superior Mortgage and (e) the Declaration. The provisions of this Section shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, Tenant shall promptly execute and deliver, at its own cost and expense, any instrument, in recordable form if requested, that Landlord, the Superior Lessor or the Superior Mortgagee may reasonably request to evidence such subordination; and if Tenant fails to execute, acknowledge or deliver any such instrument within 10 days after the request therefor, Tenant hereby irrevocably constitutes and appoints Landlord as Tenant's attorney-in-fact, coupled with an interest, to execute, acknowledge and deliver any such instruments for and on behalf of Tenant.

Section 23.02 Landlord hereby notifies Tenant that this Lease may not be cancelled or surrendered, or modified or amended so as to reduce the rent, shorten the Term or adversely affect in any other respect to any material extent the rights of Landlord hereunder and that Landlord may not accept prepayments of any installments of rent except for prepayments in the nature of security for the performance of Tenant's obligations hereunder, without the consent of the Superior Lessor and the Superior Mortgagee in each instance, except that said consent shall not be required for the institution or prosecution of any action or proceedings against Tenant by reason of a default on the part of Tenant under the terms of this Lease.

Section 23.03 If, at any time prior to the termination of this Lease, the Superior Lessor or the Superior Mortgagee or any person, or the Superior Lessor's or Superior Mortgagee's or such person's successors or assigns (the Superior Lessor, Superior Mortgagee and any such person or successor or assign being herein collectively referred to as "Successor Landlord") shall succeed to the rights of Landlord under this Lease through possession or foreclosure or delivery of a new lease or deed or otherwise, Tenant agrees, at the election and upon request of any such Successor Landlord, to fully and completely attorn, from time to time, to and recognize any such Successor Landlord, as Tenant's landlord under this Lease upon the then executory terms of this Lease; provided such Successor Landlord shall agree in writing to accept Tenant's attornment. The foregoing provision of this Section shall inure to the benefit of any such Successor Landlord, shall apply notwithstanding that, as a matter of law, this Lease may terminate upon the termination of the Superior Lease, shall be self-operative upon any such demand, and no further instrument shall be required to give effect to said provisions. Tenant, however, upon demand of any such Successor Landlord agrees to execute, from time to time, instruments to evidence and confirm the foregoing provisions of this Section satisfactory to any such Successor Landlord, acknowledging such attornment and setting forth the terms and conditions of its tenancy and Tenant hereby constitutes and appoints Landlord attorney-in-fact for Tenant to execute any such instrument for and on behalf of Tenant, such appointment being coupled with an interest. Upon such attornment this Lease shall continue in full force and effect as a direct lease between such Successor Landlord and Tenant upon all of the then executory terms of this Lease except that such Successor Landlord shall not be (a) liable for any previous act or omission or negligence of Landlord under this Lease; (b) subject to any counterclaim, defense or offset, not expressly provided for in this Lease and asserted with reasonable promptness, which theretofore shall have accrued to Tenant against Landlord; (c) obligated to perform any Work; (d) bound by any previous modification or amendment of this Lease or by any previous prepayment of more than one month's rent, unless such modification or prepayment shall have been approved in writing by the Superior Lessor or the Superior Mortgagee through or by reason of which the Successor Landlord shall have succeeded to the rights of Landlord under this Lease; (e) obligated to repair the Premises or the Building or any part thereof, in the event of total or substantial total damage beyond such repair as can reasonably be accomplished from the net proceeds of insurance actually made available to Successor Landlord; or (f) obligated to repair the Premises or the Building or any part thereof, in the event of partial condemnation beyond such repair as can reasonably be accomplished from the net proceeds of any award actually made available to Successor Landlord, as consequential damages allocable to the part of the Premises or the Building not taken. Nothing contained in this Section shall be construed to impair any right otherwise exercisable by any such owner, holder or lessee.

Section 23.04 If any act or omission by Landlord would give Tenant the right, immediately or after lapse of time, to cancel or terminate this Lease or to claim a partial or total eviction, Tenant will not exercise any such right until (a) it has given written notice of such act or omission to each Superior Mortgagee and each Superior Lessor, whose name and address shall have previously been furnished to Tenant, by delivering notice of such act or omission addressed to such party at its last address so furnished and (b) a reasonable period for remedying such act or omission shall have elapsed following such giving of notice and following the time when such Superior Mortgagee or Superior Lessor shall have become entitled under such Superior Mortgage or Superior Lease, as the case may be, to remedy the same (which shall in no event be less than the period to which Landlord would be entitled under this Lease to effect such remedy) provided such Superior Mortgagee or Superior Lessor shall, with reasonable diligence, give Tenant notice of intention to, and commence and continue to, remedy such act or omission or to cause the same to be remedied.

ARTICLE 24

Access, Changes In Building Facilities

Section 24.01 Nothing herein contained shall be construed as a letting by Landlord to Tenant of (a) the faces of exterior walls, (b) the space above the hung ceiling of the Premises, and below the underside of the floor slab of any higher floor, (c) the space below the underside of the Premises, (d) the land below the sub-base of or air rights above, the Premises or the Building, (e) the roof, or (f) the common areas and facilities of the Building. All parts (except surfaces facing the interior of the Premises) of all walls, windows and doors bounding the Premises, (including exterior Building walls, core corridor walls and doors and any core corridor entrance) any space in or adjacent to the Premises used for shafts, stacks, pipes, conduits, fan rooms, ducts, electric or other utilities, sinks or other Building facilities, and the use thereof, as well as access thereto through the Premises for the purpose of operation, maintenance, decoration and repair, are reserved to Landlord.

Section 24.02 Tenant shall permit Landlord to install, use, replace and maintain pipes, ducts and conduits within the demising walls, bearing columns and ceilings of the Premises, provided that Landlord shall not unreasonably interfere with Tenant's use of the Premises or the conduct of Tenant's business.

