SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS

PURSUANT TO SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

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

For the fiscal year ended December 31, 2000

OR

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

For the transition period from to

Commission File number 0-27275

Akamai Technologies, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**04-3432319**
(State or other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
500 Technology Square, Cambridge, MA	**02139**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's Telephone Number, including area code (617) 250-3000

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

Securities registered pursuant to Section 12(g) of the Act: Common Stock, $.01 par value

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

The aggregate market value of the voting common stock held by non-affiliates of the registrant was approximately $1,972,155,094 based on the last reported sale price of the common stock on the Nasdaq consolidated transaction reporting system on January 31, 2001.

The number of shares outstanding of the registrant's common stock as of January 31, 2001: 108,915,101 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission relative to the registrant's 2001 Annual Meeting of Stockholders are incorporated by reference into Items 10, 11, 12 and 13 of Part III of this annual report on Form 10-K.

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AKAMAI TECHNOLOGIES, INC.

ANNUAL REPORT ON FORM 10-K

For the Fiscal Year Ended December 31, 2000

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PART I

Item 1. *Business.*

Overview

We provide global delivery services for Internet content, streaming media and applications and global Internet traffic management. Our services improve the speed, quality, availability, reliability and scalability of Web sites. Our services deliver our customers' Internet content, streaming media and applications through a distributed world-wide server network which locates the content and applications geographically closer to users. Using technology and software that is based on our proprietary mathematical formulas, or algorithms, we monitor Internet traffic patterns and deliver our customers' content and applications by the most efficient route available. Our services are easy to implement and do not require our customers or their Web site visitors to modify their hardware or software. Using our FreeFlow service, our customers have been able to more than double the speed at which they deliver content to their users and, in some instances, have been able to improve speeds by ten times or more. Our streaming services offer customers enhanced video and audio quality, scalability and reliability. Finally, our services also provide cost and capital savings to our customers by enabling them to outsource delivery of their content to end users.

During 2000, we completed three acquisitions. In February, we acquired Network*24* Communications, Inc., which we refer to as Network*24*, a privately held provider of Internet broadcasting software and services. In April, we completed the acquisition of InterVU, Inc., which we refer to as INTERVU, a publicly-traded company engaged in providing Web site owners and content publishers with automated streaming media services for live and on-demand video and audio content over the Internet. In July, we acquired CallTheShots, Inc., which we refer to as CTS, a privately-held company focusing on Web site personalization and content aggregation.

The Akamai logo, EdgeAdvantage™, EdgeScape℠, FirstPoint℠, FreeFlow℠, FreeFlow Streaming℠, the INTERVU logo, SteadyStream™, Traffic Analyzer℠, Akamai Conference℠, EdgeSuite℠ and StorageFlow℠ are trademarks or service marks of us or our subsidiaries. All other trademarks or trade names in this prospectus are the property of their respective owners.

Akamai Services

We have developed EdgeAdvantage, an integrated platform of our core technologies and network infrastructure service used to offer our FreeFlow, FreeFlow Streaming, Traffic Analyzer, FirstPoint, Akamai Conference, EdgeScape, Digital Parcel Service, StorageFlow, and EdgeSuite services. EdgeAdvantage may also be used as a platform for third-party service offerings, tools and applications. We and our partners intend to use this platform to introduce a range of value added services and applications.

FreeFlow

Our FreeFlow service provides for the delivery of Web site content to Internet users. When implementing our FreeFlow service, our customers select bandwidth intensive portions of their Web sites, such as complex graphics, advertisements, logos, software downloads and pictures, to be delivered to users over our network. FreeFlow service customers pay only for the Internet content delivered through our service. Monthly usage charges are based on megabits per second of content delivered. Customers commit to pay for a minimum usage level over a fixed contract term and pay additional fees when usage exceeds this commitment. Monthly prices currently begin at $1,995 per megabit per second, with discounts available for volume usage.

This FreeFlow service is backed by a proof-of-performance guarantee. Through our guarantee we promise that:

- our service will be available to deliver content 24 hours a day, seven days a week, 365 days a year;
- our service will deliver content faster than the customer can do it without our service; and
- if we fail to deliver on either of these two promises on any day, the customer does not pay for the service for that day.

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FreeFlow Streaming

Our FreeFlow Streaming service provides for the delivery of streaming audio and video content to Internet users over the Internet. Streaming media is Internet content in the form of audio and/or video that a user can access and play while downloading it from a content provider.

Streaming content can be delivered in three forms:

- *on-demand*—which means that the user can view and/or listen to the file at any time, similar to a videotape in a VCR;
- *live events*—which means that the user can only view and/or listen to the file at a set time, similar to live television; or
- *simulated live*—which means that the user can only view and/or listen to a prerecorded file at a set time, similar to viewing a pre-recorded television show.

FreeFlow Streaming supports all three forms of streaming content. FreeFlow Streaming incorporates our proprietary SteadyStream ℠ technology which splits an encoded broadcast signal into multiple streams, transmits the streams across the

Akamai network, and recombines them at the appropriate Akamai network server to deliver the broadcast in its original high quality format. This service enables customers to enjoy enhanced video and audio quality, scalability and reliability. The primary pricing model for our FreeFlow Streaming service is based on megabytes of content delivered. Customers commit to pay for a minimum usage level over a fixed contract term, and pay additional fees when usage exceeds the commitment. The pricing is scaled, so that as a customer commits to higher levels of monthly usage, it will pay lower fees per megabit delivered.

As a result of our acquisitions of Network*24* and INTERVU, we also offer a set of applications for developing and delivering interactive media broadcasts, including audio and video streaming. This set of applications enables Web site owners to create customized programs of audio and video content, synchronized presentations, audience polling, and e-Commerce capabilities in a format designed to engage users in an interactive way. This set of applications can be used for product rollout presentations, seminars, corporate earnings calls, distance learning, interactive entertainment and other applications.

Traffic Analyzer

Our Traffic Analyzer service is a Java-based tool that provides real-time online traffic monitoring of both a customer's Web site and our network on a continual basis. Customers may also use our Traffic Analyzer service to quantify traffic patterns during significant media events. For example, customers that advertised their Web sites during the Super Bowl and the Academy Awards and during streamed events such as the NCAA's Men's Basketball Tournament were able to analyze, on a real-time basis, data relating to the traffic on their Web sites during these events.

FirstPoint

In June 2000, we introduced commercially FirstPoint, a global traffic management service for content providers with geographically distributed Web servers. FirstPoint uses our global network and real-time tracking of Internet conditions to ensure that Web site visitors reach the optimal server location. FirstPoint directs inbound Web traffic so that it reaches the server location best able to handle each individual user request. This offers a significant advantage to content providers seeking to maximize the performance and availability of a mirrored Web site. The FirstPoint service is fully interoperable with local load balancing solutions.

Akamai Conference

In June 2000, we introduced commercially Akamai Conference, a new family of conference casting solutions that incorporate live audio and video streaming services and interactive components into traditional conference call offerings. Akamai Conference is available only through a number of key conferencing service providers, including AT&T, WorldCom, Global Crossing Conferencing and ACT Teleconferencing. These

conferencing service providers are integrating components of our conference casting solutions into their conferencing offerings.

EdgeScape

In June 2000, we introduced commercially EdgeScape, a knowledge delivery service that enables content providers to more intelligently serve content from their Web sites. EdgeScape utilizes our mapping and data collection techniques to identify the geographic location from which users access our customers' Web sites, the network origin of the user's request and other information. We are thus able to assist our content providers in their efforts to customize the delivery of content to users so that their experience on a Web site has more relevance and efficiency each time they visit.

Digital Parcel Service

In September 2000, we announced the initial release of our Digital Parcel Service, a comprehensive digital distribution and rights management service. Digital Parcel Service allows our customers to securely and flexibly package, sell, and distribute digital content with superior speed and performance. This new service offering also supports digital rights management, or DRM, transaction services by incorporating technology developed by our provider, Reciprocal, Inc. These DRM capabilities, which are currently available in controlled release, allow content providers to retain control of their content, determine the terms on which end users will be able to access such content, take advantage of a clearinghouse for processing of permission requests and protect digital goods from unauthorized copying and distribution.

StorageFlow

In October 2000, we introduced our StorageFlow service, a managed storage offering that enables our customers to store content that is to be delivered through our FreeFlow, Digital Parcel Service and FreeFlow Streaming services. The StorageFlow service utilizes technology provided by data storage providers such as EMC, in partnership with EDS, and Scale Eight, Inc. We integrate the storage solutions provided by these companies with our replication, data management and network performance technologies. As a result, content providers will be able to purchase a scalable storage and delivery solution from a single service provider.

EdgeSuite

In October 2000, we introduced commercially our EdgeSuite service, a suite of services that provides a full range of tools for the assembly, delivery and management of content. Leveraging our global network, EdgeSuite enables the generation and delivery of dynamic content from locations optimized for each end-user. The technology embedded in our EdgeSuite service enables our customers to dynamically construct pages from component pieces that can be targeted to the end viewer. For example, a news page might include a feature article targeted to a visitor's geographic location, or a commerce site might customize its storefront for returning users.

Business Segments and Geographic Areas

We currently operate in one business segment: global delivery services for Internet content, streaming media and applications. Although we offer our services in a number of foreign locations, over 90% of our revenue has been derived from customers located in the United States. For more financial information about our segments and geographic areas, see Note 17 to our consolidated financial statements appearing elsewhere in this annual report on Form 10-K.

Technology

Our services incorporate some or all of the following technologies:

URLs. Our technology changes the way in which content on a Web page is delivered to an Internet user without interrupting the normal data flow. Normally, when a user clicks on any Web page, the Web site

returns a Hypertext Markup Language, or HTML, text file containing text and formatting instructions which the browser uses to display the page. This text file also contains the Universal Resource Locators, or URLs, of non-text objects on the page, such as photographs, banner advertisements, graphics and software downloads.

Our customers identify which of their Web objects are to be delivered over our network. The customer then runs a software utility we provide, called Akamaizer, which searches for the URLs of the selected objects and tags them with a special code. This modification transforms each URL for content to be delivered over our network into an Akamai Resource Locator, or ARL. The result is that when a user's browser downloads an HTML file containing ARLs of Web objects for that page, the browser is automatically pointed to our network to retrieve those objects. Our process does not require any modification to the browser or other personal computer configuration changes. While we can serve the HTML as well as the objects embedded in it, our customers typically choose to serve the HTML themselves to maintain direct contact with the user. Thus, even while users are receiving content from our servers, our customers can continue to count Web site visitors, track user demographics and dynamically assemble Web page content, including the insertion of targeted advertising and other personalized content.

Domain Name Servers. The Internet relies on a distributed hierarchical database, called the Domain Name System, or DNS, to translate Web site names into numerical Internet Protocol, or IP, addresses. We employ tiers of DNS, or name, servers that interact seamlessly with the Internet's standard DNS servers and intelligently direct a user's request for Web site content or applications toward our most efficient server to deliver the requested content or applications. When an Internet user requests a page containing content to be delivered over our network, the user's browser asks a Domain Name Server to find an IP address for our network. The DNS automatically directs the query to one of our top-level DNS servers rather than to the central Web site. Our top-level DNS servers use proprietary mapping software to determine the approximate location of the user in the Internet. The top-level DNS server then refers the user's request to one of our low-level DNS server that is responsible for traffic near the user. The low-level DNS server then answers with the IP addresses of a group, or "region," of our servers that can deliver the desired content to the user most quickly and reliably based on the geographic proximity, load and availability of all servers on the network. The low-level DNS servers use up-to-the-second information about Internet and server conditions to make the best routing decision for each user.

Server Load Management. Our servers first determine the optimal region for serving content to a user at a given moment. We use proprietary algorithms to then balance the loads of all servers within each region and ensure that objects reside in the minimum number of servers required to deliver optimal performance.

Real-Time Monitoring. We perform real-time monitoring of our own servers and of the Internet to make certain that content is delivered to users with the best performance and reliability. A key design principle of our system is the use of distributed control. Therefore, if any computer, data center or portion of the Internet fails, our services will continue operating.

We constantly monitor the performance of connections between various locations around the Internet and our regions. We use numerous types of network information to determine the performance of these connections. The result is a "map" of the optimal Akamai region for each location at that point in time. We rebuild this map periodically to reflect changing conditions.

Real-time monitoring also enhances reliability. A region is suspended if the data center in which our servers are located fails or is performing poorly. However, even when this disruption occurs, the FreeFlow service continues to function. To ensure fault

tolerance, we deploy back-up low-level DNS servers in each region that physically reside in separate data centers. These back-up DNS servers automatically direct users to servers in alternate regions unaffected by the remote outage.

To enhance reliability against the failure of an individual server, each server is assigned a "buddy" server within a region. Buddy servers query one another every second to sense all failures. If a server's buddy does not respond to a query, that server takes over its buddy's IP address and serves all content requested of the buddy.

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Customers

We began the introduction of our services commercially in April 1999. Our customer base spans a broad spectrum of Internet categories. Sales to Apple Computer and Yahoo! represented 22% and 13%, respectively, of our total revenue for the year ended December 31, 1999. Sales to Apple Computer represented 12% of our total revenue for the year ended December 31, 2000.

Sales, Service and Marketing

We currently sell our service primarily through a direct sales force. Our plan is to continue to pursue heavily trafficked Web sites through our direct sales force and to penetrate other markets through our reseller program and other indirect distribution channels. In addition, we have recently begun to directly market and sell our services to smaller Web sites and businesses through our telesales force. As of December 31, 2000, we had 403 employees in our sales and support organization, of whom 96 are in direct sales. Currently our sales force is actively targeting both domestic and international companies, focusing on Web sites that have the greatest number of visitors, Fortune 100 companies and other companies with large operations worldwide. In January 2000, we established our new European headquarters based in Munich, Germany, with offices in Paris, France and London, England.

In addition to our direct sales efforts, we have implemented a reseller program with Web hosting companies, system integration firms, streaming technology companies and commerce service providers. As of December 31, 2000, our resellers included: Digex, Global Center, NaviSite, IBM, CacheFlow, Loudcloud, Intel, Genuity, LoudEye, Encode This and Virage. Our indirect sales channel allows us to greatly enhance our reach in the marketplace. During the year ended December 31, 2000, indirect sales represented 15% of our revenue. We have also established an Alliance Partner program with Web developers, systems integrators and Web-focused application providers. We encourage our alliance partners to recommend the Akamai solution to their customers as part of their design, integration and consulting work for those customers. As of December 31, 2000, we had over 150 partners enrolled in this program.

Our technical consulting group directly supports our sales and distribution efforts by providing technical consulting and integration assistance to our current and prospective customers. As of December 31, 2000, we had 25 employees in the technical consulting group.

We believe that a high level of customer service and support is critical to the successful marketing and sale of our products and services. We are building a comprehensive service and support organization to meet the needs of our customers. We have many professionals with advanced academic degrees providing customer care and technology support directly to our customers. As of December 31, 2000, we had 38 employees in our customer service and support organization, 97 employees in our product management group and 52 employees in our account management organization. We are seeking to hire additional customer service and support personnel as our customer base grows and as we introduce new products and services.

To support our sales efforts and actively promote the Akamai brand name, we conduct comprehensive marketing programs. Our marketing strategies include an active public relations campaign, print advertisements, online advertisements, trade shows, strategic partnerships and on-going customer communications programs. We participate in a variety of Internet, computer and financial industry conferences. As of December 31, 2000, we had 19 employees in our marketing communications organization.

Network Alliances

As of December 31, 2000, we have deployed more than 8,000 servers in over 50 countries across more than 460 telecommunications and satellite networks. Telecommunications and satellite networks with which we have formed alliances include: AboveNet Communications, America Online Inc., At Home Corporation, AUCS Communications Services, Belgacom Skynet, Cable & Wireless USA, CPRMarconi, EasyNet France, Exodus Communications, Genuity, GTS Carrier Services, Hellas OnLine, Helsinki Telephone Corporation, interNode systems, Korea Telecom, Level 3 Communications, Loral, PSINet, QS Communications AG,

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Road Runner, Teleglobe, Telenor Nextel, Telenordia, Unisource Iberia, UUNET Technologies, Verio, VisiNet and WonderNet.

Most of our servers are currently deployed in data centers served by major domestic and international Internet service providers. These Internet service providers make available bandwidth to deliver content from our servers to Internet users.

We also deploy our servers at smaller and medium-sized domestic and international Internet service providers through our Akamai Accelerated Network program. Under this program, we offer use of our servers to Internet service providers. In exchange, we typically do not pay for rack space to house our servers or bandwidth to deliver content from our servers to Internet users. By hosting our servers, Internet service providers obtain access to popular content from the Internet that is served from our network. As a result, when this content is requested by a user, the Internet service provider does not need to pay for the bandwidth otherwise necessary to retrieve the content from the originating Web site.

We are planning to expand and enhance our network by entering into strategic relationships with network providers and integrating our technology with networking and other network infrastructure products, such as routers and switches, to facilitate implementation of our service by Internet service providers. We are also seeking to expand our network through the development of technology designed to facilitate communications between our global network of servers and third-party caching systems. If this technology is successfully developed, third-party caches could effectively function as additional servers on our network. We have established relationships with cache vendors Cacheflow, Cisco, InfoLibria, Network Appliance and Novell to develop interfaces to facilitate communications between their caching products and our network.

Engineering and Development

Our beginnings trace to a challenge that Tim Berners-Lee, the inventor of the World Wide Web, posed to his colleagues at MIT in early 1995 to invent a fundamentally new and better way to deliver Internet content to users. F. Thomson Leighton, an MIT Professor of Applied Mathematics and founder of Akamai, recognized that a solution to Web congestion could be found in applied mathematics and algorithms. Dr. Leighton believed that algorithms could be used to create a network of distributed servers that could communicate as a system and could deliver content without depending on a centralized controlling core. Dr. Leighton, together with Daniel Lewin, one of his graduate students at MIT, and several other researchers with expertise in computer science and data networking, undertook the development of the mathematical algorithms necessary to handle the dynamic routing of content.

We believe that strong product and service development capabilities are essential to enhancing our core technologies, developing new applications for our technology and maintaining our competitiveness. We have invested and intend to continue to invest a significant amount of human and financial resources in our engineering and development organization. As of December 31, 2000, we had 448 employees devoted to engineering and development efforts.

We are focusing our engineering and development efforts on enhancing our FreeFlow and FreeFlow Streaming services and building on our technology to develop new services. From our inception in August 1998 through December 31, 2000, our engineering and development expenses were approximately $67.6 million. We expect to continue to commit significant resources to research and development in the future. To date, all engineering and development expenses have been expensed as incurred.

Competition

The market for delivery services for Internet content, streaming media and applications is new, intensely competitive and characterized by rapidly changing technology, evolving industry standards and frequent new product and service installations. We expect competition to increase both from existing competitors and new market entrants for various components of our services. We compete primarily on the basis of:

- performance of service, including speed of delivery, quality, reliability, peak crowd protection, and global content delivery capabilities;

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- ease of implementation and use of service;
- types of content and applications delivered;
- customer support;
- brand recognition;
- partnerships to provide complete customer solutions; and
- price.

We compete primarily with companies offering products and services that address Internet performance problems, including companies that provide Internet content delivery and hosting services, streaming content delivery services and equipment-based solutions to Internet performance problems, such as load balancers and server switches. We also compete with companies that host online conferences using proprietary conferencing applications.

Our competitors may be able to respond more quickly than we can to new or emerging technologies and industry standards and changes in customer requirements. Some of our current or potential competitors may bundle their products with other software or hardware in a manner that may discourage Web site owners from purchasing products we offer or Internet service providers from being willing to install our servers.

Increased competition could result in price reductions, fewer customer orders, reduced gross margins and loss of market share, any of which could materially and adversely affect our business, financial condition and operations.

Proprietary Rights and Licensing

Our success and ability to compete are dependent on our ability to develop and maintain the proprietary aspects of our technology and operate without infringing on the proprietary rights of others. We rely on a combination of patent, trademark, trade secret and copyright laws and contractual restrictions to protect the proprietary aspects of our technology. These legal protections afford only limited protection for our technology. We currently have one issued United States patent covering our FreeFlow content delivery service, and we are now seeking to obtain patent protection on our other service offerings. We currently have no issued patents covering these other service offerings. We also own three United States patents covering methods and systems for storing and retrieving data over a distributed computer network. We cannot predict whether any of these issued patents will afford us any meaningful protection. We cannot predict whether any patent application we filed will result in any issued patent or, if a patent is issued, any meaningful protection. We seek to limit disclosure of our intellectual property by requiring employees and consultants with access to our proprietary information to execute confidentiality agreements with us and by restricting access to our source code. Due to rapid technological change, we believe that factors such as the technological and creative skills of our personnel, new product developments and enhancements to existing products are more important than the various legal protections of our technology to establishing and maintaining a technology leadership position.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our products and services or to obtain and use information that we regard as proprietary. The laws of many countries do not protect our proprietary rights to as great an extent as do the laws of the United States. Litigation may be necessary in the future to enforce our intellectual property rights, to protect our trade secrets, to determine the validity and scope of the proprietary rights of others or to defend against claims of infringement or invalidity. In September 2000, we filed suit in federal court in Massachusetts against Digital Island, Inc. for infringing one of our licensed patents and patents issued to INTERVU. Digital Island subsequently filed a patent infringing suit against us in California. This litigation could result in substantial costs and diversion of resources. There can be no assurance that our means of protecting our proprietary rights will be adequate or that our competitors will not independently develop similar technology. Any failure by us to meaningfully protect our property could have a material adverse effect on our business, operating results and financial condition.

In October 1998, we entered into a license agreement with MIT under which we were granted a royalty-free, worldwide right to use and sublicense the intellectual property rights of MIT under various patent applications and copyrights relating to Internet content delivery technology. One of these patent applications has now issued. We cannot predict whether any of the other applications will result in issued patents that will provide us with any meaningful protection. Some of our technology is based on technology licensed from MIT. The license has been granted to us on an exclusive basis, but is subject to the rights of the United States government to use the licensed intellectual property in government-funded inventions. As part of the license agreement, MIT retained the right to use the licensed intellectual property for non-commercial, teaching and educational purposes. In connection with the license agreement, we issued 682,110 shares of our common stock to MIT in October 1998. The license agreement is irrevocable and is effective for the life of the relevant patents and patent applications, but MIT may terminate the agreement if we cease our business due to insolvency or if we materially breach the terms of the license agreement.

Employees

As of December 31, 2000, we had a total of 1,300 full-time and part-time employees. Our future success will depend in part on our ability to attract, retain and motivate highly qualified technical and management personnel, for whom competition is intense. Our employees are not represented by any collective bargaining unit. We believe our relations with our employees are good.

Factors Affecting Future Operating Results

We believe that this document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties and are based on the beliefs and assumptions of our management based on information currently available to our management. Use of words such as “believes,” “expects,” “anticipates,” “intends,” “plans,” “estimates,” “should,” “likely” or similar expressions, indicate a forward-looking statement.