Section 24.03 Landlord or Landlord's agent shall have the right, upon request upon reasonable advance notice (except in emergency under clause (ii) hereof) to enter and/or pass through the Premises or any part thereof, at reasonable times during reasonable hours, in the presence of a representative of Tenant (i) to examine the Premises and to show them to the fee owners, lessors of superior leases, holders of superior mortgages, or prospective purchasers, mortgagees or lessees of the Building as an entirety, and (ii) for the purpose of making such repairs or changes in or to the Premises or in or to its facilities, as may be provided for by this Lease or as may be mutually agreed upon by the parties or as Landlord may be required to make by law or in order to repair and maintain said structure or its fixtures or facilities. Such work shall be done in a first-class manner and so as not to unreasonably interfere with or impair Tenant's decorations, layout or use of the demised premises or to diminish the area of the demised premises (other than a de minimus amount) or reduce the ceiling height of the demised premises (other than a de minimus amount). Any such work shall be performed during such hours and in such a manner as to minimize interference with the conduct of Tenant's business and to safeguard Tenant's property; provided, however, that Landlord shall have no obligation to employ contractors or labor at so-called overtime or other premium pay rates. Following the completion of any of the foregoing work, Landlord shall promptly repair and restore the demised premises to substantially the same condition existing prior to the performance of such work. Landlord shall be allowed to take all materials into and upon the Premises that may be required for such repairs, changes, repainting or maintenance, without liability to Tenant, but Landlord shall not unreasonably interfere with Tenant's use of the Premises or the conduct of Tenant's business, in which case Landlord shall be liable for the reasonable cost of repairing any damage occasioned thereby. Landlord shall also have the right to enter on and/or pass through the Premises, or any part thereof, at such times as such entry shall be required by circumstances of emergency affecting the Premises or said structure, in which case Landlord shall be liable for the reasonable cost of repairing any damage occasioned thereby.

Section 24.04 During the period of eighteen (18) months prior to the Expiration Date Landlord may exhibit the Premises to prospective tenants, provided that Landlord shall not unreasonably interfere with Tenant's use of the Premises.

Section 24.05 Landlord reserves the right, at any time, without incurring any liability to Tenant therefor, to make such changes in or to the Building and the fixtures and equipment thereof, as well as in or to the street entrances, halls, passages, elevators, escalators, and stairways thereof, as it may deem necessary or desirable, provided that Landlord shall not unreasonably interfere with Tenant's use of the Premises.

ARTICLE 25

Inability to Perform

Section 25.01 This Lease and the obligations of Tenant to pay rent and perform all of the terms of this Lease on the part of Tenant to be performed shall in no way be affected because Landlord is unable or delayed in fulfilling any of its obligations under this Lease or by reason of Force Majeure, provided that Landlord provides notice to Tenant of the delay and reason therefore that is beyond Landlord's reasonable control, and continues to provide Tenant with periodic updates. Landlord shall in each instance exercise reasonable diligence to effect performance when and as soon as possible, without unreasonable further delay. However, Landlord shall be under no obligation to employ overtime labor.

ARTICLE 26

Legal Proceedings; Waiver of Counterclaims and Jury Trial

Section 26.01 In the event Landlord commences any summary proceeding or action for non-payment of rent, Tenant covenants and agrees that it will not interpose, by consolidation of actions or otherwise, any counterclaim or other claim seeking affirmative relief of whatsoever nature or description in any such proceeding, except for claims inter-related to the claims in the main litigation or mandatory counterclaims.. To the extent permitted by applicable law, Landlord and Tenant hereby waive trial by jury in any action or proceeding, and with respect to any claim asserted in any such action or proceeding, brought by either of the parties against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, any claim of injury or damage, or any emergency or other statutory remedy with respect thereto. Tenant hereby represents to Landlord that it is not entitled, directly or indirectly, to diplomatic or sovereign immunity and Tenant agrees that in all disputes arising, directly or indirectly out of this Lease, Tenant shall be subject to service of process in, and the jurisdiction of the courts of, the State of New York. The provisions of this Article shall survive the Expiration Date or sooner termination of this Lease.

ARTICLE 27

No Other Waiver

Section 27.01 The failure of either party to insist in any instance upon the strict performance of any term of this Lease, or to exercise any right herein contained, shall not be construed as a waiver or relinquishment for the future of the performance of such obligation of this Lease or of the right to exercise any such right, but the same shall continue and remain in full force and effect with respect to any subsequent breach, act or omission.

Section 27.02 The following specific provisions of this Section shall not limit the generality of the provisions of this Article:

(a) No agreement to accept a surrender of all or any part of the Premises or this Lease shall be valid unless in writing and signed by Landlord. No delivery of keys shall operate as a termination of this Lease or a surrender of the Premises or this Lease. Without limiting the generality of the preceding sentence, if, subject to the provisions of Article 22, Tenant shall at any time request Landlord to sublet the Premises for Tenant's account, Landlord or Landlord's agent is authorized to receive said keys for such purpose without releasing Tenant from any of its obligations under this Lease, and Tenant hereby releases Landlord from any liability for loss or damage to any of Tenant's Property in connection with such subletting.

(b) The receipt or acceptance by Landlord of rent with knowledge of breach by Tenant of any term of this Lease shall not be deemed a waiver of such breach.

(c) No payment by Tenant or receipt by Landlord of a lesser amount than the correct rent shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any accompanying letter be deemed to effect or evidence an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance or pursue any other right of Landlord.

(d) Neither any option granted to Tenant in this Lease or in any collateral instrument to renew or extend the Term, nor the exercise of any such option by Tenant, shall prevent Landlord from exercising any option or right granted or reserved to Landlord in this Lease or in any collateral instrument or that Landlord may otherwise have, to terminate this Lease or any renewal or extended term. Any termination of this Lease shall serve to terminate any such renewal or extension, whether or not Tenant shall have exercised any option to renew or extend the Term. Any such option or right on the part of Landlord to terminate this Lease shall continue during any extension or renewal of the Term. No option granted to Tenant to renew or extend the Term shall be deemed to give Tenant any further option to renew or extend the Term.

(e) No waiver by Landlord in favor of any other tenant or occupant of the Building shall constitute a waiver in favor of the Tenant named herein.

ARTICLE 28

Arbitration

Section 28.01 Either party may request arbitration of any matter in dispute wherein arbitration is expressly provided in this lease as the appropriate remedy. The party requesting arbitration shall do so by giving notice to that effect to the other party, and both parties shall promptly thereafter jointly apply to the American Arbitration Association (or any organization successor thereto) in the City and County of New York, Borough of Manhattan, for the appointment of a single arbitrator.

Section 28.02 The arbitration shall be conducted in accordance with the then prevailing rules of the American Arbitration Association (or any organization successor thereto) in the City and County of New York, Borough of Manhattan. In rendering such decision and award, the arbitrator shall not add to, subtract from or otherwise modify the provisions of this Lease.

Section 28.03 If for any reason whatsoever a written decision and award of the arbitrator shall not be rendered within ninety (90) days after the appointment of such arbitrator, then at any time thereafter before such decision and award shall have been rendered either party may apply to the Supreme Court of the State of New York or to any other court having jurisdiction and exercising the functions similar to those now exercised by such court, by action, proceeding or otherwise (but not by a new arbitration proceeding) as may be proper to determine the question in dispute consistently with the provisions of this Lease.

Section 28.04 All the expenses of the arbitration shall be borne by the parties equally.

ARTICLE 29

Quiet Enjoyment

Section 29.01 If, and so long as, Tenant pays the rent and keeps, observes and performs each and every term of this Lease on the part of Tenant, to be kept, observed and performed, Tenant shall peaceably and quietly enjoy the Premises throughout the Term without hindrance by Landlord or any person lawfully claiming through or under Landlord, subject to the terms of this Lease and of the Superior Lease and the Superior Mortgage.

This covenant shall be construed as a covenant running with the Land and shall not be construed as a personal covenant or obligation of Landlord, except to the extent of Landlord's interest in this lease and then subject to the terms of Section 43.02.

ARTICLE 30

Rules and Regulations

Section 30.01 Tenant and its employees, agents, invitees and licensees shall faithfully observe and strictly comply with, and shall not permit violation of, the Rules and Regulations annexed hereto as Exhibit E, and such changes therein and additions thereto as Landlord hereafter may make and communicate to Tenant ("Rules and Regulations"). Tenant's right to dispute the reasonableness of any changes in the Rules and Regulations and additional Rules and Regulations shall be deemed waived unless asserted to Landlord within 30 days after Landlord shall have given Tenant notice of the adoption of any such additional Rules and Regulations. In case of any conflict or inconsistency between the provisions of this Lease and any Rules and Regulations, the provisions of this Lease shall control. Landlord shall have no duty or obligation to enforce any Rule or Regulation, or any term, covenant or condition of any lease, against any other tenant, and Landlord's failure or refusal to enforce any Rule or Regulation, or any term, covenant or condition of any other lease against any other tenant shall be without liability of Landlord to Tenant. Landlord shall not discriminate against Tenant in the enforcement of the Rules and Regulations, nor shall Tenant be required to comply with any Rules and Regulations which would prevent Tenant's permitted use hereunder of the Premises.

Section 30.02 Notwithstanding anything to the contrary in any of the Rules and Regulations, whenever Landlord shall claim by notice to Tenant that Tenant is violating any of the provisions of the Rules and Regulations and Tenant shall in good faith dispute such claim to Landlord within 10 days after service of Landlord's notice of the violation, the dispute shall be determined by arbitration pursuant to Article 28.

ARTICLE 31

Building Name

Section 31.01 The Building may be designated and known by any name or address Landlord may choose and such designated name or address may be changed from time to time in Landlord's sole discretion. Tenant agrees not to refer to the Building by any name or address other than as designated by Landlord. The Building may be named after any person, firm or otherwise, whether or not such name is, or resembles, the name of a tenant of the Building. In no event shall Tenant use, in connection with its business or otherwise, any photographic or other type of representation of the Building. In the event the Building is named after any person, firm or otherwise. Tenant, in connection with its business or otherwise, shall not refer to the Building by such name but shall only use the street address of the Building.

ARTICLE 32

Shoring; No Dedication

Section 32.01 If an excavation or other substructure work shall be undertaken or authorized upon the land adjacent to the Building or in the vaults beneath the Building or in subsurface space adjacent to said vaults, Tenant, without liability on the part of Landlord therefor, shall upon reasonable prior notice by Landlord to Tenant (except in the event of an emergency) afford Landlord or the person causing such excavation or other substructure work, license to enter upon the Premises for the purpose of doing such work as Landlord or such person shall deem necessary to protect any of the walls or structures of the Building or surrounding land from injury or damage and to support the same by proper foundations, pinning and/or underpinning, and, except in case of emergency, Landlord shall endeavor to have such entry accomplished during reasonable hours in the presence of a representative of Tenant, who shall be designated by Tenant promptly upon Landlord's request. Such license to enter shall be without liability of Landlord to Tenant.

Section 32.02 Landlord shall have the right to erect any gate, chain or other obstruction or to close off any portion of the Real Property to the public at any time to the extent necessary to prevent a dedication thereof for public use.

ARTICLE 33

Notice of Accidents

Section 33.01 Tenant shall give notice to Landlord, promptly after Tenant learns thereof, of any accident, emergency, occurrence for which Landlord might be liable, fire or other casualty and all damages to or defects in the Premises, the Building or the Building Equipment for the repair of which Landlord might be responsible or which constitutes Landlord's property. Such notice shall be given in accordance with Article 39.

ARTICLE 34

Vaults

Section 34.01 No vaults, vault space or other space not within the property line of the Building is leased hereunder notwithstanding anything contained in or indicated on any sketch, blueprint or plan, or elsewhere in this Lease to the contrary. Landlord makes no representation as to the location of the property line of the Building. All vaults and vault space and all other space not within the property line of the Building, which Tenant may be permitted to use and/or occupy, are to be used and/or occupied under a license revocable by Landlord on 10 days' notice to Tenant, and if any such license shall be revoked by Landlord, or if the amount of any such vaults, vault space or other space shall be diminished or required by any federal, state or municipal authority or public utility, Landlord shall be without liability to Tenant. Any fee, tax or charge imposed by any governmental authority for any such vault, vault space or other space, to the extent actually used by Tenant, shall be paid by Tenant, as Additional Rent, within five (5) days after Landlord's demand therefor.

ARTICLE 35

Brokerage

Section 35.01 Tenant represents that in the negotiation of this Lease it dealt with no brokers other than JRT Realty Group, Inc. and Winslow & Company LLC and that as far as Tenant is aware said brokers are the sole brokers who negotiated this Lease. Landlord agrees to pay said brokers a commission in accordance with a separate agreement. Tenant hereby indemnifies Landlord against liability arising out of any inaccuracy or alleged inaccuracy of the above representation. Landlord shall have no liability for brokerage commissions arising out of an assignment or a sublease by Tenant and Tenant shall and does hereby indemnify Landlord and hold it harmless from any and all liability for brokerage commissions arising out of any such assignment or sublease. The covenants, representations and agreements of Tenant set forth in this Section 35.01 shall survive the termination of this Lease.