Forward-looking statements involve risks, uncertainties and assumptions. Certain of the information contained in this annual report on Form 10-K consists of forward-looking statements. Important factors that could cause actual results to differ materially from the forward-looking statements include the following:

Our business is difficult to evaluate and our business strategy may not successfully address risks we face because we have a limited operating history.

We were founded in August 1998 and began offering our services commercially in April 1999. We have limited historical financial data upon which to base planned operating expenses and upon which investors may evaluate us and our prospects. In addition, while our operating expenses are largely based on anticipated but unpredictable revenue trends, a high percentage of these expenses is and will continue to be fixed in the short-term. Because of our limited operating history, our business strategy may not successfully address all of the risks we face.

We are primarily dependent on our Internet content, applications and streaming media delivery services and our future revenue depends on continued demand for our services.

Currently, our future growth depends on the commercial success of our Internet content, applications and streaming media delivery services and other services and products we may develop and/or offer. While we have been selling our services commercially since April 1999, sales may not continue in the future for a variety of reasons. First, the market for our existing services is relatively new and issues concerning the commercial use of the Internet, including security, reliability, speed, cost, ease of access, quality of service, regulatory initiatives and necessary increases in bandwidth availability, remain unresolved and are likely to affect its development. Furthermore, our new services and products under development may not achieve widespread market acceptance. Failure of our current and planned services to operate as expected could also hinder or prevent their adoption. If a broad-based, sustained market for our services does not emerge and our target customers do not adopt, purchase and successfully deploy our current and planned services, our revenue will not grow significantly and our business, results of operations and financial condition will be seriously harmed.

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Failure to increase our revenue would prevent us from achieving and maintaining profitability.

We have never been profitable. We have incurred significant losses since inception and expect to continue to incur losses in the future. As of December 31, 2000, we had an accumulated deficit of $944.4 million. We cannot be certain that our revenue will continue to grow or that we will produce sufficient revenue to achieve profitability. Our failure to significantly increase our revenue would seriously harm our business and operating results. We have large fixed expenses, and we expect to continue to incur significant and increasing sales and marketing, product development, administrative and other expenses, including fees to obtain access to bandwidth for the transport of data over our network. As a result, we will need to generate significantly higher revenue to achieve and maintain profitability. If our revenue grows more slowly than we anticipate or if our operating expenses increase more than we expect or cannot be reduced in the event of lower revenue, our business will be materially and adversely affected.

Any failure of our network infrastructure could lead to significant costs and disruptions which could reduce our revenue and harm our business, financial results and reputation.

Our business is dependent on providing our customers with fast, efficient and reliable Internet content delivery services. To meet these customer requirements, we must protect our network infrastructure against damage from:

- sabotage and vandalism;
- human error;
- physical or electronic intrusion and security breaches;
- fire, earthquake, flood and other natural disasters;
- power loss; and
- similar events.

For our FreeFlow and FreeFlow Streaming services, we currently provide a content delivery service guarantee that our networks will deliver Internet content 24 hours a day, seven days a week, 365 days a year. If we do not provide this service, the customer does not pay for its services on that day. Any widespread loss or interruption of services would reduce our revenue and could harm our business, financial results and reputation.

Because our services are complex and are deployed in complex environments, they may have errors or defects that could seriously harm our business.

Our services are highly complex and are designed to be deployed in and across numerous large and complex networks. As of December 31, 2000, our network consisted of over 8,000 servers across more than 460 different networks. We and our customers have from time to time discovered errors and defects in our software. In the future, there may be additional errors and defects in our software that may adversely affect our services. If we are unable to efficiently fix errors or other problems that may be identified, we could experience:

- loss of or delay in revenues and loss of market share;
- diversion of development and engineering resources;
- loss of credibility or damage to business reputation;
- increased service costs; and
- legal actions by our customers.

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Any failure of our telecommunications and network providers to provide required transmission capacity to us could result in interruptions in our services.

Our operations are dependent in part upon transmission capacity provided by third-party telecommunications network providers. Any failure of these network providers to provide the capacity we require may result in a reduction in, or interruption of, service to our customers. This failure may be a result of the telecommunications providers or Internet service providers experiencing interruptions or other failures, failing to comply with or terminating their existing agreements with us, or otherwise denying or interrupting service or not entering into relationships with us at all or on terms commercially acceptable to us. If we do not have access to third-party transmission capacity, we could lose customers. If we are unable to obtain transmission capacity on terms commercially acceptable to us, our business and financial results could suffer. In addition, our telecommunications and network providers typically provide rack space for our servers. Damage or destruction of, or other denial of access to, a facility where our servers are housed could result in a reduction in, or interruption of, service to our customers.

The markets in which we operate are highly competitive and we may be unable to compete successfully against new entrants and established companies with greater resources.

We compete in markets that are new, intensely competitive, highly fragmented and rapidly changing. We have experienced and expect to continue to experience increased competition. Many of our current competitors, as well as a number of our potential competitors, have longer operating histories, greater name recognition, broader customer relationships and industry alliances and substantially greater financial, technical and marketing resources than we do. Our competitors may be able to respond more quickly than we can to new or emerging technologies and changes in customer requirements. Some of our current or potential competitors may bundle their services with other services, software or hardware in a manner that may discourage Web site owners from purchasing any service we offer or Internet service providers from installing our servers.

As competition in the Internet content, streaming media and applications delivery market continues to intensify, new solutions will come to market. We are aware of other companies that are focusing or may in the future focus significant resources on developing and marketing products and services or entering into strategic alliances that will compete with us. These companies include networking hardware and software manufacturers, content distribution providers, traditional hardware manufacturers, telecommunications providers, software database companies, and large diversified software and technology companies. Increased competition could result in:

- price and revenue reductions and lower profit margins;
- increased cost of service from telecommunications providers;
- loss of customers; and
- loss of market share.

Any one of these could materially and adversely affect our business, financial condition and results of operations.

As part of our business strategy, we have entered into and may enter into or seek to enter into business combinations and acquisitions that may be difficult to integrate, disrupt our business, dilute stockholder value or divert management attention.

We acquired Network*24* in February 2000, INTERVU in April 2000 and CTS in July 2000. As a part of our business strategy, we may enter into additional business combinations and acquisitions. Acquisitions are typically accompanied by a number of risks, including the difficulty of integrating the operations and personnel of the acquired companies, the potential disruption of our

ongoing business and distraction of management, expenses related to the acquisition and potential unknown liabilities associated with acquired businesses.

If we are not successful in completing acquisitions that we may pursue in the future, we may be required to reevaluate our growth strategy and we may have incurred substantial expenses and devoted significant management time and resources in seeking to complete proposed acquisitions that will not generate benefits for us. In addition, with future acquisitions, we could use substantial portions of our available cash as all or a portion of the purchase price. We could also issue additional securities as consideration for these acquisitions, which could cause our stockholders to suffer significant dilution. Our acquisitions of Network*24*, INTERVU and CTS and any future acquisitions may not ultimately help us achieve our strategic goals and may pose other risks to us.

A significant decline in sales to Apple Computer could reduce our revenue and cause our business and financial results to suffer.

We entered into a strategic alliance with Apple Computer, Inc. effective as of April 1, 1999. Sales of our services to Apple Computer represented approximately 12% of our revenue for the year ended December 31, 2000. Apple Computer has the right to terminate the agreement on short notice if we materially breach the agreement. In addition, the agreement is scheduled to expire on March 31, 2001. Although we are currently in negotiations with Apple Computer to renew our agreement with them, we may not be successful. A significant decline in sales to Apple Computer or a failure to renew our agreement could reduce our revenue and cause our business and financial results to suffer.

Some of our current customers are emerging Internet-based businesses that may not pay us for our services on a timely basis and that may not succeed over the long term.

Some of our revenue recognized in the year ended December 31, 2000 was derived from customers that are emerging Internet-based businesses, and a portion of our future revenue will be derived from this customer base. The unproven business models of some of these customers make their continued financial viability uncertain. Given the short operating history and emerging nature of many of these businesses, there is a risk that some of these customers will encounter financial difficulties and fail to pay for our services or delay payment substantially. The failure of our emerging business customers to pay our fees on a timely basis or to continue to purchase our services in accordance with their contractual commitments could adversely affect our revenue collection periods, our revenue and other financial results.

If we are unable to scale our network as demand increases, the quality of our services may diminish which could cause a loss of customers.

Our network may not be scalable to expected customer levels while maintaining superior performance. We cannot be certain that our network can connect and manage a substantially larger number of customers at high transmission speeds. In addition, as customers' usage of bandwidth increases, we will need to make additional investments in our infrastructure to maintain adequate data transmission speeds. We cannot ensure that we will be able to make these investments successfully or at an acceptable or commercially reasonable cost. Our failure to achieve or maintain high capacity data transmission could significantly reduce demand for our services, reducing our revenue and causing our business and financial results to suffer.

If we do not respond rapidly to technological changes, then we may lose customers.

The market for Internet content delivery services is likely to continue to be characterized by rapid technological change, frequent new product and service introductions and changes in customer requirements. We may be unable to respond quickly or effectively to these developments. If competitors introduce products, services or technologies that are better than ours or that gain greater market acceptance, or if new industry standards emerge, our services may become obsolete, which would materially and adversely affect our business, results of operations and financial condition.

If our license agreement with MIT terminates, then our business could be adversely affected.

We have licensed from MIT technology covered by various patent applications and copyrights relating to Internet content delivery technology. Some of our technology is based in part on the technology covered by these patent applications and copyrights. Although the license is effective for the life of the patent and patent applications, MIT may terminate the license agreement if we cease our business due to insolvency or if we materially breach the terms of the license agreement. A termination of our license agreement with MIT could have a material adverse effect on our business.

Our business will be adversely affected if we are unable to protect our intellectual property rights from third-party challenges.

We rely on a combination of patent, copyright, trademark and trade secret laws and restrictions on disclosure to protect our intellectual property rights. These legal protections afford only limited protection; competitors may gain access to our intellectual property which may result in the loss of our customers. We have filed suit in federal court in Massachusetts against Digital Island for infringing one of our licensed patents and patents issued to INTERVU; however, we may not prevail in these proceedings. In general, monitoring unauthorized use of our services is difficult and we cannot be certain that the steps we have taken will prevent unauthorized use of our technology, particularly in foreign countries where the laws may not protect our proprietary rights as fully as in the United States.

Although we have licensed and proprietary technology covered by United States patents, we cannot be certain that any such patents will not be challenged, invalidated or circumvented. Moreover, although we have filed international patent applications, none of our technology is patented abroad. We cannot be certain that any pending or future patent applications will be granted, that any future patent will not be challenged, invalidated or circumvented, or that rights granted under any patent that may be issued will provide competitive advantages to us.

The rates we charge for our services may decline over time which would reduce our revenue and could cause our business and financial results to suffer.

We expect that our cost to obtain bandwidth capacity for the transport of data over our network will decline over time as a result of, among other things, the large amount of capital currently being invested to build infrastructure providing additional bandwidth and volume discounts available to us as our network usage increases. We expect the prices we charge for our services may also decline over time as a result of, among other things, existing and new competition in the markets we address. As a result, our historical revenue rates may not be indicative of future revenue based on comparable traffic volumes. If we fail to accurately predict the decline in costs of bandwidth or, in any event, if we are unable to sell our services at acceptable prices relative to our bandwidth costs, or if we fail to offer additional services from which we can derive additional revenue, our revenue will decrease and our business and financial results will suffer.

Our business will suffer if we fail to manage our growth properly.

We have expanded our operations rapidly since our inception. We continue to increase the scope of our operations and our headcount has grown substantially. Our total number of employees increased from 385 at December 31, 1999 to 1,300 at December 31, 2000. We plan to continue to hire a significant number of employees this year. This growth has placed, and our anticipated growth in future operations will continue to place, a significant strain on our management systems and resources. Our ability to successfully offer our services and implement our business plan in a rapidly evolving market requires an effective planning and management process. We expect that we will need to continue to improve our financial and managerial controls, reporting systems and procedures, and will need to continue to expand, train and manage our workforce worldwide. In order to grow and achieve future success, we must also improve our ability to effectively manage multiple relationships with our customers, suppliers and other third parties. Failure to take any of the steps necessary to manage our growth properly would have a material adverse effect on our business, results of operations and financial condition.

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We depend on our key personnel to manage our business effectively. If we are unable to retain our key employees and hire qualified sales and technical personnel, our ability to compete could be harmed.

Our future success depends upon the continued services of our executive officers and other key technology, sales, marketing and support personnel, who have critical industry experience and relationships that they rely on in implementing our business plan. None of our officers or key employees is bound by an employment agreement for any specific term. We have “key person” life insurance policies covering only the lives of F. Thomson Leighton and Daniel M. Lewin. The loss of the services of any of our key employees could delay the development and introduction of and negatively impact our ability to sell our services.

We face intense competition for qualified personnel, including research and development personnel and other persons with necessary technical skills, particularly in the Boston, Massachusetts and San Mateo, California areas. Our employees require extensive training in our Internet content delivery services. If we are unable to hire and promptly train service and support personnel, we may not be able to increase sales of our services, which would seriously harm our business.

We face risks associated with international operations that could harm our business.

We have expanded our international operations to Munich, Germany; London, England and Paris, France. A key aspect of our business strategy is to continue to expand our sales and support organizations internationally. Therefore, we expect to commit significant resources to expand our international sales and marketing activities. We are increasingly subject to a number of risks associated with international business activities which may increase our costs, lengthen our sales cycle and require significant management attention. These risks include:

- market acceptance of our products and services by countries outside the United States;
- increased expenses associated with marketing services in foreign countries;
- general economic conditions in international markets;
- currency exchange rate fluctuations;
- unexpected changes in regulatory requirements resulting in unanticipated costs and delays;
- tariffs, export controls and other trade barriers;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable; and
- potentially adverse tax consequences, including restrictions on the repatriation of earnings.

Insiders have substantial control over us which could limit others' abilities to influence the outcome of key transactions, including changes of control.

As of January 31, 2000, the executive officers, directors and entities affiliated with them, in the aggregate, beneficially owned approximately 38% of our outstanding common stock. These stockholders, if acting together, are able to influence significantly all matters requiring approval by our stockholders, including the election of directors and the approval of mergers or other business combination transactions.

Provisions of our charter documents may have anti-takeover effects that could prevent a change in control even if the change in control would be beneficial to our stockholders.

Provisions of our amended and restated certificate of incorporation, by-laws, and Delaware law could make it more difficult for a third party to acquire us, even if doing so would be beneficial to our stockholders.

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The unpredictability of our quarterly results may adversely affect the trading price of our common stock.

Our revenue and operating results will vary significantly from quarter to quarter due to a number of factors, many of which are outside of our control and any of which may cause our stock price to fluctuate. The primary factors that may affect us include the following:

- demand for Internet content delivery services and streaming services;
- the timing and size of sales of our services;
- the timing of recognizing revenue and deferred revenue;
- new product and service introductions and enhancements by our competitors and us;
- changes in our pricing policies or the pricing policies of our competitors;
- our ability to develop, introduce and deliver new products, services and enhancements that meet customer requirements in a timely manner;
- the length of the sales cycle for our services;
- increases in the prices of, and availability of, the products, services, components or raw materials we purchase, including bandwidth;
- our ability to attain and maintain quality levels for our services;
- expenses related to testing of our services;
- costs related to acquisitions of technology or businesses; and
- general economic conditions as well as those specific to the Internet and related industries.

Due to the above factors, we believe that quarter-to-quarter comparisons of our operating results are not a good indication of our future performance. It is likely that in some future quarters, our operating results may be below the expectations of public market analysts and investors. In this event, the price of our common stock will probably fall.

We could incur substantial costs defending our intellectual property from infringement or a claim of infringement.

Other companies or individuals, including our competitors, may obtain patents or other proprietary rights that would prevent, limit or interfere with our ability to make, use or sell our services. As a result, we may be found to infringe on the proprietary rights of others. In the event of a successful claim of infringement against us and our failure or inability to license the infringed technology, our business and operating results would be significantly harmed. Companies in the Internet market are increasingly bringing suits alleging infringement of their proprietary rights, particularly patent rights. Digital Island has filed a patent infringement suit against us in California. We intend to aggressively defend this lawsuit and to prosecute vigorously the patent infringement suit that we had previously filed against Digital Island. We may not prevail in either of these actions. These claims and any other litigation or claims, whether or not valid, could result in substantial costs and diversion of resources. Intellectual property litigation or claims could force us to do one or more of the following:

- cease selling, incorporating or using products or services that incorporate the challenged intellectual property;
- obtain a license from the holder of the infringed intellectual property right, which license may not be available on reasonable terms; and
- redesign products or services.

If we are forced to take any of these actions, our business may be seriously harmed. Although we carry insurance, our insurance may not cover potential claims of this type or may not be adequate to indemnify us for all liability that may be imposed.

Internet-related laws could adversely affect our business.

Laws and regulations that apply to communications and commerce over the Internet are becoming more prevalent. In particular, the growth and development of the market for online commerce has prompted calls for more stringent consumer protection and privacy laws, both in the United States and abroad, that may impose additional burdens on companies conducting business online. This could negatively affect the businesses of our customers and reduce their demand for our services. Internet-related laws, however, remain largely unsettled, even in areas where there has been some legislative action. The adoption or modification of laws or regulations relating to the Internet, or interpretations of existing law, could adversely affect our business.

Our stock price has been and may continue to be volatile, which could result in litigation against us.

The market price of our common stock has been extremely volatile and has fluctuated significantly in the past. The following factors could cause the market price of common stock to continue to fluctuate significantly:

- the addition or departure of our key personnel;
- variations in our quarterly operating results;
- announcements by us or our competitors of significant contracts, new or enhanced products or service offerings, acquisitions, distribution partnerships, joint ventures or capital commitments;
- changes in financial estimates by securities analysts;
- our sales of common stock or other securities in the future;
- changes in market valuations of networking, Internet and telecommunications companies;
- fluctuations in stock market prices and volumes; and
- changes in general economic conditions, including interest rate levels.

In the past, class action litigation has often been brought against companies following periods of volatility in the market price of those companies' common stock. We may become involved in this type of litigation in the future. Litigation is often expensive and diverts management's attention and resources which could materially adversely affect our business and results of operations.

Item 2. ***Properties.***

Our headquarters are currently in approximately 150,000 square feet of leased office space located in two locations in Cambridge, Massachusetts. We have entered into a lease to occupy approximately 110,000 additional square feet in Cambridge, Massachusetts commencing in 2001. In addition, our west coast offices are in approximately 50,000 square feet of leased office space located in San Mateo, California and approximately 64,000 square feet of leased office space in two locations in San Diego, California. We lease approximately 21,000 square feet of office space in Germany. In addition, we lease office space in Seattle, Washington; Fairfax, Virginia; Santa Clara, California; Santa Monica, California; San Francisco, California; Chicago, Illinois; Austin, Texas; London, England; and New York, New York.

Item 3. ***Legal Proceedings.***

From time to time, we may be involved in litigation incidental to the conduct of our business. We are not currently a party to any material legal proceedings.

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Item 4. ***Submission of Matters to a Vote of Security Holders.***

None.

PART II

Item 5. ***Market For Registrant's Common Equity and Related Stockholder Matters.***

(a) Price Range of Common Stock

Our common stock is listed on the Nasdaq National Market under the symbol "AKAM." Public trading of our common stock commenced on October 29, 1999. Prior to that, there was no public market for our common stock. The following table sets forth, for the periods indicated, the high and low sale price per share of the common stock on the Nasdaq National Market:

	High	Low
Year Ended December 31, 1999:		
Fourth Quarter (from October 29, 1999)	$344.88	$110.00
Year Ended December 31, 2000:		
First Quarter	$345.50	$155.00
Second Quarter	$157.88	$ 56.63
Third Quarter	$132.94	$ 45.50
Fourth Quarter	$ 60.00	$ 17.68

As of January 31, 2001, there were 556 holders of record of our common stock.

We have never paid or declared any cash dividends on shares of our common stock or other securities and do not anticipate paying any cash dividends in the foreseeable future. We currently intend to retain all future earnings, if any, for use in the operation of our business.

(b) Use of Proceeds from Sales of Registered Securities

On November 3, 1999 we sold 9,000,000 shares of our common stock in an initial public offering pursuant to a Registration Statement on Form S-1 (Registration No. 333-85679) that was declared effective by the Securities and Exchange Commission on October 28, 1999. During the period from the offering through December 31, 2000, we used the proceeds as follows: approximately $64.0 million for capital expenditures, $15.0 million for the repayment of senior subordinated notes, $13.0 million for the acquisition of businesses and $123.0 million for operating expenses.

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Item 6. ***Selected Financial Data.***

The following selected financial data should be read in conjunction with our consolidated financial statements and related notes and with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial data included elsewhere in this annual report on Form 10-K. The statement of operations data for the period from inception (August 20, 1998) through December 31, 1998 and the years ended December 31, 1999 and 2000 are derived from audited consolidated financial statements included elsewhere in this annual report on Form 10-K. The balance sheet data is also derived from audited consolidated financial statements included elsewhere in this annual report on Form 10-K or on file with the Securities and

Exchange Commission. Akamai acquired Network*24* in February 2000 in a transaction accounted for as a purchase. The consolidated statement of operations data for the year ended December 31, 2000 and the consolidated balance sheet data as of December 31, 2000 include the results of operations of Network*24* subsequent to February 10, 2000 and the financial position of Network*24* as of such date, respectively. Akamai acquired INTERVU in April 2000 in a transaction accounted for as a purchase. The consolidated statement of operations data for the year ended December 31, 2000 and the consolidated balance sheet data as of December 31, 2000 include the results of operations of INTERVU subsequent to April 20, 2000 and the financial position of INTERVU as of such date, respectively. In June 2000, we issued $300.0 million of 5 1/2% convertible subordinated notes for aggregate net proceeds of $290.2 million, net of offering expenses of $9.8 million.

	Year ended December 31,		Period from inception (August 20, 1998) through December 31, 1998
	2000	1999	
	(in thousands, except per share data)		
Consolidated Statement of Operations Data:			
Revenue	$ 89,766	$ 3,986	$ —
Total operating expenses	989,348	60,424	900
Loss from continuing operations	(899,582)	(56,438)	(900)
Net loss	(885,785)	(57,559)	(890)
Net loss attributable to common stockholders	(885,785)	(59,800)	(890)
Basic and diluted loss per share	$ (10.07)	$ (1.98)	$ (0.06)
Weighted average common shares outstanding	87,959	30,177	15,015

	December 31,		
	2000	1999	1998
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash, cash equivalents and marketable securities	$ 386,934	$269,554	$6,805
Working capital	270,396	255,026	6,157
Total assets	2,790,777	300,815	8,866
Obligations under capital leases and equipment loans, net of current portion	421	733	25
Convertible subordinated notes	300,000	—	—
Convertible preferred stock	—	—	8,284
Total stockholders' equity (deficit)	$2,404,399	$281,445	$ (148)

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

The following discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements and the related notes appearing elsewhere in this annual report on Form 10-K. This discussion and analysis contains forward-looking statements that involve risks and uncertainties. Actual results may differ from those indicated in the forward-looking statements as a result of many factors, including but not limited to, those presented under "Factors Affecting Future Operating Results" and elsewhere in this Annual Report.