ARTICLE 36

Security Deposit

Section 36.01 Tenant has deposited with Landlord the sum of $45,658.66 (if by check subject to collection) or by Letter of Credit as security for the full and punctual performance by Tenant of all of the terms of this Lease. Landlord shall deposit such security deposit in an interest bearing account in a financial institution to be selected by Landlord in its sole discretion. Landlord shall be entitled to receive as an administrative expense, a sum equal to one (1%) percent per annum (but only in the event annual interest on such account is in excess of one (1%) percent per annum) upon such security deposit, the interest to be credited to Tenant annually. In the event Tenant defaults in the performance of any of the terms of this Lease, including the payment of rent, Landlord may after written notice to Tenant, use, apply or retain the whole or any part of the security so deposited or may notify the Issuing Bank (as defined in Section 36.02) and thereupon receive all or a portion of the monies represented by said Letter of Credit, and may use, apply or retain the whole or any part of such proceeds, as the case may be, to the extent required for the payment of any rent or for any sum which Landlord may expend or may be required to expend by reason of Tenant's default in respect of any of the terms of this Lease, including any damages or deficiency in the re-letting of the Premises, whether accruing before or after summary proceedings or other re-entry by Landlord. In the case of every such use, application or retention, Tenant shall, on demand, pay to Landlord the sum so used, applied or retained which shall be added to the security deposit so that the same shall be replenished to its former amount. as security for the full and punctual performance by Tenant of all of the terms of this Lease. If Tenant shall fully and punctually comply with all of the terms of this Lease, the cash security, or the Letter of Credit, as the case may be, together with any accrued interest thereon, less any administrative expenses to which Landlord is entitled pursuant to this Article 36, shall be promptly returned to Tenant after the termination of this Lease and delivery of exclusive possession of the Premises to Landlord. In the event of a sale or lease of the building, Landlord shall have the right to transfer the cash security, or the Letter of Credit, as the case may be, to the vendee or lessee and Landlord shall ipso facto be released by Tenant from all liability accruing from and after the date of such transfer for the return of such security; and Tenant agrees to look solely to the new landlord for the return of said security; and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new landlord. Tenant shall not assign or encumber or attempt to assign or encumber the monies deposited herein as security and neither Landlord nor its successors or assigns shall be bound by any such assignment, encumbrance or attempted assignment or encumbrance. Tenant shall contemporaneously with its execution of this Lease, deliver to Landlord a duly executed IRS form W-9 setting forth Tenant’s social security number or employer identification number, as the case may be (or such other forms as may from time to time be promulgated by the Internal Revenue Service for such purpose).

Section 36.02 In lieu of a cash deposit, Tenant may deliver to Landlord a clean and irrevocable Letter of Credit issued by and drawn upon any commercial bank which is a member of the New York Clearing House Association with offices for banking purposes in the City of New York (the **“Issuing Bank”**), which is satisfactory to Landlord and which satisfies both the Minimum Rating Agency Threshold (as hereinafter defined) and the Minimum Capital Threshold (as hereinafter defined). The “**Minimum Rating Agency Threshold**” shall mean that the Issuing Bank has outstanding unsecured, uninsured and unguaranteed senior long-term indebtedness that is then rated (without regard to qualification of such rating by symbols such as “+” or “-” or numerical notation) “Baa” or better by Moody’s Investors Service, Inc. and/or “BBB” or better by Standard & Poor’s Rating Services, or a comparable rating by a comparable national rating agency designated by Landlord in its discretion. The “**Minimum Capital Threshold**” shall mean that the Issuing Bank has combined capital, surplus and undivided profits of not less than $2,000,000,000.

If, at any time or from time to time, Landlord determines that an Issuing Bank (i) no longer satisfies the Minimum Rating Agency Threshold, (ii) no longer satisfies the Minimum Capital Threshold, (iii) has been seized or closed by the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, or another governmental or regulatory agency or authority, (iv) has become insolvent, or (v) is unwilling or unable to honor the Letter of Credit or to perform its obligations to honor a draw upon the Letter of Credit, then within five (5) days after demand, Tenant shall deliver to Landlord a replacement Letter of Credit, issued by a replacement Issuing Bank which satisfies the Minimum Rating Agency Threshold and the Minimum Capital Threshold and is otherwise satisfactory to Landlord in its discretion.

Said Letter of Credit shall have a term of not less than one year, be in form and content reasonably satisfactory to Landlord and substantially in the form set forth in Exhibit H, be for the account of Landlord and be in the amount set forth in Sections 36.01. Tenant shall be required to maintain the Letter of Credit in full force and effect throughout the term of the Lease and the final expiry date for said Letter of Credit shall be no earlier than six months following the Expiration Date of the Lease. The Letter of Credit shall provide that it shall be deemed automatically renewed, without amendment, for consecutive periods of one year each thereafter during the term of this Lease, unless the Issuing Bank sends notice (the "Non-Renewal Notice") to Landlord by certified mail, return receipt requested, not less than thirty (30) days next preceding the expiration date of the Letter of Credit that it elects not to have such Letter of Credit renewed. Landlord shall have the right, upon its receipt of the Non-Renewal Notice, by sight draft to the Issuing Bank, to receive the monies represented by the existing Letter of Credit and to hold such proceeds pursuant to Article 36 as cash security in accordance with the provisions of Section 36.01 or until a new Letter of Credit meeting the requirements of this Section 36.02 shall be tendered.

ARTICLE 37

Window Cleaning

Section 37.01 Tenant will not clean nor require, permit, suffer or allow any window in the Premises to be cleaned from the outside in violation of Section 202 of the Labor Law or any other applicable law or of the Rules of the Board of Standards and Appeals, or of any other Board or body having or asserting jurisdiction.

ARTICLE 38

Consents

Section 38.01 Wherever it is specifically provided in this Lease that a party's consent is not to be unreasonably withheld, a response to a request for such consent shall also not be unreasonably delayed. If either Landlord or Tenant considers that the other has unreasonably withheld or delayed a consent, it shall so notify the other party within 10 days after receipt of notice of denial of the requested consent or, in case notice of denial is not received, within 20 days after making its request for the consent.