Overview

Akamai provides global delivery services for Internet content, streaming media, and global Internet traffic management. We were formed in August 1998 and began selling our services commercially in April 1999. We market our services world-wide through a direct sales force and through an expanding reseller channel. As the leading content delivery service provider, or CDSP, our services improve the speed, quality, availability, reliability and scalability of Web sites and deliver our customers' Internet content, streaming media and applications through a distributed worldwide server network of over 8,000 servers, which locates content geographically closer to users. Our principal content delivery and streaming services are sold under the brand FreeFlow. Our services also provide cost and capital savings to our customers by enabling them to outsource delivery of their content to end users. As of December 31, 2000, we had more than 3,600 customers, including over 1,300 under recurring contract.

During the year ended December 31, 2000, our quarterly revenue increased rapidly, climbing from $7.2 million in the first quarter ended March 31, 2000 to $37.4 million in the fourth quarter ended December 31, 2000. We derive revenue primarily from the sale of our content delivery and streaming services under contracts with typical terms of 12 to 24 months. In addition, we provide certain streaming content delivery services on an individual live-event basis. We also derive revenue from our interactive portal, streaming-related products and services, software licensing and professional services.

We recognize revenue from our content delivery and streaming services based on the amount of data delivered through our network, including minimum monthly usage commitments. We record installation and set-up fees as deferred revenue and

recognize these fees ratably over the life of the customer contract. We recognize revenue from licensed software when delivery has occurred, the fee for the software is fixed or determinable, collectibility is reasonably assured and a written software license agreement has been signed by us and our customer. We recognize revenue from streaming-related products and services such as encoding, production and equipment when the services are performed or the equipment is shipped and accepted by the customer and we have no further performance obligations. We recognize revenue from our interactive portal based on monthly contracted fees paid by our portal technology partners for their participation in the portal. Finally, we recognize revenue from professional services when these services are performed. We expect that revenue from our content delivery services will continue to represent the majority of our revenue through fiscal 2001. We also expect to leverage our proprietary content delivery technology into new revenue-generating opportunities in fiscal 2001, such as enterprise and private content delivery networks and technology licensing.

For the year ended December 31, 2000, over 90% of our revenue was derived from customers located in the United States. We expect revenue from international locations to increase in 2001. For the year ended December 31, 2000, Apple Computer represented 12% of our total revenue and each other customer represented less than 5% of revenue. For the year ended December 31, 1999, Apple Computer and Yahoo! accounted for 22% and 13% of our total revenue, respectively. We expect revenue from Apple Computer to decline as a percentage of total revenue in fiscal 2001.

Although our revenue has consistently increased from quarter to quarter, we have incurred significant costs to develop our technology, build out our world-wide network, sell and market our products and support our operations. We have also incurred significant amortization expense from the acquisition of businesses. Since our inception, we have incurred significant losses and negative cash flows. We have not achieved profitability on a quarterly or annual basis and we anticipate that we will continue to incur net losses in the

future. We believe that our success is dependent on increasing our customer base, developing new services and expanding our world-wide network. In order to execute our business plan, we intend to continue to invest in sales, marketing, engineering and development, and we will continue to incur increasing general and administrative costs. We will also have significant non-cash expenses in the future, including the amortization of deferred compensation and goodwill and other intangible assets.

Acquisitions

In February 2000, we acquired all the outstanding common and preferred stock of Network*24*, a provider of Internet broadcasting application services. We acquired Network*24* to advance distributed media and interactive applications on our EdgeAdvantage platform. The acquisition was consummated on February 10, 2000 in exchange for approximately 621,000 shares of our common stock and $12.5 million in cash. We also issued options and warrants exercisable for an aggregate of approximately 196,000 shares of our common stock in exchange for all outstanding options and warrants exercisable for Network*24* common stock. The acquisition was accounted for using the purchase method of accounting. The purchase price of $203.6 million, based on the fair value of the consideration paid plus direct acquisition costs, was allocated to net tangible assets of $2.9 million and goodwill and other intangible assets of $200.7 million. We have included the results of operations of Network*24* subsequent to February 10, 2000 in our statement of operations for the year ended December 31, 2000.

In April 2000, we acquired all the outstanding common and preferred stock of INTERVU, a service provider for Internet audio and video delivery solutions. We acquired INTERVU to strengthen our position in Internet streaming. The acquisition was consummated on April 20, 2000 in exchange for 10.0 million shares of our common stock. We also issued options and warrants exercisable for an aggregate of 2.2 million shares of our common stock in exchange for all outstanding options and warrants exercisable for INTERVU common stock. The acquisition was accounted for using the purchase method of accounting. The purchase price of $2.8 billion, based on the fair value of the consideration paid plus direct acquisition costs, was allocated to net tangible assets of $127.1 million, goodwill and other intangible assets of $2.7 billion, and in-process research and development of $1.4 million. See “Acquired In-Process Research and Development.” We have included the results of operations of INTERVU subsequent to April 20, 2000 in our statement of operations for the year ended December 31, 2000.

In July 2000, we acquired all the outstanding common and preferred stock of CTS, a developer of services that enable Web-site visitors to personalize their interaction with the sites they visit. The acquisition was consummated on July 25, 2000 in exchange for approximately 31,000 shares of our common stock and $259,000 in cash. The acquisition was accounted for using the purchase method of accounting. The purchase price of $3.7 million, based on the fair value of the consideration paid plus direct acquisition costs, was allocated to net liabilities assumed of $466,000 and $4.2 million of goodwill and other intangible assets. We have included the results of operations of CTS subsequent to July 25, 2000 in our statement of operations for the year ended December 31, 2000.

As of December 31, 2000, we had unamortized goodwill and other intangible assets of $2.2 billion on the balance sheet. We assess the carrying value of these intangible assets quarterly for the existence of facts or circumstances both internally and externally that may suggest impairment. To date, we believe that no such impairment has occurred. We expect that amortization expense for these intangibles over the next three years will be $955 million in 2001, $955 million in 2002, and $276 million in 2003.

Results of Operations for the years ended December 31, 2000 and 1999, and the period from inception (August 20, 1998) through December 31, 1998

Revenue. Revenue increased from $4.0 million in 1999 to $89.8 million in 2000, an increase of $85.8 million. Revenue increased primarily due to the significant growth of our content provider customer base, an increase in content delivery for many of these customers and new products and services sold to these customers. Revenue also increased in 2000 as we acquired new customers such as network providers and technology providers. These customers primarily resell our services and purchase technology licenses, portal

services and professional services. Resellers accounted for approximately 15% of our revenue in 2000. Collectively, revenue from technology licenses, portal services and professional services were approximately 12% of our revenues in 2000. While we believe that revenues from network providers and technology providers will grow in 2001, these are early-stage markets for us and our future revenue from these markets is uncertain and subject to volatility. We expect revenue to increase in the future as we add new customers and sell new services. Revenue increased from $0 in the period from inception (August 20, 1998) through December 31, 1998 to $4.0 million in 1999 due to the commercial introduction of our services in April 1999.

Cost of Revenue. Cost of revenue consists primarily of fees paid to network providers for bandwidth, monthly fees for housing our servers in third-party network data centers and depreciation of network equipment used in providing our services. In addition, cost of revenue includes network storage costs; live event costs such as costs for production, encoding and signal acquisition; cost of equipment and costs of professional services. We enter into contracts for bandwidth with third-party network providers with terms typically ranging from one to three years. These contracts commit us to pay minimum monthly fees plus additional fees for bandwidth usage above the contracted level or may commit us to share with the third-party network providers a portion of the revenue recognized from customers that use these third-party networks. Under the Akamai accelerated networks program, Internet service providers make available to us rack space for our servers and access to their bandwidth at little or no cost. We do not recognize as revenue any value to the Internet service providers associated with the use of our servers and do not expense the value of the rack space and bandwidth that we receive at no cost.

Cost of revenue increased from $9.0 million in 1999 to $61.5 million in 2000, an increase of $52.5 million. Cost of revenue increased from $31,000 in the period from inception (August 20, 1998) through December 31, 1998 to $9.0 million in 1999. Cost of revenue increased in both periods primarily due to greater depreciation expense on our servers and increased bandwidth costs as we expanded our network. Gross margins, defined as revenue less cost of revenue, were 31% in 2000 compared to (126)% in 1999. Gross margins increased in 2000 due to an increase in network utilization, a decline in the ratio of bandwidth costs to our content–delivery prices and the introduction of high–margin services and licensing revenue. While gross margins are expected to increase in the future, fluctuations are possible as fixed costs increase due to the rapid expansion of our global network. Furthermore, uncertainty in revenue growth from new services and licensing to content providers, network providers and technology providers could cause volatility in our future gross margins.

Engineering and Development. Engineering and development expenses consist primarily of salaries and related personnel costs and costs related to the design, development, testing, deployment and enhancement of our services and our network. To date, we have expensed our engineering and development costs as incurred. We believe that product development is critical to our future objectives and we intend to continue to enhance our technology to meet the challenging requirements of market demand.

Engineering and development expenses increased from $11.7 million in 1999 to $55.6 million in 2000, an increase of $43.9 million. Engineering and development expenses increased from $229,000 in the period from inception (August 20, 1998) through December 31, 1998 to $11.7 million in 1999. Engineering and development expenses increased in both periods primarily due to personnel and payroll-related expenses due to an increase in headcount. We expect engineering and development expenses to increase in the future as we continue to increase headcount and invest in new technology.

Sales, General and Administrative. Sales, general and administrative expenses consist primarily of salaries and related costs of marketing, sales, operations and finance personnel, recruiting expenses, professional fees, advertising costs, legal and accounting services, and depreciation expense on internal-use property and equipment.

Sales, general and administrative expenses increased from $29.6 million in 1999 to $168.6 million in 2000, an increase of $139.0 million. Sales, general and administrative expenses increased from $426,000 in the period from inception (August 20, 1998) through December 31, 1998 to $29.6 million in 1999. Sales, general and administrative expenses increased in 2000 primarily due to increased personnel and payroll-related expenses, increased sales commissions, advertising campaigns initiated during the year, and increased

depreciation associated with property and equipment. Sales, general and administrative expenses increased in 1999 due to increased personnel and payroll-related expenses and increased advertising expenses. We expect that sales, general and administrative costs will increase in the future as we hire personnel, expand our operations, initiate marketing programs, establish sales offices in new locations and incur additional costs to grow our business and operations.

Amortization of Goodwill and Other Intangible Assets. Amortization of goodwill and other intangible assets consists primarily of the amortization of intangible assets, including goodwill, acquired in business combinations. Amortization of intangible assets was $676.1 million in 2000 compared to $47,000 in 1999 and $9,000 in the period from inception (August 20, 1998) through December 31, 1998. The increase in amortization of intangible assets in 2000 was due to the acquisitions of Network*24*, INTERVU and CTS in 2000. We expect that amortization expense for these intangibles over the next three years will be $955 million in 2001, $955 million in 2002, and $276 million in 2003.

Acquired In-Process Research and Development. Acquired in-process research and development, which we refer to as IPR&D, consists of a nonrecurring charge of $1.4 million in 2000 for the value of development projects acquired from INTERVU that had not reached technological feasibility and had no alternative future use. IPR&D was identified and valued through interviews and analysis of data provided by management regarding four products under development. Development projects that had reached technological feasibility were classified as completed technology and are being amortized over three years. Projects that had not reached technological feasibility and had no future alternative uses were classified as IPR&D and were charged to expense on the date of the acquisition. The value of IPR&D was determined based on each project's stage of development, the time and resources needed for completion, the contribution of core technology and the projected discounted cash flows of completed products. The discount rate was determined considering our weighted average cost of capital and the risks surrounding the successful completion of the projects under development. As of December 31, 2000, the four development projects are continuing on schedule and there has not been a significant change in the revenue and cost assumptions used to determine the total IPR&D.

Equity-Related Compensation. Equity-related compensation consists of the amortization of deferred compensation resulting from the grant of stock options or shares of restricted stock to employees at exercise or sale prices deemed to be less than the fair value of the common stock on the grant date, and the intrinsic value of modified stock options or restricted stock awards, measured at the modification date, for the number of awards that, absent the modification, would have expired unexercisable.

Equity-related compensation increased from $10.0 million in 1999 to $26.1 million in 2000, an increase of $16.1 million. The increase was primarily due to the modification of vesting of stock options for terminated employees. As of December 31, 2000, the balance in deferred compensation, a component of stockholders' equity, was $22.3 million. This amount will be amortized ratably over the remaining vesting periods of the associated restricted stock awards or stock options. We expect to amortize deferred compensation to equity-related compensation by approximately $10.2 million in 2001, $8.5 million in 2002 and $3.6 million in 2003.

Interest Income, Net. Interest income includes interest earned on invested cash balances, which are invested in money market funds, United States Treasury obligations, high-quality corporate obligations and certificates of deposit. Interest income, net, increased from $2.3 million in 1999 to $14.0 million in 2000, an increase of $11.7 million. Interest income, net, increased due to interest earned on proceeds from the sale of our convertible notes in June 2000 and from our initial public offering in November 1999, partially offset by interest expense accrued on our convertible notes. Interest income, net, increased from $10,000 in the period from inception (August 20, 1998) through December 31, 1998 to $2.3 million in 1999. The increase was due primarily to interest earned on proceeds from various preferred stock offerings, offset by interest expense on subordinated notes issued to finance our operations prior to our initial public offering.

Liquidity and Capital Resources

Prior to our initial public offering in November 1999, we financed our operations primarily through private sales of our capital stock and issuances of senior subordinated notes totaling approximately $124.6

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million in net proceeds through December 31, 1999. In November 1999, we sold shares of common stock through our initial public offering. Net proceeds to us from the initial public offering were $217.6 million after deducting an aggregate of $16.4 million in underwriting discounts and commissions to the underwriters. In June 2000, we issued $300.0 million of 5 1/2% convertible subordinated notes for aggregate net proceeds of $290.2 million, net of offering expense of $9.8 million. The convertible notes are due July 1, 2007, and are convertible at any time into shares of our common stock at a conversion price $115.47 per share (equivalent to 8.6603 shares of common stock per $1,000 principal amount of convertible notes), subject to adjustment in certain events. Interest on the convertible notes is payable semiannually on January 1 and July 1 of each year. In January 2001, we filed a universal shelf registration statement with the Securities and Exchange Commission that will enable us to sell up to $500 million of equity or debt securities in one or more public offerings over the next two years. To date, we have not offered or sold any securities under this registration statement. As of December 31, 2000, cash, cash equivalents and marketable securities totalled $386.9 million.

Cash used in operating activities was $122.9 million for the year ended December 31, 2000 and $32.3 million for the year ended December 31, 1999. Cash provided by operating activities was $2,000 for the period from inception (August 20, 1998) through December 31, 1998. Cash used in operating activities increased in each period due to increased losses from operations and increases in accounts receivable and prepaid expenses, partially offset by increases in accounts payable and accrued expenses. We expect cash flows from operating activities to be negative through at least 2002.

Cash used in investing activities was $316.1 million for the year ended December 31, 2000 and $25.9 million for the year ended December 31, 1999. Cash used in investing activities was $1.5 million for the period from inception (August 20, 1998) through December 31, 1998. Cash used in investing activities in 2000 reflects purchases of marketable securities of $491.5 million, sales and maturities of marketable securities of $290.1 million and purchases of property and equipment of $131.9 million, consisting primarily of servers for the deployment and expansion of our network, information systems used to operate our business, and facility improvements. Also during 2000, we made a cash payment of $11.7 million, net of cash acquired, for the acquisition of Network*24*, we acquired $29.2 million in cash from the acquisition of INTERVU, and we made a cash payment of $259,000 in connection with the acquisition of CTS. Cash used in investing activities in 1999 reflects purchases of property and equipment. We expect to continue to expand our infrastructure by making approximately $120 million of additional capital expenditures for fiscal 2001. We expect to finance these capital expenditures through current available cash and marketable securities or future vendor financing.

Cash provided by financing activities was $320.0 million for the year ended December 31, 2000 and $321.0 million for the year ended December 31, 1999. Cash provided by financing activities was $8.3 million for the period from inception (August 20, 1998) through December 31, 1998. Cash provided by financing activities in 2000 was primarily from the sale of our convertible notes and the issuance of common stock under our stock plans. Cash provided by financing activities for the year ended December 31, 1999 was primarily from the sale of common stock in our initial public offering, the sale of convertible preferred stock, the issuance of demand notes and an equipment line of credit. In December 1999, we exercised our right to pay off outstanding senior subordinated notes, of which $12.2 million was paid in December 1999 and the remainder was paid during the year ended December 31, 2000. Cash provided by financing activities in the period from inception (August 20, 1998) through December 31, 1998 was primarily from the sale of convertible preferred stock.

We believe that our current cash, cash equivalents and marketable securities will be sufficient to meet our anticipated cash needs for working capital and capital expenditures for at least the next 18 months. As new opportunities and needs arise, we may sell additional equity and debt securities in the future. If additional funds are raised through issuances of debt securities, these securities could have rights, preferences and privileges senior to those accruing to holders of common stock, and the terms of this debt could impose restrictions on our operations. The sale of additional equity or convertible debt securities could result in additional dilution to our stockholders. It is our intention to at all times maintain cash on hand and borrowing capacity to meet funding needs for 18 to 24 months in the future.

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Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards, or SFAS, No. 133, “Accounting for Derivative Instruments and Hedging Activities,” as amended, which establishes accounting and reporting standards for derivative instruments and hedging activities. The standard requires that we recognize all derivatives as either assets or liabilities on the balance sheet and measure those instruments at fair value. To date, we have not engaged in derivative and hedging activities, and accordingly do not believe that the adoption of SFAS No. 133 will have a material impact on our financial statements and related disclosures. Akamai will adopt SFAS No. 133 as required by SFAS No. 137 in fiscal year 2001.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin, or SAB, No. 101, “Revenue Recognition in Financial Statements,” as amended by SAB 101A and 101B, which is effective no later than the quarter ended December 31, 2000. SAB 101 clarifies the SEC’s views regarding the recognition of revenue. We adopted SAB 101 in fiscal 2000. The adoption of SAB 101 did not have a significant impact on our financial position or results of operations.

In March 2000, the FASB issued FASB Interpretation, or FIN, No. 44, “Accounting for Certain Transactions Involving Stock Compensation — an Interpretation of APB Opinion No. 25.” FIN 44 primarily clarifies (a) the definition of an employee for purposes of applying APB Opinion No. 25, (b) the criteria for determining whether a plan qualifies as a noncompensatory plan, (c) the accounting consequence of various modifications to the terms of previously fixed stock option awards and (d) the accounting for an exchange of stock compensation awards in a business combination. The application of FIN 44 did not have a significant impact on our financial position or results of operations.

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk.***

Our exposure to market risk for changes in interest rates relates primarily to our investment portfolio. We do not use derivative financial instruments in our portfolio. We place our investments with high quality issuers and, by policy, limit the amount of risk by investing primarily in money market funds, United States Treasury obligations, high-quality corporate obligations and certificates of deposit. An increase in interest rates of 100 and 200 basis points would decrease the fair value of our investment portfolio as of

December 31, 2000 by approximately $900,000 and $1.8 million, respectively. A decrease in interest rates by 100 and 200 basis points would increase the fair value of our investment portfolio as of December 31, 2000 by $900,000 and $1.8 million, respectively. We expect to hold our marketable debt securities until maturity and do not expect to realize significant losses on the sale of marketable debt securities prior to maturity. We also hold investments in the common or preferred stock of several public and private companies. The fair value and cost of these investments at December 31, 2000 was $9.4 million and $15.8 million, respectively. Due to the limited operating history of these companies, many of which are in the start-up stage, we may not be able to recover our initial investment of $15.8 million.

We have foreign operations in Europe. As a result, we are exposed to fluctuations in foreign exchange rates. However, we do not expect that changes in foreign exchange rates will have a significant impact on our results of operations, financial position or cash flows. We may continue to expand our operations globally and sell to customers in foreign locations, which may increase our exposure to foreign exchange fluctuations.

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Item 8. ***Financial Statements and Supplementary Data.***

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of

Akamai Technologies, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, cash flows and convertible preferred stock and stockholders' equity (deficit) present fairly, in all material respects, the financial position of Akamai Technologies, Inc. and its subsidiaries as of December 31, 2000 and 1999 and the results of their operations and their cash flows for the years ended December 31, 2000 and 1999 and for the period from inception (August 20, 1998) through December 31, 1998, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts

January 22, 2001

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AKAMAI TECHNOLOGIES, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)

	December 31,	
	2000	**1999**
Assets		
Current assets:		
Cash and cash equivalents	$ 150,130	$269,554
Marketable securities	159,522	—
Accounts receivable, net of allowance for doubtful accounts of $2,291 and $70 at December 31, 2000 and 1999, respectively	22,670	1,588
Prepaid expenses and other current assets	23,022	2,521
Total current assets	355,344	273,663
Property and equipment, net (Note 6)	143,041	23,875
Marketable securities	77,282	—
Goodwill and other intangible assets, net (Note 7)	2,186,157	434
Other assets	28,953	2,843
Total assets	$2,790,777	$300,815
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 52,212	$ 8,987
Accrued expenses	4,327	1,814
Accrued interest payable	8,754	269
Accrued payroll and benefits	14,240	3,614
Deferred revenue	4,335	698
Current portion of obligations under capital lease and equipment loan	1,080	504
Current portion of long-term debt	—	2,751
Total current liabilities	84,948	18,637
Obligations under capital leases and equipment loan, net of current portion	421	733
Other liabilities	1,009	—
Convertible notes (Note 9)	300,000	—
Total liabilities	386,378	19,370
Commitments and contingencies (Note 8)	—	—
Stockholders' equity:		
Preferred stock, $0.01 par value; 5,000,000 shares authorized; no shares issued or outstanding at December 31, 2000 and 1999	—	—
Common stock, $0.01 par value; 700,000,000 share authorized; 108,203,290 shares issued and outstanding at December 31, 2000; 92,498,525 shares issued and outstanding at December 31, 1999	1,082	925
Additional paid-in capital	3,382,582	374,739
Deferred compensation	(22,313)	(29,731)
Notes receivable from officers for stock	(5,704)	(5,907)
Accumulated other comprehensive loss	(6,882)	—
Accumulated deficit	(944,366)	(58,581)
Total stockholders' equity	2,404,399	281,445
Total liabilities and stockholders' equity	$2,790,777	$300,815

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

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AKAMAI TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

	Year ended December 31,		Period from inception (August 20, 1998) through December 31, 1998
	2000	1999	
Revenue	$ 89,766	$ 3,986	$ —
Operating expenses:			
Cost of revenue	61,502	9,002	31
Engineering and development (excludes $8,561, $5,061 and $7, respectively, of equity-related compensation disclosed separately below)	55,606	11,749	229
Sales, general and administrative (excludes $17,586, $4,944 and $198, respectively, of equity-related compensation disclosed separately below)	168,612	29,621	426
Amortization of goodwill and other intangible assets	676,109	47	9
Acquired in-process research and development	1,372	—	—
Equity-related compensation	26,147	10,005	205
Total operating expenses	989,348	60,424	900
Loss from operations	(899,582)	(56,438)	(900)
Interest income	22,912	4,414	20
Interest expense	(8,928)	(2,145)	(10)
Loss before provision for income taxes and extraordinary loss	(885,598)	(54,169)	(890)
Provision for income taxes	187	—	—
Loss before extraordinary loss	(885,785)	(54,169)	(890)
Extraordinary loss from extinguishment of debt	—	3,390	—
Net loss	(885,785)	(57,559)	(890)
Dividends and accretion to preferred stock redemption value	—	2,241	—
Net loss attributable to common stockholders	$(885,785)	$(59,800)	$ (890)
Basic and diluted net loss per share	$ (10.07)	$ (1.98)	$ (0.06)
Weighted average common shares outstanding	87,959	30,177	15,015

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

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AKAMAI TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Year ended December 31,		Period from inception (August 20, 1998) through December 31, 1998
	2000	1999	
Cash flows from operating activities:			
Net loss	$(885,785)	$ (57,559)	$ (890)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:			
Depreciation and amortization	711,694	3,434	50
Amortization of deferred financing costs and discount on senior subordinated notes and equipment loan	740	542	—
Equity-related compensation	26,147	10,005	206

Amortization of prepaid advertising acquired for common stock (Note 16)	7,157	—	—
Provision for doubtful accounts	5,104	70	—
Acquired in-process research and development	1,372	—	—
Loss on disposal of property and equipment	—	33	—
Accrued interest on notes receivable from officers for stock	(334)	(183)	—
Extraordinary loss on early extinguishment of debt	—	3,390	—
Changes in operating assets and liabilities, net of effects of acquired businesses:			
Accounts receivable	(20,976)	(1,658)	—
Prepaid expenses and other current assets	(17,864)	(5,082)	(57)
Accounts payable and accrued expenses	46,180	13,991	693
Deferred revenue	2,974	698	—
Other noncurrent assets and liabilities	717	—	—
Net cash (used in) provided by operating activities	(122,874)	(32,319)	2
Cash flows from investing activities:			
Purchase of property and equipment	(131,859)	(25,670)	(1,523)
Purchase of investments	(491,547)	(225)	—
Cash acquired from the acquisition of businesses, net of cash paid	17,207	—	—
Proceeds from sales and maturities of investments	290,135	—	—
Net cash used in investing activities	(316,064)	(25,895)	(1,523)
Cash flows from financing activities:			
Proceeds from the issuance of 5 1/2% convertible subordinated notes, net of financing costs	290,200	—	—
Proceeds from equipment financing loan	—	1,500	—
Payments on capital leases and equipment financing loan	(753)	(402)	(4)
Proceeds from the issuance of senior subordinated notes, net	—	14,970	—
Payment on senior subordinated notes	(2,751)	(12,249)	—
Proceeds from the issuance of common stock, net	—	215,425	—
Proceeds for the issuance of convertible preferred stock, net	—	101,304	8,284
Proceeds from the issuance of common stock upon the exercise of warrants	10	84	—
Proceeds from the issuance of common stock under stock option and employee stock purchase plans	32,571	32	—
Repayments on notes receivable from officers for restricted common stock	765	—	—
Proceeds from the issuance of restricted common stock	—	299	46
Net cash provided by financing activities	320,042	320,963	8,326
Effects of exchange rate translation on cash and cash equivalents	(528)	—	—
Net (decrease) increase in cash and cash equivalents	(119,424)	262,749	6,805
Cash and cash equivalents, beginning of period	269,554	6,805	—
Cash and cash equivalents, end of year	$ 150,130	$269,554	$ 6,805

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

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AKAMAI TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)

For the period from inception (August 20, 1998) through December 31, 1998 and for the years ended December 31, 1999 and 2000

(in thousands, except share data)

Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Deferred Compensation	Notes Receivable	Accumulated Other Comprehensive Loss
Shares	Amount	Shares	Amount				

Issuance of common stock to founders			29,646,000	$ 297			
Issuance of common stock for technology license			682,110	7	$ 281		
Sales of restricted common stock			4,237,200	42	1,753	$ (1,712)	
Sale of Series A convertible preferred stock	1,100,000	$ 8,284					
Amortization of deferred compensation						206	
Net loss							
Balance at December 31, 1998	1,100,000	8,284	34,565,310	346	2,034	(1,506)	
Sale of restricted common stock			1,980,000	20	902	(623)	
Sale of restricted common stock in exchange for notes			7,840,000	78	20,986	(15,340)	$(5,724)
Sale of Series B convertible preferred stock	1,327,500	19,875					
Sale of Series C convertible preferred stock	145,195	5,000					
Sale of Series D convertible preferred stock	685,194	12,475					
Sale of Series E convertible preferred stock	1,867,480	48,966					
Sale of Series F convertible preferred stock	985,545	14,988					
Dividends and accretion to preferred stock redemption value		2,241			(2,241)		
Issuance of warrants					3,902		
Deferred compensation for the grant of stock options					22,267	(22,267)	
Amortization of deferred compensation						10,005	
Conversion of convertible preferred stock	(6,110,914)	(111,829)	38,467,466	385	111,444		
Issuance of common stock upon the Company's initial public offering, net of offering costs			9,000,000	90	215,335		
Issuance of common stock upon exercise of warrants			96,249	1	83		
Issuance of common stock upon exercise of stock options			549,500	5	27		
Interest on note receivable							(183)
Net loss							
Balance at December 31, 1999	—	—	92,498,525	925	374,739	(29,731)	(5,907)
Comprehensive							

loss:								
Net loss								
Foreign currency translation adjustment								$ (452)
Unrealized losses on investments								(6,430)
Comprehensive loss								
Issuance of common stock upon the exercise of stock options and warrants			4,818,290	48	28,459			
Issuance of common stock under employee stock purchase plan			181,533	2	4,080			
Interest on notes receivable							(334)	
Repayments of notes receivable							765	
Issuance of common stock for the acquisition of businesses			10,679,444	107	2,958,909		(228)	
Deferred compensation for the grant of stock options and the issuance of restricted common stock (see Notes 3 and 12)			25,498	—	2,584	(2,584)		
Compensation expense related to the acceleration of stock options					13,811			
Amortization of deferred compensation						10,002		
Balance at December 31, 2000	—	$ —	108,203,290	$1,082	$3,382,582	$(22,313)	$(5,704)	$(6,882)

[Additional columns below]

[Continued from above table, first column(s) repeated]

	Accumulated Deficit	Total Shareholders' Equity (Deficit)	Comprehensive Loss
Issuance of common stock to founders	$ (132)	$ 165	
Issuance of common stock for technology license		288	
Sales of restricted common stock		83	
Sale of Series A convertible preferred stock			
Amortization of deferred compensation		206	
Net loss	(890)	(890)	
Balance at December 31, 1998	(1,022)	(148)	

Sale of restricted common stock		299	
Sale of restricted common stock in exchange for notes		—	
Sale of Series B convertible preferred stock			
Sale of Series C convertible preferred stock			
Sale of Series D convertible preferred stock			
Sale of Series E convertible preferred stock			
Sale of Series F convertible preferred stock			
Dividends and accretion to preferred stock redemption value		(2,241)	
Issuance of warrants		3,902	
Deferred compensation for the grant of stock options		—	
Amortization of deferred compensation		10,005	
Conversion of convertible preferred stock		111,829	
Issuance of common stock upon the Company's initial public offering, net of offering costs		215,425	
Issuance of common stock upon exercise of warrants		84	
Issuance of common stock upon exercise of stock options		32	
Interest on note receivable		(183)	
Net loss	(57,559)	(57,559)	
Balance at December 31, 1999	(58,581)	281,445	
Comprehensive loss:			
Net loss	(885,785)	(885,785)	$(885,785)
Foreign currency translation adjustment		(452)	(452)
Unrealized losses on investments		(6,430)	(6,430)
Comprehensive loss			$(892,667)
Issuance of common stock upon the exercise of stock options and warrants		28,507	

Issuance of common stock under employee stock purchase plan		4,082
Interest on notes receivable		(334)
Repayments of notes receivable		765
Issuance of common stock for the acquisition of businesses		2,958,788
Deferred compensation for the grant of stock options and the issuance of restricted common stock (see Notes 3 and 12)		—
Compensation expense related to the acceleration of stock options		13,811
Amortization of deferred compensation		10,002
Balance at December 31, 2000	$(944,366)	$2,404,399

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

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AKAMAI TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Business and Basis of Presentation:

Akamai Technologies, Inc. (“Akamai” or the “Company”) was formed in August 1998 and is a provider of global delivery services for Internet content, streaming media and applications, and global Internet traffic management. As the leading Content Delivery Service Provider (“CDSP”), Akamai’s services improve the speed, quality, reliability and scalability of Web sites by delivering its customers’ Web content and applications through a distributed worldwide network of servers that locate content and applications geographically closer to users.

The consolidated financial statements include the accounts of Akamai and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated. Certain reclassifications have been made to prior year amounts to conform with current year presentation.

2. Summary of Significant Accounting Policies:

Use of Estimates

The Company prepares its consolidated financial statements in conformity with generally accepted accounting principles that require management to make estimates and assumptions about the carrying amounts of reported assets and liabilities and related disclosures. Actual results could differ from those estimates. Significant estimates used in these financial statements include the allowance for doubtful accounts, useful lives of depreciable and intangible assets and the valuation allowance for deferred tax assets.

Revenue Recognition

Akamai derives revenue primarily from the sale of its content delivery services, including FreeFlow and FreeFlow Streaming, under contracts with typical terms of 12 to 24 months. In addition, Akamai provides certain streaming content delivery services on

an individual live-event basis. Akamai also derives revenue from its interactive portal, streaming-related products and services, software licensing and professional services.

Akamai recognizes revenue from its content delivery and streaming services based on the amount of data delivered through its network, including minimum monthly usage commitments. The Company records installation and set-up fees as deferred revenue and recognize these fees ratably over the life of the customer contract. The Company recognizes revenue from its interactive portal based on monthly committed fees paid by its portal technology partners for their participation in the portal. Akamai recognizes revenue for licensed software in accordance with Statement of Position 97-2, “Software Revenue Recognition”, and related interpretations, when delivery has occurred, the fee for the software is fixed or determinable, collectibility is reasonably assured and a written software license agreement has been signed by the Company and the customer. The Company recognizes revenue from streaming-related products and services, such as encoding, production and equipment, when the services are performed or the equipment is shipped and accepted by the customer and Akamai has no further performance obligations. The Company recognizes revenue from professional services as these services are performed.

For all services, the Company recognizes revenue in accordance with the guidance of Staff Accounting Bulletin (“SAB”) No. 101, “Revenue Recognition in Financial Statements,” when all of the following have occurred:

(i.) Akamai has established an arrangement to deliver services to the customer. This arrangement is established by a contract signed by the customer and Akamai that lists the services requested, the duration of the arrangement and the monthly fixed and usage-based fees per service type.

(ii.) The fee is fixed or determinable. Monthly usage charges for FreeFlow services are based on megabits per second of content delivered over the Company’s network. Customers commit to pay a fixed fee for minimum usage levels and pay additional fees when usage exceeds this committed level. Fees for

streaming events are established in advance and are generally based on the amount of content streamed over Akamai’s network. Akamai does not offer its customers extended payment terms.

(iii.) Akamai has delivered its services to the customer. Customers receive Akamai’s FreeFlow services by running a software utility provided by Akamai, which tags selected bandwidth-intensive portions of their Web sites, such as complex graphics and advertisements, with a special code that allows the selected content to be delivered over the Company’s network to the end user. Akamai delivers its streaming services in a similar manner to its FreeFlow service, along with additional encoding, transcription, signal acquisition and other production services required to stream a live event.

(iv.) Collectibility is reasonably assured. Akamai does not recognize revenue unless it believes that a customer is able and willing to pay for its services.

Cost of Revenue

Cost of revenue consists primarily of fees paid to network providers for bandwidth, monthly fees for housing servers in third-party network data centers and depreciation of network equipment used in providing services. In addition, cost of revenue includes network storage costs; live event costs including costs for production, encoding and signal acquisition; cost of equipment and costs of professional services. The Company enters into contracts for bandwidth with third-party network providers with terms typically ranging from one to three years. These contracts commit Akamai to pay minimum monthly fees plus additional fees for bandwidth usage above the contracted level or may commit Akamai to share with the third-party network providers a portion of the revenue recognized from customers that use these third-party networks. Under the Akamai accelerated networks program, Internet service providers make available to Akamai rack space for the Company’s servers and access to their bandwidth at little or no cost. The Company does not recognize as revenue any value to the Internet service providers associated with the use of the Company’s servers and does not expense the value of the rack space and bandwidth received at no cost.

Equity-Related Compensation

Akamai accounts for stock-based awards to employees using the intrinsic value method as prescribed by Accounting Principles Board Opinion (“APB”) No. 25, “Accounting for Stock Issued to Employees,” and related interpretations. Accordingly, no compensation expense is recorded for options issued to employees in fixed amounts and with fixed exercise prices at least equal to the fair market value of the Company’s common stock at the date of grant. Akamai has adopted the provisions of Statement of Financial Accounting Standards (“SFAS”) No. 123, “Accounting for Stock-Based Compensation,” through disclosure only for options issued to employees (see Note 12). All stock-based awards to nonemployees are accounted for at their fair value in accordance with SFAS No. 123 and FASB Interpretation No. 44.

Equity-related compensation is comprised of the following: (a) the amortization of deferred compensation resulting from the grant of stock options or shares of restricted stock to employees at exercise or sale prices deemed to be less than the fair value of the common stock on the grant date and (b) the intrinsic value of modified stock options or restricted stock awards, measured at the modification date, for the number of awards that, absent the modification, would have expired unexercisable.

Engineering and Development Costs

Engineering and development costs consist primarily of salaries and related personnel costs for the design, deployment, testing and enhancement of the Company's services and network. Costs incurred in the engineering and development of the Company's services are expensed as incurred, except certain software development costs. Costs associated with the development of software to be marketed externally are expensed prior to the establishment of technological feasibility as defined by SFAS No. 86, "Accounting for the Cost of Computer Software to be Sold, Leased, or Otherwise Marketed," and capitalized thereafter. To date, the Company's software development has been completed concurrent with the establishment of technological

feasibility and, accordingly, all software development costs have been charged to operations as incurred in the accompanying financial statements. Costs associated with the development of internal–use software are expensed or capitalized in accordance with Statement of Position 98-1. Capitalized costs are amortized on a straight-line basis over the useful lives of the internal-use software. Costs eligible for capitalization under Statement of Position 98-1 have been insignificant to date.

Concentrations of Credit Risk and Fair Value of Financial Instruments

The amounts reflected in the consolidated balance sheets for cash and cash equivalents, accounts receivable and accounts payable approximate their fair value due to their short-term maturities. Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of marketable securities and accounts receivable. Akamai's cash, cash equivalents and marketable securities are held with financial institutions that the Company believes to be of high credit standing. Akamai's equity investments in private companies are carried at cost. These investments are reviewed quarterly for impairment that is other than temporary. At December 31, 2000, the carrying value of these investments was $6.3 million, and the investments were included in other long-term assets.

Akamai's customer base consists of a large number of geographically dispersed customers diversified across several industries. As a result, concentration of credit risk with respect to accounts receivable is not significant except for a receivable from one customer, which accounted for 14% of net accounts receivable as of December 31, 2000. For the year ended December 31, 2000, one customer accounted for 12% of total revenue. For the year ended December 31, 1999, two customers accounted for 22% and 13% of total revenue, respectively.

Income Taxes

Deferred income taxes are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. Valuation allowances are provided if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Advertising Expense

The Company recognizes advertising expense as incurred. Akamai acquired $18.5 million of prepaid advertising as a result of its acquisition of INTERVU Inc. This amount is being amortized to advertising expense over its remaining contractual life based on usage. As of December 31, 2000, $6.9 million and $4.4 million of the remaining balance have been included in short-term and long-term other assets, respectively.

Foreign Currency Translation

For Akamai's foreign subsidiaries where the functional currency is the United States dollar, the Company translates monetary assets and liabilities at the exchange rate as of the balance sheet date and nonmonetary assets and liabilities at historical rates. The Company translates income statement accounts at average rates for the periods. Translation adjustments and foreign currency transactions are recorded in net income. Foreign currency transaction gains and losses were not material for the periods presented. Gains and losses on intercompany transactions where settlement is not anticipated in the foreseeable future are recorded in Other Comprehensive Loss.

Other Comprehensive Loss

The Company has adopted SFAS No. 130, “Reporting Comprehensive Income,” which established standards for reporting and displaying comprehensive income and its components in financial statements with the same prominence as other financial statements. Comprehensive loss is equal to net loss for the period from inception (August 20, 1998) through December 31, 1998 and for the year ended December 1999. Comprehensive loss is equal to net loss, unrealized gains and losses on investments and foreign currency translation adjustments for the year ended December 31, 2000.

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AKAMAI TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Cash, Cash Equivalents and Investments

Cash and cash equivalents consist of cash held in bank deposit accounts and short-term, highly liquid investments with original maturities of three months or less at the date of purchase. Cash equivalents are carried at cost, which approximates fair value. Short-term marketable securities consist of high quality corporate and government securities, which have original maturities of more than three months at the date of purchase and less than one year from the date of the balance sheet, and equity investments in publicly-traded companies. Long-term marketable securities consist of high quality corporate and government securities with maturities of more than one year from the date of the balance sheet. The Company classifies all debt securities and equity securities with readily determinable market value as “available for sale” in accordance with SFAS No. 115, “Accounting for Certain Investments in Debt and Equity Securities.” These investments are carried at fair market value with unrealized gains and losses reported as a separate component of stockholders’ equity. Investments in the preferred shares of private companies are carried at the lower of cost or market. These investments, which total $6.3 million at December 31, 2000, are included in other long-term assets. The Company reviews investments on a quarterly basis for reductions in market value that are other than temporary. When such reductions occur, the cost of the investment is adjusted to its fair value through a charge to net income.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation of equipment is computed on a straight-line basis over estimated useful lives of three to five years. Leasehold improvements are depreciated over the shorter of related lease terms or their estimated useful lives. Property and equipment acquired under capital lease are depreciated over the shorter of the related lease terms or the useful life of the asset. Upon retirement or sale, the cost of the assets disposed and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in income from operations. Repairs and maintenance costs are expensed as incurred.

Goodwill and Other Intangible Assets

Goodwill and other intangible assets consist of goodwill, completed technology, assembled workforce and trademarks and tradenames arising from the acquisition of businesses. These intangible assets are amortized using the straight-line method over two or three years based on their estimated useful lives. Intangible assets also include the cost of acquired license rights to content delivery technology. These license rights are amortized using the straight-line method over ten years.

Impairment of Goodwill and Other Long-Lived Assets

Goodwill and other long-lived assets are reviewed for impairment whenever events, such as service discontinuance, technological obsolescence, facility closure or other changes in circumstances, indicate that the carrying amount of the asset may not be recoverable. When such events occur, the Company compares the carrying amount of the assets to their undiscounted expected future cash flows. If this comparison indicates that there is an impairment, the amount of the impairment is calculated using discounted expected cash flows using the Company’s weighted average cost of capital. To date, the Company believes that no such impairment has occurred.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities,” as amended, which establishes accounting and reporting standards for derivative instruments and hedging activities. The standard requires that the Company recognize all derivatives as either assets or liabilities on the balance sheet and measure those instruments at fair value. The Company, to date, has not engaged in derivative and hedging activities, and accordingly does not believe

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that the adoption of SFAS No. 133 will have a material impact on its financial statements and related disclosures. The Company will adopt SFAS No. 133 as required by SFAS No. 137 in fiscal year 2001.

In December 1999, the Securities and Exchange Commission ("SEC") issued SAB No. 101, "Revenue Recognition in Financial Statements," as amended by SAB 101A and 101B, which is effective no later than the quarter ended December 31, 2000. SAB No. 101 clarifies the SEC's views regarding the recognition of revenue. The Company adopted SAB No. 101 in fiscal 2000. The adoption of SAB No. 101 did not have a significant impact on the Company's financial position or results of operations.

In March 2000, the FASB issued FASB Interpretation ("FIN") No. 44, "Accounting for Certain Transactions Involving Stock Compensation — an Interpretation of APB Opinion No. 25." FIN No. 44 primarily clarifies (a) the definition of an employee for purposes of applying APB Opinion No. 25, (b) the criteria for determining whether a plan qualifies as a noncompensatory plan, (c) the accounting consequence of various modifications to the terms of previously fixed stock option awards and (d) the accounting for an exchange of stock compensation awards in a business combination. The adoption of FIN No. 44 did not have a significant impact on the Company's financial position or results of operations.

3. Business Acquisitions:

Network24 Communications, Inc.

In February 2000, the Company acquired all of the outstanding common and preferred stock of Network*24* Communications, Inc. ("Network*24*") in exchange for approximately 621,000 shares of Akamai common stock and $12.5 million in cash. Akamai also issued options and warrants exercisable for approximately 196,000 shares of Akamai common stock in exchange for all outstanding options and warrants exercisable for Network*24* common stock. Network*24* is a provider of Internet broadcasting application services. The value of the acquisition was $203.6 million based on the fair value of the consideration paid plus direct acquisition costs. The acquisition has been accounted for using the purchase method. Accordingly, the results of operations of Network*24* subsequent to February 10, 2000 have been included in Akamai's consolidated statement of operations for the year ended December 31, 2000. The purchase price allocation is as follows (in millions):

Tangible net assets	$ 2.9
Intangible assets acquired:	
Completed technology	7.3
Assembled workforce	1.5
Trademarks and tradenames	1.4
Goodwill	190.5
Total purchase price allocation	$203.6

Goodwill and other intangible assets are being amortized on a straight-line basis over estimated useful lives of three years (see Note 7).

InterVu Inc.

In April 2000, the Company acquired all of the outstanding common and preferred stock of INTERVU Inc. ("INTERVU") in exchange for 10.0 million shares of Akamai common stock. Akamai also issued options and warrants exercisable for 2.2 million shares of Akamai common stock in exchange for all outstanding options and warrants exercisable for INTERVU common stock. INTERVU is a service provider for Internet audio and video delivery solutions. The acquisition was accounted for using the purchase method. Accordingly, the results of operations of INTERVU subsequent to April 20, 2000 have been included in Akamai's consolidated statement of operations for the year ended December 31, 2000. The value of the acquisition was $2.8 billion based on the fair value of the consideration paid plus direct acquisition costs. The Company may be required to deliver additional securities to a former stockholder of INTERVU based on the future price of

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AKAMAI TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Akamai stock (see Note 16). The resolution of this contingency will not result in additional purchase price. The purchase price allocation is as follows (in millions):

Tangible net assets	$ 127.1
Intangible assets acquired:	
Completed technology	21.4
Assembled workforce	10.7
Trademark and tradenames	3.5
In-process research and development	1.4
Goodwill	2,620.6
Total purchase price allocation	$2,784.7

Tangible net assets acquired include cash, short-term and long-term investments, accounts receivable, fixed assets and prepaid advertising (see Note 16). Liabilities assumed include accounts payable, accrued compensation and accrued expenses. Goodwill and other intangible assets are being amortized on a straight-line basis over estimated useful lives of two to three years (see Note 7).