Section 38.02 Tenant hereby waives any claim against Landlord which it may have based upon any assertion that Landlord has unreasonably withheld or unreasonably delayed any such consent, and Tenant agrees that its sole remedy shall be an action or proceeding to enforce any such provision or for specific performance, injunction or declaratory judgment. In the event of such determination, the requested consent shall be deemed to have been granted; however, Landlord shall have no liability to Tenant for its refusal or failure to give such consent. The sole remedy for Landlord's unreasonably withholding or delaying of consent shall be as provided in this Section.

Section 38.03 Notwithstanding anything to the contrary provided in this Lease, in any instance where the consent of the Superior Lessor and/or the Superior Mortgagee is required Landlord shall not be required to give its consent until and unless the Superior Lessor and/or the Superior Mortgagee has given its consent.

ARTICLE 39

Notices

Section 39.01 A. Except as otherwise expressly provided in this Lease or pursuant to any Legal Requirement, any bills, statements, notices, demands, requests, consents or other communications (collectively, "notices") given or required to be given under or in connection with this Lease or pursuant to any Legal Requirement shall be effective only if in writing and,

(a) if to Tenant, then, at the option of Landlord, (i) sent by registered or certified mail, return receipt requested, postage prepaid, addressed to Tenant's address as set forth in this Lease if mailed prior to the Commencement Date or at the Building if subsequent to the Commencement Date, or to such other address as Tenant may designate for such purpose by like notice, or (ii) delivered personally to Tenant, (b) if to Landlord, sent by registered or certified mail, return receipt requested, postage prepaid, to Landlord's address as set forth in this Lease, or to such other or further address or addresses as Landlord may designate for such purpose by like notice; or (c) if to any other person, sent by registered or certified mail, return receipt requested and postage prepaid addressed to such person's last known principal address or to such other address as such person may designate to Landlord and Tenant as its address for such purpose by like notice.

B. Notices shall be deemed to have been rendered or given (a) on the date delivered, if delivered to Tenant personally, or (b) on the date mailed, if mailed as provided in this Section, unless mailed outside of The City of New York, in which case it shall be deemed to have been rendered or given 3 business days after mailing. Notices given by counsel for either party or by Landlord's managing agent, JRT Realty Group, Inc. shall be deemed valid notices if addressed and sent in accordance with the provisions of this Article.

ARTICLE 40

Definitions; Construction of Terms

Section 40.01 For the purposes of this Lease and all agreements supplemental to this Lease:

(a) "Additional Rent" shall have the meaning given in Section 3.01A.

(b) "after hours" shall have the meaning given in Section 12.02.

(c) "Basic Construction of the Building" mean in addition to the structure itself, the mechanical and electrical systems and the distribution thereof to locations from which each floor can be served, and the elevators, lobby and other common areas, and any other necessary construction, excepting only any materials or work to finish any portion for occupancy by particular tenants.

(d) "Building" shall have the meaning given in Section 1.01.

(e) "Building Equipment" shall mean all machinery, apparatus, equipment, personal property, fixtures and systems, of every kind and nature whatsoever now or hereafter attached to or used in connection with the operation or maintenance of the Building, including all electrical, heating, mechanical, sanitary, sprinkler, utility, power, plumbing, cleaning, fire prevention, refrigeration, ventilating, air cooling, air conditioning, elevator and escalator systems, apparatus and equipment, and any and all renewals and replacements of any thereof; but excluding, however, (i) Tenant's Property, (ii) property of any other tenant, (iii) property of contractors servicing the Building and (iv) improvements for water, gas, steam and electricity and other similar equipment owned by any public utility company or any governmental agency or body.

(f) "business days" and "business hours" shall have the respective meanings given in Section 12.01.

(g) "Commencement Date" shall have the meaning given in Section 2.01A.

(h) "Expiration Date" shall have the meaning given in Section 2.01A.

(i) "Declaration" shall mean the Declaration, dated July 27, 1981, made by Landlord, recorded in the Office of the Register of the City of New York on August 20, 1981, as No. 10726 in Reel 579 of conveyances at page 1641. The Declaration requires, among other things, that in the event the building known as 155 East 48th Street, New York, New York or the building now known as 150 East 49th Street, New York, New York shall be altered or reconstructed so as to come within a certain distance of the exterior wall openings on the west lot line of the Land, such exterior wall openings will be closed, at Landlord's expense, with construction meeting the fire resistance rating requirement for exterior wall construction.

(j) "Fee Mortgage" shall mean, collectively, any mortgage which does not constitute a Superior Mortgage and which encumbers the Land and all renewals, modifications, replacements, substitutions, supplements, extensions, spreaders, and consolidations thereof.

(k) "Fee Mortgagee" shall mean, collectively, all holders at the time of the Fee Mortgage.

(l) "Fixed Rent" shall have the meaning given in Section 3.01A.

(m) "Fixtures" shall have the meaning given in Section 10.07.

(n) "Force Majeure" shall mean any and all causes beyond Landlord's reasonable control, including delays caused by Tenant, other tenants, governmental restriction, regulation or control, labor dispute, strike, accident, mechanical breakdown, shortages or inability to obtain labor, fuel, steam, water, electricity or materials, acts of God, enemy action, civil commotion, fire or other casualty.

(o) "Guarantor", if any, shall mean any person(s) who guarantees any or all of Tenant's obligations under this Lease.

(p) "Improvements" shall mean improvements made by or on behalf of Tenant or any person claiming through or under Tenant.

(q) "improvements" shall mean improvements, alterations, additions, substitutions, betterments and decorations.

(r) "Insurance Requirements" shall mean all requirements of any insurance policy coveting or applicable to all or any part of the Real Property or the Premises or the use thereof, all requirements of the issuer of any such policy and all orders, rules, regulations, recommendations and other requirements of the New York Board of Fire Underwriters or the Insurance Service Office or any other body exercising the same or similar functions and having jurisdiction or cognizance of all or any part of the Real Property or the Premises.

(s) "Interest Rate" shall mean a rate per annum equal to the lesser of (a) 2% above the prime rate in effect from time to time (but in no event less than 15% per annum) or (b) the maximum applicable legal rate, if any.

(t) "Land" shall have the meaning given in Section 1.01.

(u) "Landlord" shall have the meaning given in Section 43.02.

(v) "Landlord's Work", if any, shall have the meaning given in Exhibit C.