A portion of the purchase price was allocated to in-process research and development ("IPR&D") and completed technology. Completed technology and IPR&D were identified and valued through interviews and analysis of data provided by management regarding products under development. Developmental projects that had reached technological feasibility were classified as completed technology and are being amortized over three years. Projects that had not reached technological feasibility and had no future alternative uses were classified as IPR&D and charged to expense on the date of the acquisition. The value of IPR&D was determined considering the project's stage of development, the time and resources needed for completion, the contribution of core technology and the projected discounted cash flows of completed products. The discount rate was determined considering Akamai's weighted average cost of capital and the risks surrounding the successful completion of the projects under development.

Pro Forma Information (unaudited)

The summary table below, prepared on an unaudited pro forma basis, combines the Company's consolidated results of operations with Network*24's* and INTERVU'S results of operations as if each company had been acquired as of January 1, 2000 and January 1, 1999 for the years ended December 31, 2000 and 1999, respectively (in thousands, except per share data):

	Year ended December 31,	
	2000	**1999**
Revenue	$ 94,861	$ 11,395
Net loss	$(1,182,036)	$(1,057,756)
Basic and diluted net loss per share	$ (12.98)	$ (25.91)

The pro forma results are not necessarily indicative of what would have occurred if the acquisitions had been in effect for the periods presented. In addition, they are not intended to be a projection of future results and do not reflect any synergies that might be achieved from combined operations.

CallTheShots Inc.

In July 2000, the Company acquired all of the outstanding common and preferred stock of CallTheShots Inc. ("CTS"), in exchange for 31,493 shares of Akamai common stock and $259,000 in cash. In addition, 20,458 shares of Akamai common stock and $434,000 in cash have been placed in an escrow account and will be released over one year to certain former stockholders of CTS as they continue employment with Akamai. The Company will record equity-related compensation for the escrowed shares in the amount of $1.7 million ratably over the contingency period based on the fair value of Akamai common stock on the closing date of the acquisition. The acquisition has been accounted for using the purchase method. The purchase price of $3.7

million was based on the fair value of the consideration paid plus direct acquisition costs. Accordingly, the Company allocated the purchase price to the assets and liabilities of CTS based on their fair values. The values assigned included $4.0 million for goodwill, $150,000 for assembled workforce, and $466,000 for net liabilities assumed. The goodwill and assembled workforce are being amortized on a straight line basis over their useful lives of three and two years, respectively. The Company has included the results of operations of CTS subsequent to July 25, 2000 in its statement of operations for the year ended December 31, 2000. CTS develops services that enable Web site visitors to personalize their interaction with the sites they visit. Pro forma information for CTS has not been presented as the historical operating results of CTS are not material to those of the combined company.

4. Net Loss per Share:

In accordance with SFAS No. 128, "Earnings Per Share," basic net loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed using the weighted average number of common shares outstanding during the period, plus the dilutive effect of potential common stock. Potential common stock consists of stock options and warrants, unvested restricted common stock, convertible preferred stock, contingently issuable stock, and convertible notes.

The following table sets forth potential common stock excluded from the calculation of diluted net loss per share since their inclusion would be antidilutive:

	Year ended December 31,		Period from inception (August 20, 1998) through December 31, 1998
	2000	1999	
Stock options	16,161,223	14,416,565	1,287,000
Warrants	1,048,419	1,981,086	—
Unvested restricted common stock	10,783,481	19,230,430	18,049,104
Convertible preferred stock	—	—	19,800,000
Contingently issuable stock (see Note 16)	474,777	—	—
Convertible notes (see Note 9)	2,598,077	—	—

5. Marketable Securities:

The following is a summary of investments at December 31, 2000 (in thousands):

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Certificates of deposit	$ 353	$ —	$ —	$ 353
U.S. corporate debt securities	197,682	101	70	197,713
U.S. Government obligations	35,699	—	3	35,696
Equity securities	9,500	—	6,458	3,042
	$243,234	$101	$6,531	$236,804

Available-for-sale securities by contractual maturity are as follows (in thousands):

	December 31, 2000
Due in one year or less	$156,480
Due after one year through two years	77,282
	$233,762

For all periods presented, realized gains and losses on sales of available-for-sale securities were immaterial. The Company determines the cost basis of securities by specific identification. Available-for-sale investments are reviewed for evidence of reductions in market value that are other than temporary. Management believes that no such impairments have occurred at December 31, 2000. Approximately $13.7 million of the Company's investment portfolio is restricted by irrevocable letters of credit issued in favor of third party beneficiaries, primarily related to long-term operating leases. These restrictions lapse when the Company meets certain financial obligations. The investment portfolio is also restricted by a letter of credit issuable to CNN in the amount of approximately $3.8 million (see Note 16).

6. Property and Equipment:

Property and equipment consists of the following (in thousands):

	December 31,		Estimated Useful Lives in Years
	2000	1999	
Computer and networking equipment	$142,591	$23,817	3
Software	14,849	1,256	3
Furniture and fixtures	6,450	711	5
Office equipment	4,146	541	3
Leasehold improvements	12,163	972	5
Production equipment	1,756	—	3
Vehicles	42	—	5
	181,997	27,297	
Accumulated depreciation	(38,956)	(3,422)	
	$143,041	$23,875	

Depreciation expense on property and equipment for the years ended December 31, 2000 and 1999 and for the period from inception (August 20, 1998) through December 31, 1998 was $35.6 million, $3.4 million and $41,000, respectively.

Equipment under capital leases (in thousands):

	December 31,		Estimated Useful Lives in Years
	2000	1999	
Office equipment	$ 863	$142	3
Accumulated depreciation	(136)	(30)	
	$ 727	$112	

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7. Goodwill and Other Intangible Assets:

Goodwill and other intangible assets consist of the following (in thousands):

	December 31,		Estimated Useful Lives in Years
	2000	1999	
Goodwill	$2,815,073	$ —	3
Completed technology	28,683	—	3
Assembled workforce	12,411	—	2-3
Trademarks and trade names	4,925	—	3
Acquired license rights	490	490	10
	2,861,582	490	
Less accumulated amortization	(675,425)	(56)	
	$2,186,157	$434	

Goodwill and other intangible assets from acquisitions as of December 31, 2000 are expected to be amortized as follows (in millions):

2001	$ 955
2002	955
2003	276
Total	$2,186

8. Commitments and Contingencies:

Leases

The Company leases its facilities and certain equipment under operating leases. Rent expense for the years ended December 31, 2000 and 1999 and for the period from inception (August 20, 1998) through December 31, 1998 was $9.5 million, $599,000 and $36,000, respectively. The leases expire at various dates through 2013 and generally require the payment of real estate taxes, insurance, maintenance and operating costs. The Company also leases certain equipment under capital leases. The minimum aggregate future obligations under noncancelable leases and equipment loans as of December 31, 2000 are as follows (in thousands):

	Operating Leases	Capital Leases (including equipment loan)
Year ending		
2001	$ 17,379	$ 1,162
2002	23,942	393
2003	23,256	41
2004	22,501	—
2005	20,931	—
Thereafter	98,647	—
Total	$206,656	1,596
Less interest		(95)
Total principle obligation		1,501
Less current portion		(1,080)
Noncurrent portion of principle obligations		$ 421

The minimum future obligations under noncancelable operating leases includes approximately $83.5 million of future lease payments expected to commence in the second quarter of 2001, subject to completion of construction. Upon commencement of the lease, Akamai will be obligated to issue a letter of credit in the amount of $5.1 million as collateral for future lease payments. Issuance of this letter of credit will require the Company to restrict its investment portfolio by $5.1 million.

Equipment Loan

The Company received an equipment loan from its bank for $1.5 million in January 1999. In connection with the equipment loan, the Company issued warrants for the purchase of 74,499 shares of common stock at a purchase price of $0.40 per share. The warrants were exercisable upon issuance and expire on January 26, 2002. Akamai estimated the value of the warrants to be $25,000 at the date of issuance, which was recorded as additional paid-in capital and reduced the carrying amount of the equipment loan. The discount on the note is being amortized to interest expense over the estimated life of the loan. The warrants were fully exercised in November 1999.

Bandwidth Usage and Co-location Commitments

The Company has commitments for bandwidth usage and co-location with various network service providers. For the years ending December 31, 2001, 2002 and 2003 and thereafter, the minimum commitments are approximately $27.3 million, $14.4 million, and $11.7 million, respectively. Some of these agreements may be amended to either increase or decrease the minimum commitments during the life of the contract.

Litigation

The Company is subject to legal proceedings, claims, and litigation arising in the ordinary course of business. While the outcome of these matters is not determinable at this time, management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

9. Senior Subordinated Notes and Convertible Notes:

Senior Subordinated Notes

In April 1999, Akamai entered into note and warrant purchase agreements with private investors. Under the agreements, Akamai issued 15% subordinated demand notes payable in the aggregate amount of $15.0 million due in May 2004. In connection with the notes, the Company also issued warrants to purchase an aggregate of 2,002,836 shares of common stock at $2.50 per share in exchange for cash. These warrants expire in May 2004. The fair value of the warrants at the time of issuance was estimated to be approximately $3.9 million, which was recorded as additional paid-in capital and reduced the carrying value of the notes. The fair value was determined using the Black-Scholes option pricing model. The discount on the notes is being amortized over the term of the notes. For the year ended December 31, 1999, interest expense of $1.5 million was recognized related to the fair value of the warrants. In December 1999, the Company exercised its right to pay off the notes in full and paid $12.2 million in interest and principal. The remaining unpaid balance of $2.8 million was paid in the year ended December 31, 2000. The Company recognized an extraordinary loss from early extinguishments of the debt of $3.4 million (or $0.11 per share) during the year ended December 31, 1999.

Convertible Notes

In June 2000, Akamai issued $300.0 million of 5 1/2% Convertible Subordinated Notes due July 1, 2007 (the "Convertible Notes") for aggregate net proceeds of approximately $290.2 million (net of underwriting fees and other offering expenses of $9.8 million). The Convertible Notes are due July 1, 2007, and are convertible at any time into the Company's common stock at a conversion price of $115.47 per share

(equivalent to 8.6603 shares of common stock per $1,000 principal amount of Convertible Notes), subject to adjustment in certain events. The Company may redeem the Convertible Notes on or after July 3, 2003, at the Company's option. In the event of a change of control, Akamai may be required to repurchase all or a portion of the Convertible Notes at a repurchase price of 100% of the principal amount plus accrued interest. Interest on the Convertible Notes accrues as of the issue date and is payable semiannually on January 1 and July 1 of each year, commencing on January 1, 2001. The Convertible Notes are unsecured obligations and are subordinated to all existing and future senior indebtedness and effectively rank junior to all secured debts and to all of the existing and future debts and other liabilities of the Company's subsidiaries. Financing costs of $9.8 million, including underwriting fees and other offering expenses, for the Convertible Notes are being amortized over the term of the notes. Amortization of deferred financing costs was approximately $740,000 for the year ended December 31, 2000.

10. Convertible Preferred Stock:

Prior to the closing of the Company's initial public offering, or IPO, in October 1999, the Company issued 1,100,000 shares of Series A preferred stock at $7.60 per share, 1,327,500 shares of Series B preferred stock at $15.066 per share, 145,195 shares of Series C preferred stock at $34.436 per share, 685,194 of Series D preferred stock at $18.243 per share, 1,867,480 shares of Series E preferred stock at $26.239 per share, and 985,545 shares of Series F preferred stock at $15.22 per share. Each series of preferred stock except the Series A preferred stock accrued a cumulative dividend equal to 8.0% of the original purchase price. The Company accrued a total of $2.2 million of preferred stock dividends and accretion to redemption value for the year ended December 31, 1999. Upon completion of the IPO, all outstanding shares of preferred stock automatically converted into shares of common stock. In November 1999, the Company's board of directors authorized 5,000,000 shares of newly undesignated convertible preferred stock with a par value of $0.01 per share. As of December 31, 2000, no shares of convertible preferred stock are outstanding.

11. Stockholders' Equity:

Public Offering

In October 1999, Akamai completed an initial public offering of 9,000,000 shares of its common stock for net proceeds of $215.4 million after underwriting discounts, commissions, and offering expenses. As a result, all outstanding shares of preferred stock automatically converted into 38,467,466 shares of common stock.

Stock Split

On January 28, 1999 and May 25, 1999, the Company effected a 3-for-1 stock split through a stock dividend of common stock. On September 8, 1999 the Company effected a 2-for-1 stock split through a stock dividend of common stock. All references to preferred and common stock share and per share amounts including options and warrants to purchase common stock have been retroactively restated to reflect the stock splits.

Common Stock

The common stockholders are entitled to one vote per share. In May 2000, the stockholders of the Company approved an increase in the number of authorized shares from 300,000,000 to 700,000,000. At December 31, 2000, the Company had reserved approximately 24.0 million shares for future issuance upon the exercise of options and warrants.

Notes Receivable from Officers for Stock

In connection with the issuance of restricted common stock, the Company received full recourse notes receivable from the Chief Executive Officer, President, Chief Financial Officer, and Vice President of Business Development of the Company in the amounts of $1,980,000, $500,000, $2,620,000 and $624,000, respectively. These notes bear interest between 5.3% and 6.1% and are payable in full by March 26, 2009,

May 18, 2009, July 23, 2009 and July 23, 2009, respectively. The Company also acquired a note receivable from an officer in the amount of $228,000 in a business acquisition. This note bears interest at 5.25% and is payable in equal monthly installments through August 2003. During the year ended December 31, 2000, the Company received $765,000 of payments on notes receivable from officers.

12. Stock Plans:

1998 Option Plan

In 1998, the board of directors adopted the 1998 Stock Incentive Plan (the “1998 Option Plan”) for the issuance of incentive and nonqualified stock options and restricted stock awards. The number of shares of common stock reserved for issuance under the 1998 Option Plan is 37,755,600 shares. Options to purchase common stock and restricted stock awards are granted at the discretion of the board of directors.

Under the terms of the 1998 Option Plan, the exercise price of incentive stock options granted must not be less than 100% (110% in certain cases) of the fair market value of the common stock on the date of grant, as determined by the board of directors. The exercise price of non qualified stock options may be less than the fair market value of the common stock on the date of grant, as determined by the board of directors but in no case may the exercise price be less than the statutory minimum. Vesting of options granted is at the discretion of the board of directors, which typically is four years. The term of options granted cannot exceed ten years (five years for incentive stock options granted to holders of more than 10% of the voting stock of the Company.)

A restricted stock award provides for issuance of common stock to directors, officers, consultants and other key personnel at prices determined by a committee selected by the board of directors. Participants’ unvested shares are subject to repurchase by the Company at the original purchase price for up to four years. Generally, 25% of the shares vest on the first anniversary of the date of purchase and, thereafter, the remaining shares vest on a quarterly basis through the fourth anniversary date of purchase. As of December 31, 2000, the Company had the right to repurchase up to 5,014,049 unvested shares at the original purchase prices ranging from $0.01 to $2.50 per share.

The Company has assumed certain stock option plans and the outstanding stock options of companies that have been acquired (“Assumed Plans”). Stock options under the Assumed Plans have been converted into the Company’s stock options and adjusted to effect the appropriate conversion ratio as specified by the applicable acquisition agreement, but are otherwise administered in accordance with the terms of the Assumed Plans. Stock options under the Assumed Plans generally vest over four years and expire ten years from the date of grant. No additional stock options will be granted under the Assumed Plans.

A summary of stock option and restricted stock award activity for the period from inception (August 20, 1998) through December 31, 1998 and the years ended December 31, 1999 and 2000 is presented below:

			Weighted Average Purchase

	Shares	Price
Restricted Stock Awards from 1998 Option Plan		
Outstanding at inception	—	
Issued	3,283,200	$0.02
Outstanding at December 31, 1998	3,283,200	0.02
Issued	9,820,000	0.62

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	Shares	Weighted Average Purchase Price
Outstanding at December 31, 1999	13,103,200	0.21
Issued	5,040	0.04
Outstanding at December 31, 2000	13,108,240	0.21
Vested restricted common stock at December 31, 2000	8,094,191	$0.40

There were 31,282,100 shares of restricted common stock issued outside of the plan in the period ended December 31, 1998. No shares of restricted common stock were issued outside of the plan in the year ended December 31, 1999. There were 20,458 shares of restricted common stock issued outside of the plan in the year ended December 31, 2000 (see Note 3). As of December 31, 2000, the Company had the right to repurchase up to 5,789,890 of unvested shares.

	Shares	Weighted Average Share Price
Stock Option Awards		
Outstanding at inception	—	
Granted	1,287,000	$ 0.02
Outstanding at December 31, 1998	1,287,000	0.02
Granted	15,324,000	7.22
Exercised	(549,000)	0.06
Forfeited	(1,645,000)	2.76
Outstanding at December 31, 1999	14,417,000	7.43
Granted and assumed in business combinations	8,541,000	65.33
Exercised	(3,940,000)	8.00
Forfeited	(2,857,000)	41.81
Outstanding at December 31, 2000	16,161,000	$31.73

As of December 31, 1999, 584,000 options were vested and exercisable at a weighted average exercise price of $0.79. No options were vested and exercisable as of December 31, 1998.

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The following table summarizes information about stock options outstanding at December 31, 2000:

Range of Exercise Prices	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Exercisable	
				Number of Options	Weighted Average Exercise Price
$ 0.01 – 1.00	3,846,000	8.1	$ 0.29	723,000	$ 0.21
2.44 – 3.34	848,000	8.5	2.52	156,000	2.58
8.00 – 8.82	5,000	8.3	6.90	4,000	8.25
10.92 – 15.87	4,677,000	8.7	14.24	1,067,000	14.26
16.48 – 22.88	729,000	8.8	19.62	184,000	19.70
23.09 – 35.68	76,000	7.9	31.85	53,000	31.40
36.06 – 52.99	2,041,000	9.7	37.19	50,000	43.00
53.62 – 79.85	2,005,000	9.4	69.62	119,000	62.12
80.58 – 119.40	1,577,000	9.4	87.92	53,000	95.29
124.02 – 178.79	81,000	9.0	148.15	21,000	143.85
184.03 – 274.50	276,000	9.1	217.96	12,000	233.44
0.01 – 274.50	16,161,000	8.8	31.73	2,442,000	16.93

Employee Stock Purchase Plan

In August 1999, the board of directors adopted the 1999 Employee Stock Purchase Plan (“ESPP”). The board of directors has reserved 600,000 shares of common stock for issuance under the 1999 ESPP. The 1999 ESPP allows participating employees to purchase shares of common stock at a 15% discount from the market value of the stock as determined on specific dates at six month intervals. As of December 31, 2000, approximately $760,000 of payroll deductions have been withheld from employees for future purchases under the plan.

Fair Value Disclosure

As discussed in Note 2, the Company has adopted SFAS No. 123 for options issued to employees through disclosure only. Had the Company accounted for stock options issued to employees under the fair value method prescribed by SFAS No. 123, Akamai’s net losses and basic and diluted net loss per share would have been as follows (in thousands):

	Year ended December 31,		Period from inception (August 20, 1998) through December 31, 1998
	2000	1999	
Net loss attributable to common stockholders:			
As reported	$(885,785)	$(59,800)	$ (890)
Pro Forma	(953,813)	(64,600)	(891)
Basic and diluted net loss per share:			
As reported	$ (10.07)	$ (1.98)	$(0.06)
Pro Forma	(10.84)	(2.14)	(0.06)

The effects of applying SFAS No. 123 in this pro forma disclosure are not necessarily indicative of future results.

The fair value of each option is estimated on the grant date using the Black-Scholes option pricing model with the following assumptions:

	Period from inception (August 20,

	Year ended December 31,		1998) through December 31, 1998
	2000	1999	
Stock options:			
Expected term (years)	5.0	5.6	7.0
Risk-free interest rate (%)	5.1	5.61	4.07
Expected volatility (%)	150	24.7	—
Dividend yield (%)	—	—	—
Weighted average fair value of options granted	$64.12	$4.74	$0.26

Equity-Related Compensation

From inception (August 20, 1998) through December 31, 1998, and for the years ended December 31, 1999 and 2000, the Company recorded as deferred compensation $1.7 million, $38.2 million, and $2.6 million, respectively, for restricted stock awards and stock options granted at purchase or exercise prices subsequently determined to be below fair market value of the common stock. The deferred compensation is being amortized on a straight-line basis over the vesting period of the individual award, generally four years. For the year ended December 31, 2000, the Company amortized $10.0 million of deferred compensation. Equity-related compensation for the year ended December 31, 2000 also includes $16.1 million for the intrinsic value of modified stock options and restricted stock awards that would have expired unexercisable had they not been modified and other equity-related compensation. All modifications were approved by the board of directors and related to the acceleration of stock award vesting for terminated employees.

13. Employee Benefit Plan:

In January 1999, the Company established a savings plan for its employees that is designed to be qualified under Section 401(k) of the Internal Revenue Code. Eligible employees are permitted to contribute to the 401(k) plan through payroll deductions within statutory and plan limits. The Company provides limited matching of employee contributions to the 401(k) plan. The Company has contributed approximately $605,000 to the savings plan for the period ended December 31, 2000. The Company did not make a contribution to the savings plan prior to fiscal 2000.

14. Income Taxes:

The provision for (benefit from) income taxes consists of the following (in thousands):

	Year ended December 31,		Period from inception (August 20, 1998, through December 31, 1998
	2000	1999	
Current tax expense	$ 187	$ —	$ —
Deferred tax benefit	(128,835)	(19,573)	(288)
Valuation allowance	128,835	19,573	288
	$ 187	$ —	$ —

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The Company’s effective rate varies from the statutory rate as follows:

	Year ended December 31,		Period from inception (August 20, 1998) through December 31, 1998
	2000	1999	
U.S. Federal income tax rate	(34.0)%	(34.0)%	(34.0)%

State taxes	(5.3)	(5.4)	(6.3)
Deferred compensation amortization	1.0	6.0	3.2
Amortization or intangible assets	26.9	—	—
Other	(0.3)	(0.6)	(0.9)
Valuation allowance	11.7	34.0	38.0
	—%	—%	—%

Significant components of the Company's deferred tax assets as of December 31, 2000 and 1999 are shown below. In accordance with SFAS No. 109, "Accounting for Income Taxes," a valuation allowance for the entire deferred tax asset has been recorded due to uncertainty surrounding its realization. The components of the net deferred tax asset and the related valuation allowance are as follows (in thousands):

	December 31,	
	2000	**1999**
Net operating loss and credit carryforwards	$ 155,341	$ 15,617
Depreciation and amortization	14,203	3,706
Compensation costs	3,300	510
Other	5,888	28
	178,732	19,861
Valuation allowance	(178,732)	(19,861)
Net deferred tax asset	$ —	$ —

As of December 31, 2000 and 1999, the Company had federal and state net operating loss carryforwards of approximately $377.0 million and $37.5 million, respectively, that expire at various dates through 2020. The Company also had federal and state tax credit carryforwards as of December 31, 2000 and 1999 of approximately $2.3 million and $323,000, respectively. Pursuant to Internal Revenue Code Sections 382 and 383, use of the Company's acquired net operating loss and credit carryforwards may be subject to annual limitations due to a change in equity ownership in the Company of more than 50%.