(w) "Legal Requirements" shall mean laws, statutes and ordinances (including building codes and zoning regulations and ordinances) and the orders, rules, regulations, directives and requirements of all federal, state, county, city and borough departments, bureaus, boards, agencies, offices, commissions and other subdivisions thereof, or of any official thereof, or of any other governmental, public or quasi-public authority, whether now or hereafter in force, which may be applicable to the Real Property or the Premises or any part thereof or the sidewalks, curbs or areas adjacent thereto and the Declaration and all requirements, obligations and conditions of all instruments of record on the date of this Lease.

(x) "Premises" shall have the meaning given in Section 1.01.

(y) "prime rate" shall mean the annual rate of interest from time to time publicly announced by JP Morgan Chase Bank, N.A., as its prime lending rate.

(z) "Real Property" shall mean the Building and the Land and all easements, air rights, development rights and other appurtenances thereto.

(aa) "Rules and Regulations" shall have the meaning given in Section 30.01.

(bb) "Superior Lease" shall have the meaning given in Section 23.01.

(cc) "Superior Lessor" shall mean, collectively, all lessors at the time of the Superior Lease.

(dd) "Superior Mortgage" shall have the meaning given in Section 23.01.

(ee) "Superior Mortgagee" shall mean, collectively, all holders at the time of the Superior Mortgage.

(ff) "Successor Landlord" shall have the meaning given in Section 23.04.

(gg) "Tenant" shall have the meaning given in Section 43.03.

(hh) "Tenant's Property" shall mean all fixtures, Improvements and other property (i) installed at the sole expense of Tenant, (ii) with respect to which Tenant has not been granted any credit or allowance by Landlord, (iii) which are removable without material damage to the Premises and (iv) which are not replacements of any property of landlord, whether any such replacement is made at Tenant's expense or otherwise.

(ii) "Tenant's Work", if any, shall have the meaning given in Exhibit C.

(jj) "Term" shall have the meaning given in Section 2.01A.

(kk) "Untenantable" shall mean the extent to which Tenant is actually unable to use any or all of the Premises in the normal course of its business.

(ll) For the purposes of this Lease and all agreements supplemental to this Lease, the following additional definitions shall also apply (whether or not capitalized or in lower case):

The terms "include", "including" and "such as" shall construed as if followed by the phrase "without being limited to".

The term "obligations of this Lease", and words of like import, shall mean the covenants to pay rent and additional rent under this Lease and all of the other covenants and conditions contained in this Lease. Any provision in this Lease that one party or the other or both shall do or not do or shall cause or permit or not cause or permit a particular act, condition, or circumstance shall be deemed to mean that such party so covenants or both parties so covenant, as the case may be.

The term "Tenant's obligations hereunder", and words of like import, and the term "Landlord's obligations hereunder", and words of like import, shall mean the obligations of this Lease which are to be performed or observed by Tenant, or by Landlord, as the case may be. Reference to "performance" of either party's obligations under this Lease shall be construed as "performance and observance".

Reference to Tenant being or not being "in default hereunder", or words of like import, shall mean that Tenant is in default after notice to Tenant and failure to cure in the performance of one or more of Tenant's obligations hereunder, or that Tenant is not in default after notice to Tenant and failure to cure in the performance of any of Tenant's obligations hereunder, or that a condition of the character described in Section 17.01 has occurred and continues or has not occurred or does not continue, as the case may be.

The term "repair" shall be deemed to include restoration and replacement as may be necessary to achieve and/or maintain good working order and condition.

Reference to "termination of this Lease" includes expiration or earlier termination of the term of this Lease or cancellation of this Lease pursuant to any of the provisions of this Lease or to law. Upon a termination of this Lease, the term and estate granted by this Lease shall end at noon of the date of termination as if such date were the date of expiration of the term of this Lease and neither party shall have any further obligation or liability to the other after such termination (i) except as shall be expressly provided for in this Lease, or (ii) except for such obligation as by its nature or under the circumstances can only be, or by the provisions of this Lease, may be, performed after such termination, and, in any event, unless expressly otherwise provided in this Lease, any liability for a payment which shall have accrued to or with respect to any period ending at the time of termination shall survive the termination of this Lease.

The term "in full force and effect" when herein used in reference to this Lease as a condition to the existence or exercise of a right on the part of Tenant shall be construed in each instance as including the further condition that at the time in question no default on the part of Tenant exists, and no event has occurred which has continued to exist for such period of time (after the notice, if any, required by this Lease), as would' entitle Landlord to terminate this Lease or to dispossess Tenant.

Section 40.02 A. If any of the provisions of this Lease, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

B. If any term of this Lease is found invalid or unenforceable to any extent by a final judgment or award which shall not be subject to change by appeal, then either party may initiate an arbitration in accordance with the provisions of Article 28. Said arbitrator shall devise a valid and enforceable substitute term for this Lease which shall as nearly as possible carry out the intention of the parties with respect to the term of this Lease found invalid or unenforceable. Such substitute term as so devised shall thereupon be deemed a part of this Lease.

Section 40.03 The various terms which are defined in other Articles of this Lease or are defined in Exhibits annexed hereto shall have the meanings specified in such other Articles and such Exhibits for all purposes of this Lease and all agreements supplemental thereto, unless the context clearly indicates the contrary.

Section 40.04 The Article headings in this Lease and the Table of Contents to this Lease are inserted only as a matter of convenience or reference, and are not to be given any effect in construing this Lease.