Approximately $125.0 million of the net operating loss carryforwards available for federal income tax purposes relate to the exercises of non-qualified stock options and disqualifying disposition of incentive stock options, the tax benefit from which, if realized, will be credited to additional paid-in capital.

15. Related Party Transactions:

During the year ended December 31, 2000, the Company purchased bandwidth and co-location space totalling $2.3 million, including refundable deposits of $1.7 million, from LIG Holdings L.P. ("LIG"), an Internet service provider. An officer of Akamai is a principal of a company with a 35% interest in LIG. The Company has future obligations to LIG for co-location space and bandwidth of approximately $2.3 million. During the year ended December 31, 2000, Akamai sold a perpetual license to LIG covering certain technology for $500,000. This amount has been paid as of December 31, 2000. These transactions are on terms at least as favorable, if not more favorable, to Akamai than could be obtained from unaffiliated third parties.

A member of Akamai's board of directors is on the board of directors of one of the Company's customers. Sales to that customer totalled approximately $2.25 million in 2000.

An officer of Akamai is on the board of directors of one of the Company's customers. Sales to that customer totalled $250,000 in 2000.

16. CNN News Group Strategic Alliance:

In November 1999, INTERVU, which Akamai acquired in April 2000 (see Note 3), entered into a strategic alliance with the CNN News Group ("CNN"). In accordance with the agreement, INTERVU issued common stock valued at $20.0 million to CNN. In return, CNN agreed to provide INTERVU with three years of on-air and online advertising and promotional opportunities across CNN's properties. As part of its purchase price allocation, Akamai estimated the fair value of these services to be $18.4 million. This amount has been recorded in other long-term assets, less the current portion of $6.9 million recorded in other current assets,

and is being amortized over the remaining life of the agreement, based on usage, to advertising expense. For the year ended December 31, 2000, $7.2 million has been amortized to advertising expense for the agreement. In addition, under a separate agreement, INTERVU agreed to be CNN's exclusive provider of Internet video management and delivery services and to deliver audio streaming services.

In connection with its acquisition of INTERVU, Akamai issued shares of its common stock to CNN in exchange for shares of INTERVU common stock held by CNN and assumed certain obligations relating to such shares as described herein. Following the first anniversary of the agreement, if the 20 day moving average market value of the Company's common stock prior to the end of any fiscal quarter falls below $33.57 per share, the Company will be obligated to issue a letter of credit in an amount not to exceed $10.0 million, with the actual amount calculated on the basis of the number of shares held by CNN at the time and the remaining number of days in the term of the agreement. As of December 31, 2000, the Company became obligated to issue a letter of credit to CNN in the amount of approximately $3.8 million. In addition, the Company may become obligated to pay CNN up to $10.0 million in cash or common stock, at the Company's option, if CNN holds its Akamai shares until November 11, 2002, and the price per share of Akamai common stock is less than $144.05 at such date. At the time of the acquisition, Akamai estimated the fair value of the guaranteed return to CNN using the Black-Scholes option pricing model and determined its value to be approximately $7.0 million, which was included in the purchase price allocation of INTERVU.

Either party may terminate the contract at any time for a material breach by the other party that remains uncured or the other party's bankruptcy or similar adverse condition. In the event the agreement is terminated by CNN, CNN is required to pay Akamai as of the date of the termination notice the value of the undelivered services purchased under the agreement. In the event the agreement is terminated by Akamai because CNN engages another party to provide Internet video management and delivery services, CNN is required to pay Akamai as of the date of the termination (i) the value of the undelivered services purchased under the agreement and (ii) a breakup fee of $3.0 million initially that declines to zero over the term of the agreement.

17. Segment Disclosure:

SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information," establishes standards for reporting information about operating segments and for related disclosures about products and services and geographic areas. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker, or decision-making group, in making decisions on allocating resources and assessing performance. Akamai's chief decision-maker, as defined under SFAS No. 131, is the Chief Executive Officer and the executive management team. As of December 31, 2000, Akamai operates in one business segment: global delivery services for Internet content, streaming media and applications. The Company may change, add or amend segments in the future.

As of December 31, 2000, the Company had approximately $119.1 million and $23.9 million of property and equipment located in the United States and foreign locations, respectively. Property and equipment located in foreign locations as of December 31, 1999 was not significant. Akamai sells its products through a

direct sales force located both domestically and abroad. For all periods presented, sales to customers located in the United States were more than 90% of total revenue.

18. Supplemental Disclosure of Cash Flow Information:

The following is supplemental cash flow information for all years presented (in thousands):

	Year ended December 31, 2000	Year ended December 31, 1999	Period from inception (August 20, 1998) through December 31, 1998
Cash paid for interest	$ 443	$1,603	$ 10
Cash paid for taxes	112	6	—
Noncash financing and investing activities:			
Purchase of technology license for stock	—	—	490
Issuance of restricted common stock for note receivable	—	5,724	—
Dividends accrued, not paid on convertible preferred stock	—	2,241	—
Acquisition of equipment through capital lease	285	102	40

Issuance of common stock in exchange for note receivable	228	—	—
Common stock issued for the acquisition of businesses	2,958,788	—	—

19. Quarterly Financial Results (unaudited):

The following table sets forth certain unaudited quarterly results of operations of the Company for the years ended 2000 and 1999. In the opinion of management, this information has been prepared on the same basis as the audited consolidated financial statements and all necessary adjustments, consisting only of normal recurring adjustments, have been included in the amounts stated below to present fairly the quarterly information when read in conjunction with the audited consolidated financial statements and related notes included elsewhere in this annual report on Form 10-K. The quarterly operating results are not necessarily indicative of future results of operations.

	March 31, 1999	June 30, 1999	Sept. 30, 1999	Dec. 31, 1999
	(in thousands, except per share data)			
Revenue	$ —	$ 404	$ 883	$ 2,699
Cost of revenue	186	1,222	3,125	4,469
Gross profit	(186)	(818)	(2,242)	(1,770)
Loss before extraordinary loss	(2,887)	(6,896)	(18,542)	(25,844)
Net loss	(2,887)	(6,896)	(18,542)	(29,234)
Net loss attributable to common stockholders	$ (2,891)	$ (7,187)	$(19,892)	$(29,830)
Basic and diluted net loss per share	$ (0.17)	$ (0.34)	$ (0.80)	$ (0.51)
Weighted average common shares outstanding	17,045	21,166	24,849	59,033

	March 31, 2000	June 30, 2000	Sept. 30, 2000	Dec. 31, 2000
	(in thousands, except per share data)			
Revenue	$ 7,222	$ 18,144	$ 27,156	$ 37,244
Cost of revenue	6,636	12,647	18,182	24,037
Gross profit	586	5,497	8,974	13,207
Net loss	$(35,397)	$(243,236)	$(304,075)	$(303,077)
Basic and diluted net loss per share	$ (0.47)	$ (2.78)	$ (3.27)	$ (3.16)
Weighted average common shares outstanding	75,029	87,374	93,099	95,970

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20. Subsequent Event:

In the fourth quarter of 2000, Akamai formed Arriva! Networks, Inc. (“Arriva”), a wholly-owned subsidiary. Akamai received preferred shares of Arriva in exchange for contributed technology. In addition, Arriva entered into a five year license agreement with Akamai for additional technology. All transactions between Akamai and Arriva have been eliminated in consolidation.

In January 2001, Arriva sold a majority interest to outside investors in return for $28.0 million in cash. Following the closing of the financing, the outside investors controlled 60%, and Akamai controlled 40%, of the voting interests in Arriva. In accordance with the terms of the various outside investor agreements, Akamai received a warrant to purchase additional voting shares of common stock of Arriva, allowing Akamai to maintain a 40% voting interest. The series of securities purchased by the outside investors ranks senior on liquidation to the series of securities held by Akamai.

Although the per share proceeds obtained in the outside financing exceeded Arriva’s book value per share, Akamai did not adjust the value of its investment in Arriva or recognize a gain, either through equity or the income statement, following the financing due to difference in the class of shares purchased by the outside investors. Such a gain may be recognized in the future depending on the future financing of Arriva. Arriva is in the process of assembling a management team, substantially all of which is expected to be comprised of non-Akamai employees. Akamai expects that it will have less than a majority of the decision-making ability with respect to the continued operations of by February 2001. At that time, Akamai will deconsolidate Arriva and will adopt the equity method of accounting effective January 1, 2001. However, determination of whether Akamai has a controlling interest over the operations of Arriva will be based on the facts and circumstances at the time.

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Item 9. ***Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.***

None.

PART III

Item 10. ***Directors and Executive Officers of the Registrant.***

The response to this Item regarding our directors and compliance with Section 16(a) of the Exchange Act by our officers and directors will be contained in our definitive proxy statement for the 2001 Annual Meeting of Stockholders under the captions "Information Regarding Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" and is incorporated herein.

Our executive officers and directors and their ages and positions as of February 1, 2001, are as follows:

Name	Age	Position
George H. Conrades	61	Chairman of the Board of Directors and Chief Executive Officer
Paul Sagan	41	President
F. Thomson Leighton	42	Chief Scientist and Director
Daniel M. Lewin	30	Chief Technology Officer and Director
Timothy Weller	35	Chief Financial Officer and Treasurer
Karen C. Stumcke	38	Vice President and Chief Accounting Officer
Earl P. Galleher III	41	Executive Vice President
Arthur H. Bilger(2)	48	Vice Chairman of the Board of Directors
Todd A. Dagres(1)	40	Director
Terrance G. McGuire(1)(2)	44	Director
Edward W. Scott(2)	38	Director

(1) Member of the Compensation Committee

(2) Member of the Audit Committee

Our directors are elected to serve in classes as follows:

Class I — term expires at our 2003 annual meeting of stockholders:

George H. Conrades

Terrance G. McGuire

Class II — term expires at our 2001 annual meeting of stockholders:

F. Thomson Leighton

Edward W. Scott

Class III — term expires at our 2002 annual meeting of stockholders:

Daniel M. Lewin

Arthur H. Bilger
Todd A. Dagres

Set forth below is certain information regarding the professional experience for each of the above-named persons.

George H. Conrades has served as Chairman and Chief Executive Officer of Akamai since April 1999 and as a director since December 1998. Mr. Conrades has also been a venture partner of Polaris Venture Partners, Inc., an early stage investment company, since August 1998. From August 1997 to July 1998, Mr. Conrades served as Executive Vice President of GTE and President of GTE Internetworking, an integrated telecommunication services firm. Mr. Conrades served as Chairman of the Board of Directors and Chief Executive Officer of BBN Corporation, a national Internet services provider and Internet technology research and development company, from January 1994 until its acquisition by GTE Internetworking in July 1997. Prior to joining BBN Corporation, Mr. Conrades was an IBM Senior Vice President and a Member of IBM's Corporate Management Board. Mr. Conrades is currently a director of Viacom, Inc., a media company, and

Cardinal Health, Inc., a health care company. He is also an interim member of the board of ICANN, the Internet Corporation for the Assignment of Names and Numbers, a non-profit organization established by the United States government to oversee the administration of Internet names and addresses.

Paul Sagan joined Akamai in October 1998 as Vice President and Chief Operating Officer and has served as President since May 1999. Mr. Sagan was the Senior Advisor to the World Economic Forum, a Geneva, Switzerland-based organization, from July 1997 to August 1998. From December 1995 to December 1996, Mr. Sagan was the President and Editor of Time Inc. New Media, an affiliate of Time Warner, Inc., a global media and entertainment company. From September 1992 to December 1995, Mr. Sagan served as a vice president and senior vice president of Time Warner Cable, a division of Time Warner, Inc.

F. Thomson Leighton co-founded Akamai and has served as Chief Scientist and a director since August 1998. Dr. Leighton has been a professor of Mathematics at MIT since 1982 and has served as the Head of the Algorithms Group in MIT's Laboratory for Computer Science since its inception in 1996. Dr. Leighton is currently on sabbatical from MIT. Dr. Leighton is a former two-term chair of the 2,000-member Association of Computing Machinery Special Interest Group on Algorithms and Complexity Theory, and a former two-term Editor-in-Chief of the Journal of the ACM, one of the nation's premier journals for computer science research.

Daniel M. Lewin co-founded Akamai and has served as a director since August 1998. Mr. Lewin served as President of Akamai from August 1998 to May 1999 and as Chief Technology Officer since May 1999. Since July 1996, Mr. Lewin has been a Ph.D. candidate in the Algorithms Group at MIT's Laboratory for Computer Science. From May 1994 to May 1996, Mr. Lewin worked at IBM's research laboratory in Haifa, Israel as a full-time Research Fellow and Project Leader responsible for the development and support of IBM's Genesys system.

Timothy Weller joined Akamai in August 1999 as Chief Financial Officer. From July 1993 until August 1999, Mr. Weller was an equity research analyst at Donaldson, Lufkin & Jenrette, an investment banking firm. Mr. Weller holds a Ph.D. in Electrical Engineering from the University of Illinois.

Karen C. Stumcke joined Akamai in December 1998 as Controller and has served as Vice President and Chief Accounting Officer since August 2000. Prior to joining Akamai, from November 1997 to November 1998, Ms. Stumcke served as Controller for XCOM Technologies, a venture-funded, start-up competitive local exchange carrier, or CLEC, that was acquired by Level 3 Communications, Inc. She held various positions within the finance organization at the Bank of Boston, a financial institution, from November 1990 to October 1997. Ms. Stumcke is a certified public accountant.

Earl P. Galleher III joined us as Vice President of Worldwide Sales and Support in March 1999 and has served as Executive Vice President since June 2000. From March 1996 until August 1998, Mr. Galleher was employed with Digex, Inc., a national Internet carrier, where he served as Vice President and General Manager from March 1996 to January 1997 and as the President of the Web Site Management Division from January 1997 to August 1998. From November 1991 to February 1996, Mr. Galleher served as Director of Marketing at American Mobile Satellite Corporation, a mobile voice and data service provider.

Arthur H. Bilger has served as a director of Akamai since November 1998 and has served as Vice Chairman of the Board of Directors since August 1999. Mr. Bilger is a founder and has been Managing Member of Shelter Capital Partners, LLC, a venture capital firm, since December 2000. From December 1994 until March 1997, Mr. Bilger was president, chief operating officer and a member of the board of directors of New World Communications Group Incorporated, an entity engaged in television broadcasting and production. Mr. Bilger is currently a director of Mandalay Resort Group, an owner and operator of hotel casino facilities.

Todd A. Dagres has served as a director of Akamai since November 1998. Since February 1996, Mr. Dagres has been a general partner of Battery Ventures, a venture capital firm. From February 1994 to February 1996, Mr. Dagres was a Principal and Senior Technology Analyst at Montgomery Securities, now known as Banc of America Securities LLC, an investment bank and brokerage firm. Mr. Dagres is currently a director of Focal Communications, Inc., a communications provider.

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Terrance G. McGuire has served as a director of Akamai since April 1999. Mr. McGuire is a founder and has been a general partner of Polaris Venture Partners, Inc. since June 1996. Since 1992, Mr. McGuire has also been a general partner of Burr, Egan, Deleage & Co., a venture capital firm. Mr. McGuire serves as a director of each of Inspire Pharmaceuticals, a pharmaceuticals company, Aspect Medical Systems, a manufacturer of medical equipment, and deCODE Genetics, a medical research firm.

Edward W. Scott has served as a director of Akamai since April 1999. Mr. Scott is a founder and general partner of the Baker Communications Fund, a communications private equity fund. He has been a general partner of that firm since March 1996. From December 1990 until March 1996, Mr. Scott was a private equity investor with the Apollo Investment Fund, L.P. Mr. Scott serves on the board of directors of Advanced Switching Communications, Inc., a provider of broadband services platforms.

Each executive officer serves at the discretion of the board of directors and holds office until his successor is elected and qualified or until his earlier resignation or removal. There are no family relationships among any of our directors or executive officers.

Item 11. ***Executive Compensation.***

The information required by this Item is incorporated by reference to our definitive proxy statement for our 2001 Annual Meeting of Stockholders under the sections captioned “Executive Officer Compensation and Other Matters,” “Report of the Compensation Committee of the Board of Directors on Executive Compensation,” “Compensation Committee Interlocks and Insider Participation” and “Performance Graph.”

Item 12. ***Security Ownership of Certain Beneficial Owners and Management.***

The information required by this Item is incorporated by reference to our definitive proxy statement for our 2001 Annual Meeting of Stockholders under the sections captioned “Record Date; Voting Securities” and “Information Regarding Beneficial Ownership of Principal Stockholders and Management.”

Item 13. ***Certain Relationships and Related Transactions.***

The information required by this Item is incorporated by reference to our definitive proxy statement for our 2001 Annual Meeting of Stockholders under the sections captioned “Certain Transactions” and “Compensation Committee Interlocks and Insider Participation.”

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PART IV

Item 14. ***Exhibits, Financial Statement Schedule, and Reports on Form 8-K.***

(a) The following documents are included in this annual report on Form 10-K.

1. Financial Statements (see Item 8 — Financial Statements and Supplementary Data included in this annual report on Form 10-K).

2. The schedule listed below and the Report of Independent Accountants on Financial Statement Schedules are filed as part of this annual report on Form 10-K:

	Page
Report of Independent Accountants on Financial Statement Schedules	S-1
Schedule II — Valuation and Qualifying Accounts	S-2

All other schedules are omitted as the information required is inapplicable or the information is presented in the consolidated financial statements and the related notes.

3. Exhibits

The exhibits filed as part of this annual report on Form 10-K are listed in the Exhibit Index immediately preceding the exhibits and are incorporated herein.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Akamai Technologies, Inc.

February 9, 2001

By: /s/ KATHRYN JORDEN MEYER

Kathryn Jorden Meyer
Vice President, General Counsel and
Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ GEORGE H. CONRADES George H. Conrades	Chairman of the Board and Chief Executive Officer and Director (Principal Executive Officer)	February 9, 2001
/s/ TIMOTHY WELLER Timothy Weller	Chief Financial Officer and Treasurer (Principal Financial Officer)	February 9, 2001
/s/ KAREN C. STUMCKE Karen C. Stumcke	Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 9, 2001
/s/ ARTHUR H. BILGER Arthur H. Bilger	Director	February 9, 2001
/s/ TODD A. DAGRES Todd A. Dagres	Director	February 9, 2001
/s/ F. THOMSON LEIGHTON F. Thomson Leighton	Director	February 9, 2001
/s/ DANIEL M. LEWIN Daniel M. Lewin	Director	February 9, 2001
/s/ TERRANCE G. MCGUIRE Terrance G. McGuire	Director	February 9, 2001
/s/ EDWARD W. SCOTT Edward W. Scott	Director	February 9, 2001

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EXHIBIT INDEX

Exhibit No.	Description
******3.1	Amended and Restated Certificate of Incorporation of the Registrant, as amended.
*3.2	Amended and Restated By-Laws of the Registrant.
*4.1	Specimen common stock certificate.
*4.2	Fourth Amended and Restated Registration Rights Agreement dated September 20, 1999.
*****4.3	Indenture, dated as of June 20, 2000, by and between the Registrant and State Street Bank and Trust Company.
*****4.4	5 1/2% Convertible Subordinated Notes due 2007 Registration Rights Agreement, dated as of June 20, 2000, by and among the Registrant and Donaldson, Lufkin & Jenrette Securities Corporation, Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc. and Thomas Weisel Partners LLC.
*******10.1	Second Amended and Restated 1998 Stock Incentive Plan, as amended.
*10.2	Form of Restricted Stock Agreement granted under 1998 Stock Incentive Plan.
*10.3	Form of Incentive Stock Option Agreement granted under 1998 Stock Incentive Plan.
*10.4	Form of Nonstatutory Stock Option Agreement granted under 1998 Stock Incentive Plan.
*10.5	1999 Employee Stock Purchase Plan.
*10.6	Broadway Hampshire Associates Lease dated March 8, 1999, as amended, by and between Broadway/ Hampshire Associates Limited Partnership and the Registrant.
*10.7	Loan and Security Agreement dated as of January 27, 1999 between Silicon Valley Bank and the Registrant.
*†10.8	Strategic Alliance and Master Services Agreement effective as of April 1, 1999 by and between the Registrant and Apple Computer, Inc.
*†10.9	Strategic Alliance and Joint Development Agreement dated as of August 6, 1999 by and between the Registrant and Cisco Systems, Inc.
*10.10	Series A Convertible Preferred Stock Purchase Agreement dated as of November 23, 1998 between the Registrant and the Purchasers named therein.
*10.11	Series B Convertible Preferred Stock and Series C Convertible Preferred Stock Purchase Agreement dated as of April 16, 1999 between the Registrant and the Purchasers named therein.
*10.12	Series D Convertible Preferred Stock Purchase Agreement dated as of June 21, 1999 between the Registrant and Apple Computer Inc. Ltd.
*10.19	$623,750 Promissory Note dated as of July 23, 1999 by and between the Registrant and Robert O. Ball III.
*10.20	15% Senior Subordinated Note and Warrant to Purchase Common Stock Purchase Agreement dated as of May 7, 1999 between the Registrant and the Purchasers named therein.
*10.21	$2,619,750 Promissory Note dated July 23, 1999 by and between the Registrant and Timothy Weller.
*10.22	Series F Convertible Preferred Stock Purchase Agreement dated as of September 20, 1999 between the Registrant and Microsoft Corporation.

*10.23	Broadband Streaming Initiative Agreement dated as of September 20, 1999 between the Registrant and Microsoft Corporation.
**10.24	Agreement and Plan of Merger dated as of January 14, 2000 by and among the Registrant, Aloha Merger Corporation and Network*24* Communications, Inc.
***10.25	Agreement and Plan of Merger dated as of February 6, 2000 by and among the Registrant, Alli Merger Corporation and INTERVU Inc.
****10.26	Lease dated as of September 22, 1999 by and between the Registrant and Technology Square LLC, as amended December 1, 1999.

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Exhibit No.	Description
*****10.27	Purchase Agreement, dated as of June 15, 2000, by and among Akamai Technologies, Inc., Donaldson, Lufkin & Jenrette Securities Corporation, Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc. and Thomas Weisel Partners LLC.
10.28	Lease dated as of November 28, 2000 between the Registrant and Technology Square LLC.
21.1	Subsidiaries of the Registrant.
23.1	Consent of PricewaterhouseCoopers LLP

* Incorporated by reference to the Registrant's Form S-1 (File No. 333-85679), as amended, filed with the Securities and Exchange Commission on August 21, 1999.

** Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 8, 2000.

*** Incorporated by reference to the Registrant's Schedule 13D filed with the Securities and Exchange Commission on February 16, 2000.

**** Incorporated by reference to the Registrant's Form 10-K for the year ended December 31, 1999 filed with the Securities and Exchange Commission on March 3, 2000.

***** Incorporated by reference to the Registrant's Current Report of Form 8-K filed with the Securities and Exchange Commission on June 27, 2000.

****** Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 14, 2000.

******* Incorporated by reference to the Registrant's Form S-8 filed with the Securities and Exchange Commission on May 25, 2000.

† Confidential treatment requested for certain portions of this Exhibit pursuant to Rule 406 promulgated under the Securities Act, which portions were omitted and filed separately with the Securities and Exchange Commission.

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REPORT OF INDEPENDENT ACCOUNTANTS

Report of Independent Accountants on

Financial Statement Schedules

To the Board of Directors and Stockholders of
Akamai Technologies, Inc.:

Our audits of the consolidated financial statements referred to in our report dated January 22, 2001, appearing in Item 8 in this Form 10-K also included an audit of the financial statement schedules listed in Item 14(a)(2) of this Form 10-K. In our opinion, these financial statement schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
January 22, 2001

AKAMAI TECHNOLOGIES, INC.

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS

(in thousands)

Description	Balance at beginning of period	Charged to operations	Acquired in Business Acquisitions	Deductions	Balance at end of period
Period from inception (August 20, 1998) through December 31, 1998:					
Allowances deducted from asset accounts:					
Deferred tax asset valuation allowance	$ —	288	—	—	$ 288
Year ended December 31, 1999:					
Allowances deducted from asset accounts:					
Allowance for doubtful accounts	$ —	70	—	—	$ 70
Deferred tax asset valuation allowance	$ 288	19,573	—	—	$ 19,861
Year ended December 31, 2000:					
Allowances deducted from asset accounts:					
Allowance for doubtful accounts	$ 70	5,104	—	(2,883)	$ 2,291
Deferred tax asset valuation allowance	$19,861	128,835	30,036	—	$178,732

Exhibit 10.28

EXHIBIT 1, SHEET 1
Building No. 600
TECHNOLOGY SQUARE
Cambridge, Massachusetts 02139

LEASE DATA

Execution Date:	NOVEMBER 28, 2000
Tenant:	AKAMAI TECHNOLOGIES, INC. a Delaware corporation
Mailing Address:	Akamai Technologies, Inc. 500 Technology Square Cambridge, Massachusetts 02139-3539
Landlord:	TECHNOLOGY SQUARE LLC, a Delaware limited liability company (the sole manager of which is Beacon Capital Partners L.P., a Delaware limited partnership d/b/a Beacon Capital Partners Limited Partnership; the sole general partner of which is Beacon Capital Partners, Inc., a Maryland corporation)
Mailing Address:	c/o Beacon Capital Partners, One Federal Street, Boston, Massachusetts 02110, Attention: General Counsel
Complex:	The land, buildings and other improvements thereon, from time to time, located off Main Street in the City of Cambridge, Middlesex County, Commonwealth of Massachusetts known as Technology Square. The Complex is initially substantially as shown on Exhibit 6, Sheet 1, and the legal description of the Complex is set forth on Exhibit 6, Sheets 2, 3, and 4; however, the Complex may change from time to time as set forth herein. Without limiting the foregoing, the parties acknowledge that the Complex presently consists of Buildings 200, 400 and 500. The parties anticipate that Building 300 will be added to the Complex in May 2001; Building 600 will be added to the Complex on or before the Full Rent Commencement Date and Building 700 will be added to the Complex one month after Building 600. There is no current estimate of when Building 100 will be added to the Complex.
Building:	600 Technology Square, Cambridge, Massachusetts
Premises:	A PORTION OF THE FIRST (1ST) AND THE ENTIRETY OF THE SECOND (2ND), THIRD (3RD), FOURTH (4TH) AND FIFTH (5TH) FLOORS OF THE BUILDING, SUBSTANTIALLY AS SHOWN ON LEASE PLAN, EXHIBIT 2, SHEETS 1, 2, 3, 4 AND 5.
Art. 3.1	Specified Commencement Date: May 1, 2001

EXHIBIT 1, SHEET 2
Building No. 600
TECHNOLOGY SQUARE
Cambridge, Massachusetts 02139

Tenant: AKAMAI TECHNOLOGIES, INC.
Execution Date: NOVEMBER 28, 2000

Term Commencement Date: Substantial Completion Date

Estimated Full Rent Commencement Date: October 1, 2001

Art. 3.2 Termination Date: TWELVE (12) YEARS AFTER THE FULL RENT COMMENCEMENT DATE

Art. 4.3 Landlord's Construction Representative: Greg Walsh

Tenant's Construction Representative: Skip Hartwell

Art. 5 Use of Premises: GENERAL BUSINESS OFFICE USE

Art. 6 Yearly Rent:

RENT YEAR	YEARLY RENT	MONTHLY PAYMENT
1 - 6:(1)	$6,818,760.00	$568,230.00
7-12:	$7,386,990.00	$615,582.50

Art. 7 Total Rentable Area of the Premises: 113,646 square feet

Total Rentable Area of the Building: 127,150 square feet

Total Rentable Non-Retail Area of the Building: 113,646 square feet

Initial Total Rentable Area of the Complex:

Buildings 200, 400 and 500	532,279 square feet
Building 300	175,226 square feet
Building 600	127,150 square feet

- ----------
(1) For the purposes of this Lease, "Rent Year 1" shall be defined as the twelve-(12)-month period commencing as of the Rent Commencement Date and ending on the last day of the month in which the first (1st) anniversary of the Rent Commencement Date occurs. Thereafter, "Rent Year" shall be defined as any twelve (12) month period during the term of the Lease commencing as of the first (1st) day of the month following the month in which any anniversary of the Rent Commencement Date occurs.

EXHIBIT 1, SHEET 3
Building No. 600
TECHNOLOGY SQUARE
Cambridge, Massachusetts 02139

Tenant: AKAMAI TECHNOLOGIES, INC.
Execution Date: NOVEMBER 28, 2000

Building 700 — 49,508 square feet

Art. 8 — Electricity: Electric current will be metered and paid for by Tenant in accordance with Article 8.1 of the Lease.

Art. 9 — Operating and Tax Escalation:

Operating Cost Base: $681,876.00 (i.e. $6.00 per square foot of Total Rentable Area of the Non-Retail Area of the Building)

Tax Base: $397,761.00 (i.e. $3.50 per square foot of the Total Rentable Area of the Premises)

Tenant's Building Operating Cost Percentage: 100%

Tenant's Building Tax Percentage: 89.38%

Tenant's Complex Tax Percentage: The Total Rentable Area of the Premises divided by the Total Rentable Area of the Complex, as the same may change from time to time.

Art. 29.3 — Co-Brokers: INSIGNIA/ESG AND SPAULDING & SLYE

Art. 29.5 — Arbitration: SUPERIOR COURT; MIDDLESEX COUNTY

Exhibit Date: LEASE PLAN, EXHIBIT 2, SHEETS 1, 2, 3, 4 AND 5 DATED NOVEMBER 28, 2000

EXHIBIT 1, SHEET 4
Building No. 600
TECHNOLOGY SQUARE
Cambridge, Massachusetts 02139

Tenant: AKAMAI TECHNOLOGIES, INC.
Execution Date: NOVEMBER 28, 2000

LANDLORD:	TENANT:
TECHNOLOGY SQUARE LLC, a Delaware limited liability company	AKAMAI TECHNOLOGIES, INC. a Delaware corporation
By: Beacon Capital Partners L.P., a Delaware limited partnership d/b/a Beacon Capital Partners Limited Partnership, its manager	
By: Beacon Capital Partners, Inc., a Maryland corporation, its general partner	
By: /s/ Thomas Ragno	By: /s/ Kathryn L. Jorden
Name: Thomas Ragno	Name: /s/ Kathryn L. Jorden
Title: Senior Vice President	Title: VP, General Counsel
Date Signed: 12/05/00	Date Signed: 12/05/00

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THIS INDENTURE OF LEASE made and entered into on the Execution Date as stated in Exhibit 1 and between the Landlord and the Tenant named in Exhibit 1.

Landlord does hereby demise and lease to Tenant, and Tenant does hereby hire and take from Landlord, the Premises hereinafter mentioned and described (hereinafter referred to as "Premises"), upon and subject to the covenants, agreements, terms, provisions and conditions of this Lease for the term hereinafter stated:

1. REFERENCE DATA

Each reference in this Lease to any of the terms and titles contained in any Exhibit attached to this Lease shall be deemed and construed to incorporate the data stated under that term or title in such Exhibit.

2. DESCRIPTION OF DEMISED PREMISES

2.1 DEMISED PREMISES. The Premises are that portion of the Building as described in Exhibit 1 and is hereinafter referred to as "Building", substantially as shown hatched or outlined on the Lease Plan (Exhibit 2) hereto attached and incorporated by reference as a part hereof.

2.2 APPURTENANT RIGHTS. Tenant shall have, as appurtenant to the Premises, rights to use in common, with others entitled thereto, subject to reasonable rules from time to time made by Landlord of which Tenant is given notice; (a) the common lobbies, hallways, stairways and elevators of the Building, serving the Premises in common with others, (b) common walkways necessary for access to the Building, and (c) if the Premises include less than the entire rentable area of any floor, the common toilets and other common facilities of such floor; and no other appurtenant rights or easements. Landlord shall allow Tenant's telecommunication service provider to have access to the Building and to Tenant's Premises, provided however, that Landlord shall have the right to charge Tenant's provider fees in connection with the services being performed by such provider. Notwithstanding the foregoing, so long as Tenant's telecommunications service provider ("Provider") does not provide telecommunications service to any other tenant of the Building, Landlord shall not require such Provider to pay any fees for such access.

2.3 PARKING. During the term of the Lease, commencing on the Rent Commencement Date (and, if there is more than one Rent Commencement Date pursuant to Article 3.1 hereof commencing on a pro rata basis with each such Rent Commencement Date), the Landlord will make available, at Tenant's written request, which request must be made on or before the Full Rent Commencement Date, up to one and one-half (1.5) monthly parking passes per 1,000 square feet of Total Rentable Area leased by Tenant (the "Parking Space Cap") for use in the garage of the Complex or surface parking areas in the Building, as the same may change from time to time ("Parking Areas"). If Tenant fails timely to make such request for any such parking passes, Tenant shall have no right to obtain such parking passes under this Article 2.3, except to the extent thereafter available, as more specifically set forth herein. If Tenant requests fewer passes than the Parking Space Cap prior to the Full Rent Commencement Date, Tenant shall have the right, from time to time during the term of the Lease, to request additional parking passes up to the Parking Space Cap. If Landlord has such passes available, Landlord will provide the same to Tenant (but in no event more than the Parking Space Cap), provided

however, that, if such passes are not available, Landlord shall have no obligation to provide additional passes to Tenant. Tenant shall have no right to sublet, assign, or otherwise transfer said parking passes, other than to an Assignee or a Qualified Transferee pursuant to an approved assignment or sublease under Article 16 of the Lease. Said parking passes shall be paid for by Tenant at the then current prevailing rate in the Parking Areas, as such rate may vary from time to time. If, for any reason, Tenant shall fail timely to pay the charge for said parking passes, and if such default continues for ten (10) days after written notice, Tenant shall have no further right to the parking passes for which Tenant failed to pay the charge under this Article 2.3. Said parking passes will be on an unassigned, non-reserved basis, and shall be subject to such reasonable and uniform rules and regulations as may be in effect for the use of said Parking Areas (including, without limitation, Landlord's right, without additional charge to Tenant above the prevailing rate for parking passes, to institute a valet or attendant-managed parking system), from time to time in force.

2.4 EXCLUSIONS AND RESERVATIONS. All the perimeter walls of the Premises except the inner surfaces thereof, any balconies (except to the extent same are shown as part of the Premises on the Lease Plan (Exhibit 2)), terraces or roofs adjacent to the Premises, and any space in or adjacent to the Premises used for shafts, stacks, pipes, conduits, wires and appurtenant fixtures, fan rooms, ducts, electric or other utilities, sinks or other Building facilities, and the use thereof, as well as the right of access through the Premises for the purposes of operation, maintenance, decoration and repair, are expressly excluded from the Premises and reserved to Landlord.

3. TERM OF LEASE.

3.1 DEFINITIONS. As used in this Lease the words and terms which follow mean and include the following:

(a) "SPECIFIED COMMENCEMENT DATE" - The "Specified Commencement Date" is the date (as stated in Exhibit 1) on which it is estimated that Landlord's Work Necessary to Trigger Term Commencement Date will be substantially completed.

(b) "TERM COMMENCEMENT DATE" - The "Term Commencement Date" is the date on which the First Substantial Completion Date, as defined in Article 4.0(b), occurs.

(c) "RENT COMMENCEMENT DATE" - Subject to the provisions of this Article 3.1(c), the "Rent Commencement Date" is the earlier of (i) the Outside Rent Commencement Date, as defined in Article 3.1(d), or (ii) the date Tenant takes possession of the whole of the Premises for use and operation of Tenant's business as set forth in Exhibit 1. If Tenant takes earlier possession of any portion of any floor on which the Premises are located prior to the Outside Rent Commencement Date for use as set forth in Exhibit 1, then the Rent Commencement Date for the entirety of the portion of the Premises located on such floor shall occur as of the date that Tenant first takes such possession. As used herein, the term "FULL RENT COMMENCEMENT DATE" shall mean the date on which the Rent Commencement Date has occurred for the entirety of the Premises.

(d) "OUTSIDE RENT COMMENCEMENT DATE" - Subject to the provisions of this Article 3.1(d), the "Outside Rent Commencement Date" shall be later of: (i) one hundred fifty (150) days after the Term Commencement Date, or (ii) one hundred twenty (120) days after

the Third and Fourth Floor Substantial Completion Date, as hereinafter defined, or (iii) ninety (90) days after the First and Second Floor Substantial Completion Date, as hereinafter defined, or (iv) sixty (60) days after the Permanent Power Turn-On Date, as hereinafter defined, or (v) the Base Building Substantial Completion Date, as hereinafter defined, or (vi) five (5) days after the HVAC Operational Date, as hereinafter defined. Notwithstanding the foregoing, if Tenant does not, in fact, substantially complete Tenant's Work prior to the Outside Rent Commencement Date, as determined pursuant to the first sentence of this Article 3.1(d), and if any Landlord Delays occur, then the Outside Rent Commencement Date shall be extended by the number of days that any Landlord Delay actually delays the substantial completion of Tenant's Work beyond the Outside Rent Commencement Date, as determined pursuant to the first sentence of this Article 3.1(d).

3.2 HABENDUM. TO HAVE AND TO HOLD the Premises for a term of years commencing on the Term Commencement Date and ending on the Termination Date as stated in Exhibit 1 or on such earlier date upon which said term may expire or be terminated pursuant to any of the conditions of limitation or other provisions of this Lease or pursuant to law (which date for the termination of the terms hereof will hereafter be called "Termination Date"). Notwithstanding the foregoing, if the Termination Date as stated in Exhibit 1 shall fall on other than the last day of a calendar month, said Termination Date shall be deemed to be the last day of the calendar month in which said Termination Date occurs.

3.3 DECLARATION FIXING TERM COMMENCEMENT DATE, RENT COMMENCEMENT DATE, AND TERMINATION DATE. As soon as may be after the execution date hereof, each of the parties hereto agrees, upon demand of the other party to join in the execution, in recordable form, of a statutory notice, memorandum, etc. of lease and/or written declaration in which shall be stated the Term Commencement Date, the Rent Commencement Date(s), and (if need be) the Termination Date. If this Lease is terminated before the term expires, then upon Landlord's request the parties shall execute, deliver and record an instrument acknowledging such fact and the date of termination of this Lease, and Tenant hereby appoints Landlord its attorney-in-fact in its name and behalf to execute such instrument if Tenant shall fail to execute and deliver such instrument after Landlord's request therefor within ten (10) days.

4. CONSTRUCTION

4.0 LANDLORD'S WORK.

(a) Landlord, at Landlord's sole cost and expense, shall perform the base building work ("LANDLORD'S WORK") as defined in the Base Building Specifications attached hereto as Exhibit 6. Landlord shall not make any material change in the Base Building Specifications without obtaining the prior written approval of Tenant (which approval shall not be unreasonably withheld, conditioned, or delayed). Without limiting the foregoing, Landlord shall not make any material changes in the finishes of the lobby of the Building without obtaining the prior written approval of Tenant (which approval shall not be unreasonably withheld, conditioned, or delayed). Notwithstanding the foregoing, Tenant hereby agrees that: (i) with respect to the glasswall finish adjacent to the retail areas in the lobby, Landlord may use an alternate wall finish in lieu of the materials specified in the Base Building Specifications (which alternate finish shall be at least equal in quality to the finishes contained in the lobby at 500 Technology Square as of the date hereof) and Landlord shall perform, as part of the Landlord's Work, whatever sprinkler work is required by applicable codes in connection with such wall finish, and

(ii) with respect to the lobby walls, Landlord may use an alternate finish in lieu of the finish specified in the Base Building Specifications, provided that such alternate finish is at least equal in quality to the finishes contained in the lobby at 500 Technology Square as of the date hereof. Subject to delays due to governmental regulation, unusual scarcity of or inability to obtain labor or materials, labor difficulties, casualty or other causes reasonably beyond Landlord's control (collectively "Landlord's Force Majeure"), Landlord shall use reasonable speed and diligence in the construction of Landlord Work Necessary to Trigger Term Commencement Date (as defined in Article 4.0(g) below) so as to have the same substantially completed on or before the Specified Commencement Date set forth in Exhibit 1, but Tenant shall have no claim against Landlord for failure to complete construction of Landlord's Work, except as expressly set forth in Article 4.1. In each such instance of Landlord's Force Majeure, Landlord shall exercise reasonable diligence to eliminate the cause of such inability to perform.

(b) The "FIRST SUBSTANTIAL COMPLETION DATE" shall be defined as the date on which the Landlord's Work Necessary to Trigger Term Commencement Date, as defined in Article 4.0(g), has been substantially completed, so that any remaining Landlord's Work can be performed with a minimum of interference or delay in the progress of Tenant's Work on the fifth floor, Tenant acknowledging, however, the priority of Landlord's Work, as set forth in Article 4.2(c).

(c) The "THIRD AND FOURTH FLOOR SUBSTANTIAL COMPLETION DATE" shall be defined as the date on which Landlord's Work Necessary to Trigger Third and Fourth Floor Substantial Completion Date, as defined in Article 4.0(h), has been substantially completed, so that any remaining Landlord's Work can be performed with a minimum of interference or delay in the progress of Tenant's Work on the third and fourth floors, Tenant acknowledging, however, the priority of Landlord's Work, as set forth in Article 4.2(c). Notwithstanding the foregoing, in the event of any Tenant Delays which actually delay the performance of Landlord's Work Necessary to Trigger Third and Fourth Floor Substantial Completion Date, the Third and Fourth Floor Substantial Completion Date shall be defined as the date on which Landlord's Work Necessary to Trigger Third and Fourth Floor Substantial Completion Date would have been substantially completed but for such Tenant Delays.

(d) The "FIRST AND SECOND FLOOR SUBSTANTIAL COMPLETION DATE" shall be defined as the date on which Landlord's Work Necessary to Trigger First and Second Floor Substantial Completion Date, as defined in Article 4.0(i), has been substantially completed, so that any remaining Landlord's Work can be performed with a minimum of interference or delay in the progress of Tenant's Work on the first and second floors, Tenant acknowledging, however, the priority of Landlord's Work, as set forth in Article 4.2(c). Notwithstanding the foregoing, in the event of any Tenant Delays which actually delay the performance of Landlord's Work Necessary to Trigger First and Second Floor Substantial Completion Date, the First and Second Floor Substantial Completion Date shall be defined as the date on which Landlord's Work Necessary to Trigger First and Second Floor Substantial Completion Date would have been substantially completed but for such Tenant Delays.

(e) The "PERMANENT POWER TURN-ON DATE" shall be defined as the date on which Landlord has made permanent electric power and the base building heating and air conditioning system operational for the entire Premises, except that in the event of any Tenant Delays which actually delay Landlord's ability to achieve the Permanent Power Turn-On Date, the Permanent Power Turn-On Date shall be defined as the date on which Landlord would have been able to

make permanent electric power and the base building heating and air conditioning system operational for the entire Premises but for such Tenant Delays.

(f) The "BASE BUILDING SUBSTANTIAL COMPLETION DATE" shall be defined as the date on which Landlord's Work Necessary to Trigger Rent Commencement Date, as defined in Article 4.0(j), has been substantially completed, except that in the event of any Tenant Delays which actually delay the performance of Landlord's Work Necessary to Trigger Rent Commencement Date, the Base Building Substantial Completion Date shall be defined as the date on which Landlord's Work Necessary to Trigger Rent Commencement Date would have been substantially completed but for such Tenant Delays.

(g) The "LANDLORD WORK NECESSARY TO TRIGGER TERM COMMENCEMENT DATE" shall be defined as the following items of work:

i.) Site utilities serving the Building;
ii.) Foundation piles, grade beams, and structural slab on grade;
iii.) Under slab drainage and utilities;
iv.) Structural steel erected and set;
v.) Composite concrete decks;
vi.) Spray fireproofing;
vii.) Precast concrete Building exterior panels;
viii.) The fifth floor is Building Tight, as defined in Article 4.0(k), and
ix.) Any other portions of Landlord's Work necessary to enable Tenant and its contractor to commence the Tenant's Work (as defined in Article 4.2) on the fifth floor.

(h) The "LANDLORD WORK NECESSARY TO TRIGGER THIRD AND FOURTH FLOOR SUBSTANTIAL COMPLETION DATE" shall be defined as the following items of work:

i.) The Landlord Work Necessary to Trigger Term Commencement Date;
ii) Both the third and fourth floors are Building Tight, as defined in Article 4.0(k); and
iii) Any other portions of Landlord's Work necessary to enable Tenant and its contractor to commence the Tenant's Work on both the third and fourth floors.

(i) The "LANDLORD WORK NECESSARY TO TRIGGER FIRST AND SECOND FLOOR SUBSTANTIAL COMPLETION DATE" shall be defined as the following items of work:

i.) The Landlord Work Necessary to Trigger Term Commencement Date;
ii.) The Landlord Work Necessary to Trigger Third and Fourth Floor Substantial Completion Date;
iii.) Both the first and second floors are Building Tight, as defined in Article 4.0(k); and
iv.) Any other portions of Landlord's Work necessary to enable Tenant and its contractor to commence the Tenant's Work on

the second floor and in the portion of the first floor in which the Premises are located.