ARTICLE 41

Estoppel Certificate; Recording

Section 41.01 (a) At any time and from time to time upon not less than 10 days' prior notice by Landlord or the Superior Lessor or the Superior Mortgagee to Tenant, Tenant shall, without charge, execute, acknowledge and deliver (1) a statement in writing in the form annexed hereto as Exhibit F addressed to such party as Landlord, or the Superior Lessor or e Superior Mortgagee, as the case may be, may designate (with such additions or changes as may be reasonably requested) or in form satisfactory to Landlord, or the Superior Lessor or the Superior Mortgagee, as the case may be, certifying all or any of the following: (i) 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), (ii) whether the Term has commenced and Fixed Rent and Additional Rent have become payable hereunder and, if so, the dates to which they have been paid, (iii) whether or not, to the best knowledge of the signer of such certificate, Landlord is in default in performance of any of the terms of this Lease and, if so, specifying each such default of which the signer may have knowledge, (iv) whether Tenant has accepted possession of the Premises, (v) whether Tenant has made any claim against Landlord under this Lease and, if so, the nature thereof and the dollar amount, if any, of such claim, (vi) whether there exist any offsets or defenses against enforcement of any of the terms of this Lease upon the part of Tenant to be performed, and, if so, specifying the same, (vii) either that Tenant does not know of any default in the performance of any provision of this Lease or specifying any default of which Tenant may have knowledge and stating what action Tenant is taking or proposes to take with respect thereto, (viii) that, to the knowledge of Tenant, there are no proceedings pending or threatened against Tenant or Guarantor before or by any court or administrative agency which, if adversely decided, would materially and adversely affect the financial condition or operations of Tenant or Guarantor or, if any such proceedings are pending or threatened to the knowledge of Tenant, specifying and describing the same and (ix) such further information with respect to the Lease or the Premises as Landlord may reasonably request or the Superior Mortgagee or Superior Lessor may require, and/or (2) "Tenant Acceptance Letter" in the form annexed hereto as Exhibit G, it being intended that any such statement delivered pursuant hereto may be relied upon by any prospective purchaser of the Real Property or any part thereof or of the interest of Landlord in any part thereof, by any mortgagee or prospective mortgagee thereof, by any lessor or prospective lessor thereof, by any lessee or prospective lessee thereof, or by any prospective assignee of any mortgage thereof.

(b) The failure of Tenant to execute, acknowledge and deliver to Landlord a statement in accordance with the provisions of this Section within said 10 day period shall constitute an acknowledgment by Tenant, which may be relied on by any person who would be entitled to rely upon any such statement, that such statement as submitted by Landlord is true and correct.

Section 41.02 Upon written request of Landlord, but not more frequently than once in any twelve (12) month period, Tenant shall promptly furnish Landlord with the most current then prepared and available financial statement, certified by Tenant or an independent auditor to be true and correct, reflecting Tenant’s then current financial condition.
Upon request of Landlord, Tenant will furnish to Landlord:

Section 41.03 Tenant agrees not to record this Lease (or a memorandum hereof) or any other document related hereto.

ARTICLE 42

Intentionally Deleted

ARTICLE 43

Parties Bound

Section 43.01 The terms of this Lease shall bind and benefit the successors and assigns of the parties with the same effect as if mentioned in each instance where a party is named or referred to, except that no violation of the provisions of Article 22 shall operate to vest any right in any successor or assignee of Tenant and that the provisions of this Article shall not be construed as modifying the conditions of limitation contained in Article 17.

Section 43.02 A. The term "Landlord" shall mean only the owner at that time in question of the present landlord's interest in the Building and in the event of a sale or transfer of the Building (by operation of law or otherwise), or in the event of the making of a lease of all or substantially all of the Building, or in the event of a sale or transfer (by operation of law or otherwise) of the leasehold estate under any such lease, the grantor, transferor or lessor, as the case may be, shall be and hereby is (to the extent of the interest or portion of the Building or leasehold estate sold, transferred or leased) automatically and entirely released and discharged, from and after the date of such sale, transfer or leasing, of all liability in respect of the performance of any of the terms of this Lease on the part of Landlord thereafter to be performed; provided that the purchaser, transferee or lessee (collectively, "Transferee") shall be deemed to have assumed and agreed to perform, subject to the limitations of this Section and Section 23.04 (and without further agreement between the then parties hereto, or among such parties and the Transferee) and only during and in respect of the Transferee's period of ownership of the Landlord's interest under this Lease, all of the terms of this Lease on the part of Landlord to be performed during such period of ownership, which terms shall be deemed to "run with the land" it being intended that Landlord's obligations hereunder shall, as limited by this Article, be binding on Landlord, its successors and assigns, only during and in respect of their respective successive periods of ownership.

B. No recourse shall be had on any of Landlord's obligations hereunder or for any claim based thereon or otherwise in respect thereof against any incorporator, subscriber to the capital stock, shareholder, officer or director, past, present or future, of any corporation or any partner or joint venturer which shall be Landlord hereunder or included in the term "Landlord" or of any successor of any such corporation, or against any principal, disclosed or undisclosed, or any affiliate of any party which shall be Landlord or included in the term "Landlord," whether directly or through Landlord or through any receiver, assignee, trustee in bankruptcy or through any other person, firm or corporation, whether by virtue of any constitution, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability being expressly waived and released by Tenant.

C. Tenant shall look solely to Landlord's estate and interest in the Building for the satisfaction of any right of Tenant for the collection of a judgment or other judicial process or arbitration award requiring the payment of money by Landlord and no other property or assets of Landlord, Landlord's agents, incorporators, shareholders, officers, directors, partners, principals (disclosed or undisclosed) or affiliates shall be subject to levy, lien, execution, attachment, or other enforcement procedure for the satisfaction of Tenant's rights and remedies under or with respect to this Lease, the relationship of Landlord and Tenant hereunder or under law, or Tenant's use and occupancy of the premises or any other liability of Landlord to Tenant.

Section 43.03 The term "Tenant" shall mean the Tenant herein named or any assignee or other successor in interest (immediate or remote) of the Tenant herein named, which at the time in question is the owner of the Tenant's estate and interest granted by this Lease; but the foregoing provisions of this subsection shall not be construed to permit any assignment of this Lease or subletting of the Premises or to relieve the Tenant herein named or any assignee or other successor in interest (whether immediate or remote) of the Tenant herein named from the full and prompt performance of Tenant's obligations hereunder.

Section 43.04 Nothing contained in this Lease shall be deemed to confer upon any tenant, or anyone claiming under or through any tenant, any right to insist upon, or to enforce against Landlord or Tenant, the performance of Tenant's obligations hereunder.

Section 43.05 The submission by Landlord to Tenant of this Lease in draft form shall be deemed submission solely for Tenant's consideration and not for acceptance and execution. Such submission shall have no binding force and effect, shall not constitute an option for the leasing of the Premises, and shall not confer any rights or impose any obligations upon either party. The submission by Landlord of this Lease for execution by Tenant and the actual execution and delivery thereof by Tenant to Landlord shall similarly have no binding force and effect on Landlord unless and until Landlord shall have executed this Lease and a counterpart thereof shall have been delivered to Tenant.

ARTICLE 44

Miscellaneous

Section 44.01 This Lease contains the entire agreement between the parties and all prior negotiations and agreements are merged into this Lease. This Lease may not be changed, modified, abandoned or discharged, in whole or in part, nor any of its provisions waived except by a written instrument which (a) expressly refers to this Lease, (b) is executed by the party against whom enforcement of the change, modification, abandonment, discharge or waiver is sought and (c) is permissible under the Superior Mortgage and the Superior Lease.

Section 44.02 Tenant expressly acknowledges that neither Landlord nor Landlord's agents has made or is making, and Tenant, in executing and delivering this Lease, is not relying upon, any warranties, representations, promises or statements, except to the extent that the same are expressly set forth in this Lease, and no rights, easements or licenses are or shall be acquired by Tenant by implication or otherwise unless expressly set forth in this Lease.

Section 44.03 Any apportionment or prorations of rent to be made under this Lease shall be computed on the basis of a 360 day year, with 12 months of 30 days each.

Section 44.04 The laws of the State of New York applicable to contracts made and to be performed wholly within the State of New York shall govern and control the validity, interpretation, performance and enforcement of this Lease.

Section 44.05 If Tenant is a corporation, each person executing this Lease on behalf of Tenant hereby covenants, represents and warrants that Tenant is a duly incorporated or duly qualified (if foreign) corporation and is authorized to do business in the State of New York (a copy of evidence thereof to be supplied to Landlord upon request); and that each person executing this Lease on behalf of Tenant is an officer of Tenant and that he is duly authorized to execute, acknowledge and deliver this Lease to Landlord (a copy of a resolution to that effect to be supplied to Landlord upon request).

Section 44.06 A. If Tenant is a partnership (or is comprised of 2 or more persons. individually, or as joint venturers or as copartners of a partnership) or if Tenant's interest in this Lease shall be assigned to a partnership (or to 2 or more persons, individually, or as joint venturers or as copartners of a partnership) pursuant to Article 22 (any such partnership and such persons are referred to in this Article as "Partnership Tenant"), the following provisions of this Section shall apply to such Partnership Tenant: (a) the liability of each of the parties comprising Partnership Tenant shall be joint and several, and (b) each of the parties comprising Partnership Tenant hereby consents in advance to, and agrees to be bound by, any modifications, termination, discharge or surrender of this Lease which may hereafter be made and by any notices, demands requests or other communications which may hereafter be given, by Partnership Tenant or by any of the parties comprising Partnership Tenant, and (c) any bills, statements, notices, demands, requests or other communications given or rendered to Partnership Tenant or to any of the parties comprising Partnership Tenant shall be deemed given or rendered to Partnership Tenant and to all such parties and shall be binding upon Partnership Tenant and all parties, and (d) if Partnership Tenant shall admit new partners, all such new partners shall, by their admission to Partnership Tenant, be deemed to have assumed performance of all of the terms, covenants and conditions of this Lease on Tenant's part to be observed and performed, and (e) Partnership Tenant shall give prompt notice to Landlord of the admission of any such new partners, and upon demand of Landlord, shall cause each such new partner to execute and deliver to Landlord an agreement in form satisfactory to Landlord, wherein each such new Partner shall assume performance of all of the terms, covenants and conditions of this Lease on Tenant's part to be observed and performed (but neither Landlord's failure to request any such agreement nor the failure of any such new partner to execute or deliver any such agreement nor the failure of any such new partner to execute or deliver any such agreement to Landlord shall vitiate the provisions of Subdivision (d) of this Section 44.06 A).

Section 44.07 All Exhibits to this Lease and any and all Rider provisions attached to this Lease are hereby incorporated into this Lease. If any provision contained in any Rider hereto is inconsistent or in conflict with any printed provision of this Lease, the provision contained in such Rider shall supersede said printed provision and shall control.

Article 45

Anti-Terrorism Requirements

Section 45.01 Tenant represents and warrants that (i) neither Tenant nor any person, group or entity who owns any direct or indirect beneficial interest in Tenant or any of them, is listed on the list maintained by the United States Department of the Treasury, Office of Foreign Assets Control (commonly known as the OFAC List) or otherwise qualifies as a terrorist, Specially Designated National and Blocked Person or a person with whom business by a United States citizen or resident is prohibited (each a “Prohibited Person”); (ii) neither Tenant nor any person, group or entity who owns any direct or indirect beneficial interest in Tenant or any of them is in violation of any anti-money laundering or anti-terrorism statute, including, without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, U.S. Public Law 107-56 (commonly known as the USA PATRIOT Act), and the related regulations issued thereunder, including temporary regulations, and Executive Orders (including, without limitation, Executive Order 13224) issued in connection therewith, all as amended from time to time; and (iii) neither Tenant nor any person, group or entity who owns any direct or indirect interest in Tenant is acting on behalf of a Prohibited Person. Tenant shall indemnify and hold Landlord harmless from and against all claims, damages, losses, risks, liabilities and costs (including fines, penalties and legal costs) arising from any misrepresentation in this paragraph or Landlord’s reliance thereon. Tenant’s obligations under this paragraph shall survive the expiration or sooner termination of the term of this lease.

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

WITNESS:

By:

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA, for the benefit of its separate Real Estate Account

By: Laura Palombo
Name: Laura Palombo
Title: Director

Landlord

Witness

Alexander R. Berger

By: Alexander R. Berger

VRINGO INC.

By:
Name: Andrew Perlman
Title: CEO

Tenant Vringo

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Andrew Perlman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vringo, Inc.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 15(d)-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 quarterly 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 quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

d) Disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 14, 2012

/S/ ANDREW D. PERLMAN

Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Ellen Cohl, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vringo, Inc.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 quarterly 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 quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

d) Disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 14, 2012

/S/ Ellen Cohl

Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-Q of Vringo, Inc. (the "Company") for the quarter ended September 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report") I, Andrew Perlman, Chief Executive Officer of the Company, certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002,18 U.S.C. § 1350, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15 (d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2012

/S/ ANDREW D. PERLMAN

Andrew D. Perlman
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-Q of Vringo, Inc. (the "Company") for the quarter ended September 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report") I, Ellen Cohl, Chief Financial Officer of the Company, certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1350, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2012

/S/ ELLEN COHL

Ellen Cohl
Chief Financial Officer
(Principal Financial Officer)