(j) The Landlord Work necessary to trigger the "BASE BUILDING SUBSTANTIAL COMPLETION DATE" shall be defined as the following items of work:

i.) The Landlord Work Necessary to Trigger Term Commencement Date;

ii.) The Landlord Work Necessary to Trigger Third and Fourth Floor Substantial Completion Date;

iii.) The Landlord Work Necessary to Trigger First and Second Floor Substantial Completion Date;

iv.) The following items of Landlord's Work, to the extent not included in clauses (i), (ii), and (iii) of this Article 4.0(j):

(a) Curtainwall;
(b) Roofing;
(c) Windows;
(d) Elevators;
(e) Mechanical, Electrical & Plumbing Systems for Building Core & Shell;
(f) Building Cores including bathroom, mechanical, electrical, and telephone/data rooms;
(g) Building Lobby and Lobby interior finishes to the extent which would be necessary to satisfy the Certificate of Occupancy Test, as defined in Article 4.0(l);
(h) Mechanical/Electrical & Plumbing finishes;
(i) Base Building Fire Alarm Panels & Life Safety Systems;
(j) Exterior walkways at least five (5) feet wide and sufficient to permit access to and egress from the Premises and adjacent public streets and parking areas, as well as around the perimeter of the Building; and
(k) All elements of Landlord's Work necessary to satisfy the Certificate of Occupancy Test, as further defined in Article 4.0(l).

Any portion of Landlord's Work which is not completed on or before the Base Building Substantial Completion Date which affects a particular portion of the Premises, or the access thereto, shall be completed within thirty (30) days after a Certificate of Occupancy has been issued for such portion of the Premises, except for (x) items of Landlord Work which are not complete due to delays caused by weather (for those items which are weather-sensitive), and (y) items of Landlord Work which are not complete due to delays caused by long lead time items and causes beyond Landlord's reasonable control (provided, however, that items of Landlord Work which are not complete due to delays caused by long lead time items and causes beyond Landlord's reasonable control shall in any event be completed within ninety (90) days after the issuance of the Certificate of Occupancy for the portion of the Premises in question). Without limiting the foregoing, the final balancing of mechanical systems need not be completed as of the Rent Commencement Date, however, the air handling units serving the Premises shall be

operational (the date such units are made operational being herein referred to as the "HVAC Operational Date").

(k) BUILDING TIGHT. Any floor shall be deemed to be "Building Tight" if all of the following have been achieved:

i.) The roof of the Building has been installed and is weather-tight;
ii.) The windows on such floor have been installed and are weather-tight;
iii.) The precast concrete on such floor has been installed and is weather-tight;
iv.) All core walls facing the tenanted areas of such floor have been substantially completed;
v.) The perimeter wall of the Building on such floor has been installed, is weather tight and has interior drywall ready for finish treatment;
vi.) Temporary power is available to Tenant on such floor;
vii.) All base building mechanical systems which are to be provided to such floor have been stubbed to such floor.

(l) CERTIFICATE OF OCCUPANCY TEST.

i.) As a Condition to the Base Building Substantial Completion Date. Reference is made to clauses (g) and (j) of Article 4.0(j)(iv), which provide that, as a condition to achieving the Base Building Substantial Completion Date, Landlord's Work must have been completed to the extent necessary to enable Tenant to obtain a Certificate of Occupancy for the Premises (hereinafter referred to as the "Certificate of Occupancy Test"). Landlord shall apply to the Building Inspector of the City of Cambridge ("Building Inspector") for a Certificate of Occupancy with respect to Landlord's Work ("Base Building") in order to assist the parties in determining whether the Base Building Substantial Completion Date has occurred. If the Building Inspector issues a Base Building Certificate of Occupancy, the Certificate of Occupancy Test shall be conclusively deemed to have been satisfied. The parties acknowledge that: (a) if Tenant's Work has not progressed to the point where Tenant is able to apply for a Certificate of Occupancy with respect to at least a portion of the Premises, the Building Inspector may not be willing to perform such inspection, (b) given that Tenant's Work includes a portion of the sprinkler system, the Building Inspector may not be able to issue a Base Building Certificate of Occupancy if Tenant's Work is not complete, and (c) other incomplete portions of Tenant's Work may prevent Landlord from obtaining a Base Building Certificate of Occupancy. If the Building Inspector is willing to perform such inspection and if the Building Inspector denies the issuance of the Base Building Certificate of Occupancy based solely on deficiencies identified by the Building Inspector in Landlord's Work, then the Certificate of Occupancy Test shall not be deemed satisfied until Landlord corrects such deficiencies to the satisfaction of the Building Inspector. If, despite Landlord's application for a Base Building Certificate of Occupancy, the Building Inspector does not perform such inspection, or if the Building Inspector performs such inspection, but does not identify any deficiencies in Landlord's Work and does not issue a Base Building Certificate of Occupancy, then the Certificate of Occupancy Test may still be satisfied as follows: Landlord shall notify Tenant when it believes that all of Landlord's Work necessary for Tenant to obtain a Certificate of Occupancy has been substantially completed ("Landlord's Completion Notice"). If Tenant disputes Landlord's assertion of substantial

completion, it shall so notify Landlord within ten (10) days after receipt of Landlord's Completion Notice, whereupon such dispute shall be immediately submitted to arbitration in accordance with the provisions of Article 29.5. The parties hereby acknowledge that Tenant, and not Landlord, is responsible for all items of Tenant's Work which must be completed in order to enable Tenant to obtain a Certificate of Occupancy for the Premises and in no event shall Landlord be deemed to have failed to satisfy the Certificate of Occupancy Test based upon any deficiency or lack of completion of Tenant's Work.

ii.) Tenant's Inability to Obtain a Certificate of Occupancy after the Occurrence of the Base Building Substantial Completion Date. If the Base Building Substantial Completion Date (i.e. and the Rent Commencement Date) occurs prior to the issuance of a Certificate of Occupancy with respect to any portion of the Premises, and if, subsequently Tenant is denied a Certificate of Occupancy with respect to any portion of the Premises, solely by reason of any deficiency in Landlord's Work, then: (x) Landlord shall, as promptly as possible, remedy such deficiency so as to remove such impediment to Tenant's obtaining such Certificate of Occupancy, and (y) Tenant's obligation to pay Yearly Rent and other charges due under the Lease in respect of the portion of the Premises which Tenant is unable to occupy because it cannot obtain such Certificate of Occupancy shall be fully abated during the period of time commencing as of the date that Tenant is denied such Certificate of Occupancy until Landlord cures such deficiency in Landlord's Work so that it is no longer prevents Tenant from obtaining such Certificate of Occupancy.

(m) TENANT DELAY. A "Tenant Delay" shall be defined as any act or omission by Tenant, or any agent, employee, consultant, contractor, or subcontractor of Tenant, which causes an actual delay in the performance of Landlord's Work Necessary to Trigger Full Rent Commencement Date. Notwithstanding the foregoing, no event shall be deemed to be a Tenant Delay until and unless Landlord has given Tenant written notice ("Tenant Delay Notice") advising Tenant: (i) that a Tenant Delay is occurring, (ii) of the basis on which Landlord has determined that a Tenant Delay is occurring, and (iii) the actions which Landlord believes that Tenant must take to eliminate such Tenant Delay. No period of time prior to the time that Tenant receives a Tenant Delay Notice shall be included in the period of time charged to Tenant pursuant to such Tenant Delay Notice.

(n) LANDLORD DELAY. A "Landlord Delay" shall be defined as any act or omission by Landlord or any agent, employee, consultant, contractor or subcontractor of Landlord which: (i) is not a result of the priority granted to Landlord's Work as set forth in Article 4.2(c) hereof, and (ii) causes an actual delay in the performance of Tenant's Work. Notwithstanding the foregoing, except as set forth in Article 4.2(e), no event shall be deemed to be a Landlord Delay until and unless Tenant has given Landlord written notice ("Landlord Delay Notice") advising Landlord: (i) that a Landlord Delay is occurring, (ii) of the basis on which Tenant has determined that a Landlord Delay is occurring, and (iii) the actions which Tenant believes that Landlord must take to eliminate such Landlord Delay. No period of time prior to the time that Landlord receives a Landlord Delay Notice shall be included in the period of time charged to Landlord pursuant to such Landlord Delay Notice.

(o) LANDLORD'S WARRANTY; SATISFACTION OF LANDLORD'S OBLIGATIONS UNDER ARTICLE 4.

i.) Landlord's Warranty. Landlord warrants to Tenant that: (x) materials and equipment furnished in the performance of Landlord's Work will be of good quality and new unless otherwise required or permitted by the Base Building Specifications, (y) Landlord's Work will be free from defects not inherent in the quality required or permitted under the Base Building Specifications, and (z) Landlord's Work will conform the requirements of the Base Building Specifications. Any portion of Landlord's Work not conforming to the requirements of this clause (i), including substitutions not properly approved and authorized, may be considered defective. Landlord's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by Landlord, improper or insufficient maintenance (other than by Landlord, where Landlord is required to perform maintenance on the item or system in question), improper operation (other than by Landlord, where Landlord operates the item or system in question), or normal wear and tear and normal usage.

ii.) Warranty Period. Landlord shall be deemed to have satisfied all of its obligations under this Article 4 (including, without limitation, Landlord's warranty obligations under this Article 4.0(o) and under Article 4.3) except to the extent that, on or before the Warranty Expiration Date, as hereinafter defined, Tenant gives written notice to Landlord in accordance with the provisions of Article 27 setting forth with specificity the manner in which Tenant believes that Landlord has failed to comply with its obligations under this Article 4. The "Warranty Expiration Date" shall be defined as the date three hundred fifty-eight (358) days after the Full Rent Commencement Date.

iii.) Repair of Defective Work. Landlord agrees that it shall, without cost to Tenant, correct any portion of Landlord's Work which is found not to be in accordance with the requirements of the warranties set forth in this Article 4.0(o) and in Article 4.3, unless Tenant has previously given Landlord a written acceptance of such condition, provided that: Tenant gives Landlord written notice of such condition in accordance with the provisions of Article 27 promptly after it becomes aware of such condition, and in any event on or before the Warranty Expiration Date. The provisions of this Article 4.0(o) shall not relieve Landlord of any obligation which Landlord has to make repairs or to perform maintenance pursuant to Article 8 of the Lease.

(p) Any dispute between the parties with respect to the provisions of this Article 4 shall be submitted to arbitration in accordance with Article 29.5.

4.1 TENANT'S REMEDIES BASED ON DELAYS IN LANDLORD'S WORK.

(a) If the Term Commencement Date shall not have occurred on or before October 1, 2001 ("INITIAL OUTSIDE COMPLETION DATE") (which date shall be extended for up to ninety (90) days on account of any Force Majeure Delays, as hereinafter defined), Tenant shall have the right to terminate this Lease by giving notice to Landlord of Tenant's desire to do so before such completion and within the time period from the Initial Outside Completion Date (as so extended) until the date which is thirty (30) days subsequent to the Initial Outside Completion Date (as so extended); and, upon the giving of such notice, the Term of this Lease shall cease and come to an end without further liability or obligation on the part of either party unless, within thirty (30) days after receipt of such notice, the Term Commencement Date occurs. If Tenant terminates the Lease pursuant to this Paragraph (a), Landlord shall return to Tenant any Letter of Credit given by Tenant to Landlord within fifteen (15) business days after Landlord's receipt written request for such return from Tenant, and Landlord shall reimburse Tenant an amount equal to the

lesser of: (x) Five Hundred Sixty-Eight Thousand Two Hundred Thirty ($568,230.00) Dollars, or (y) the actual cost incurred by Tenant through the Effective Termination Date in preparing the plans and specifications for Tenant's Work. Landlord shall make such payment to Tenant within thirty (30) days after Tenant delivers to Landlord evidence reasonably satisfactory to Landlord of the amount such costs. Landlord shall have the right to audit Tenant's books and records with respect to Tenant's costs.

(b) If the Base Building Substantial Completion Date does not occur on or before March 1, 2002 ("INTERIM OUTSIDE COMPLETION DATE") (which date shall be extended (i) for the period of any Tenant Delays, and (ii) for up to ninety (90) days on account of any Force Majeure Delays), Tenant shall have the right to terminate this Lease by giving notice to Landlord of Tenant's desire to do so before such completion and within the time period from the Interim Outside Completion Date (as so extended) until the date which is thirty (30) days subsequent to the Interim Outside Completion Date (as so extended); and, upon the giving of such notice ("Effective Termination Date"), the Term of this Lease shall cease and come to an end without further liability or obligation on the part of either party unless the Base Building Substantial Completion Date occurs on or before the date thirty (30) days after receipt of such notice (as so extended). If Tenant has occupied part of the Premises for the Permitted Use prior to such termination, then the Effective Termination Date with respect to the part of the Premises so occupied shall be ninety (90) days subsequent to the Interim Outside Completion Date (as so extended). If Tenant terminates the Lease pursuant to this Paragraph (b), Landlord shall return to Tenant any Letter of Credit given by Tenant to Landlord within fifteen (15) business days after Landlord's receipt written request for such return from Tenant, and Landlord shall reimburse Tenant an amount equal to the actual cost incurred by Tenant through the Effective Termination Date in performing and designing the Tenant's Work to the extent that such amount exceeds any portion of Landlord's Contribution theretofore paid to or for the account of Tenant. Landlord shall make such payment to Tenant within thirty (30) days after Tenant delivers to Landlord evidence reasonably satisfactory to Landlord of the amount such costs. Landlord shall have the right to audit Tenant's books and records with respect to Tenant's costs.

(c) If the Base Building Substantial Completion Date does not occur on or before June 1, 2002 ("FINAL OUTSIDE COMPLETION DATE") (which date shall be extended for the period of any Tenant Delays), Tenant shall have the right to terminate this Lease by giving notice to Landlord of Tenant's desire to do so before such completion and within the time period from the Final Outside Completion Date until the date which is thirty (30) days subsequent to the Final Outside Completion Date; and, upon the giving of such notice ("Effective Termination Date"), the Term of this Lease shall cease and come to an end without further liability or obligation on the part of either party unless the Base Building Substantial Completion Date occurs on or before the date thirty (30) days after receipt of such notice. If Tenant has occupied part of the Premises for the Permitted Use prior to such termination, then the Effective Termination Date with respect to the part of the Premises so occupied shall be ninety (90) days subsequent to the Final Outside Completion Date. If Tenant terminates the Lease pursuant to this Paragraph (c), Landlord shall return to Tenant any Letter of Credit given by Tenant to Landlord within fifteen (15) business days after Landlord's receipt written request for such return from Tenant, and Landlord shall reimburse Tenant an amount equal to the actual cost incurred by Tenant through the Effective Termination Date in performing and designing the Tenant's Work to the extent that such amount exceeds any portion of Landlord's Contribution theretofore paid to or for the account of Tenant. Landlord shall make such payment to Tenant within thirty (30) days after Tenant delivers to

Landlord evidence reasonably satisfactory to Landlord of the amount such costs. Landlord shall have the right to audit Tenant's books and records with respect to Tenant's costs.

(d) FORCE MAJEURE DELAYS. For the purposes of this Article 4.1, "Force Majeure Delays" shall be defined as any delays in the performance of Landlord's Work to the extent arising from causes beyond Landlord's reasonable control other than Tenant Delays, provided however, that no delay shall be deemed to be a Force Majeure Delay unless Landlord advises Tenant in writing of such delay on or before the date thirty (30) days after Landlord first becomes aware of such delay.

(e) RENT CREDIT. If the Full Rent Commencement Date has not occurred for all or a portion of the Premises on or before the Liquidated Damage Date, as hereinafter defined, then with respect to those portion(s) of the Premises with respect to which the Rent Commencement Date has not occurred, Tenant shall be entitled to a credit against the Yearly Rent on a day-for-day basis for the lesser of (i) the number of days from the Liquidated Damage Date to but not including the Rent Commencement Date with respect to such portion(s) of the Premises, and (ii) one hundred eighty (180) days. The "Liquidated Damage Date" shall be defined as December 1, 2001.

(f) The remedies set forth in this Article 4.1 are Tenant's sole and exclusive rights and remedies based upon any delay in the performance of Landlord's Work. If Tenant terminates this Lease pursuant to this Article 4.1, then the Third Amendment to the Building 500 Lease (as defined in Article 21.1 hereof) shall also thereby be automatically terminated and of no further force and effect.

4.2 TENANT'S WORK.

(a) Tenant shall, on or before the Outside Tenant Work Commencement Date, commence the performance of the work ("Tenant's Work") necessary to prepare the Premises for Tenant's occupancy, and Tenant shall thereafter diligently prosecute the Tenant's Work to completion. The "OUTSIDE TENANT WORK COMMENCEMENT DATE" shall be defined as the date nine (9) months after the Term Commencement Date, provided that if Tenant is delayed in the commencement of Tenant's Work by reason of causes beyond Tenant's reasonable control, the Outside Tenant Work Commencement Date shall be extended by the lesser of: (i) the period of time which Tenant is so delayed, or (ii) three (3) additional months (i.e. in no event shall the Outside Tenant Work Commencement Date occur later than the date one (1) year after the Term Commencement Date).

(b) Tenant shall substantially complete Tenant's Work on or before the Outside Tenant Work Completion Date. The "OUTSIDE TENANT WORK COMPLETION DATE" shall be defined as the date fifteen (15) months after the Full Rent Commencement Date, provided that if Tenant is delayed in the performance of Tenant's Work by reason of causes beyond Tenant's reasonable control, the Outside Tenant Work Completion Date shall be extended by the lesser of: (i) the period of time which Tenant is so delayed, or (ii) three (3) additional months (i.e. in no event shall the Outside Tenant Work Completion Date occur later than the date eighteen (18) months after the Full Rent Commencement Date).

(c) COST OF TENANT'S WORK; PRIORITY OF WORK. Except for Landlord's Contribution, as set forth in Article 6.2, all of the Tenant's Work shall be performed at Tenant's

sole cost and expense, and shall be performed in accordance with the provisions of this Lease (including, without limitation, Articles 11 and 12). Tenant and Landlord shall each take necessary reasonable measures to the end that Tenant's contractors and Landlord's contractors shall cooperate in all ways with Landlord's contractors to avoid any delay in either Landlord's Work or Tenant's Work or any conflict with the performance of either Landlord's Work or Tenant's Work, Tenant acknowledging, however, that in the case of conflict that is not reasonably avoidable, the performance of Landlord's Work shall have priority. Tenant shall pay to Landlord, as additional rent, within ten (10) days of billing therefor, charges (which shall be reasonably based on Tenant's usage) for the use of elevators and/or hoisting in connection with the performance of Tenant's Work. Tenant shall have access to the Premises and the Building on a 24-hour a day, 365-day a year basis in order to perform Tenant's Work. Landlord and Tenant recognize that to the extent Tenant elects to perform some or all of Tenant's Work during times other than normal construction hours, Landlord will need to make arrangements to have supervisory personnel on site. Accordingly, Landlord and Tenant agree as follows: Tenant shall give Landlord at least five (5) days' written notice of any time outside of normal construction hours (i.e., Monday-Friday, 7 a.m. to 3 p.m., excluding holidays) when Tenant intends to perform portions of Tenant's Work (the "After Hours Work"). Landlord shall pay the cost of the first one hundred hours, in the aggregate, of Landlord's supervisory personnel overseeing the After Hours Work. Tenant shall reimburse Landlord, within thirty (30) days after demand therefor, for the cost of all additional hours of Landlord's supervisory personnel overseeing the After Hours Work. Landlord shall notify Tenant of the after hours hourly rates (which shall be normal and customary) for such supervisory personnel from time to time upon written request.

(d) TENANT'S PLANS. In connection with the performance of Tenant's Work, Tenant shall submit to Landlord for Landlord's reasonable approval an initial set of plans ("Initial Plans"), progress plans from time to time ("Interim Plans") and a full set of construction drawings ("Final Plans") for Tenant's Work (collectively "the Plans"). The Final Plans shall contain at least the information required by, and shall conform to the requirements of, Exhibit 3. Landlord's approval of the Initial Plans and the Interim Plans (and the Final Plans, provided that the Final Plans are consistent with the Initial Plans and the Interim Plans and contain at least the information required by, and conform to the requirements of, said Exhibit 3), shall not be unreasonably withheld, conditioned or delayed and shall comply with the requirements to avoid aesthetic or other conflicts with the design and function of the balance of the Building. Landlord's approval is solely given for the benefit of Landlord under this Article 4.2 and neither Tenant nor any third party shall have the right to rely upon Landlord's approval of Tenant's Plans for any other purpose whatsoever. Without limiting the foregoing, Tenant shall be responsible for all elements of the design of Tenant's plans (including, without limitation, compliance with law, functionality of design, the structural integrity of the design, the configuration of the Premises and the placement of Tenant's furniture, appliances and equipment), and Landlord's approval of Tenant's Plans shall in no event relieve Tenant of the responsibility for such design.

(e) TIME PERIODS FOR LANDLORD'S RESPONSE TO TENANT'S PLANS. Landlord agrees to respond to any Initial Plans within ten (10) days of receipt thereof and to Interim Plans and the Final Plans within fifteen (15) days of receipt thereof. If Landlord has not responded to any submission of Tenant's Plans within the ten (10) or fifteen (15) day, as applicable, time period set forth above, then Tenant may send Landlord a notice of such failure to respond, which notice ("Second Notice") shall contain the following language in bold face and all capital letters: "SECOND NOTICE. FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5)

DAYS SHALL CONSTITUTE A LANDLORD DELAY UNDER THE LEASE, WHICH MAY ENTITLE TENANT TO A RENT ABATEMENT." If Landlord does not respond to the submission of Tenant's Plans within five (5) days after receipt of the Second Notice, then each additional day after five (5) days before Landlord responds to such submission shall constitute a Landlord Delay.

(f) TENANT'S HOIST. Subject to Landlord's prior written approval of Tenant's plans and specifications therefor (which approval shall not be unreasonably withheld, conditioned, or delayed), Tenant shall have the right, during the performance of Tenant's Work, to install a hoist at the Building in order to enable Tenant's contractor to perform Tenant's Work. Tenant shall maintain such hoist in good condition and in a manner which does not interfere with the performance of Landlord's Work. The initial location of such hoist shall be as reasonably approved by Tenant, recognizing the priority given to Landlord's Work in Article 4.2(c) hereof. Once such hoist is installed, Tenant shall not be required to relocate such hoist, except that Tenant shall remove such hoist from the Building at the time that Landlord makes available to Tenant an elevator for Tenant's exclusive use. Tenant shall repair any damage to the Building caused by the installation or removal of such hoist.

(g) GAS LINE. Subject to (i) Landlord's prior written approval of Tenant's plans and specifications therefor (which approval shall not be unreasonably withheld, conditioned, or delayed), and (ii) Tenant having obtained all necessary governmental approvals therefor, Landlord shall bring natural gas to the perimeter of the Building at Landlord's expense and Tenant shall have the right to tie into the same at its expense for the purpose of serving Tenant's back-up generator.

4.3 QUALITY AND PERFORMANCE OF WORK. All construction work required or permitted by this Lease (whether constituting part of Landlord's Work or Tenant's Work) shall be done in a good and workmanlike manner and in compliance with all applicable laws, ordinances, rules, regulations, statutes, by-laws, court decisions, and orders and requirements of all public authorities ("Legal Requirements") and all insurance requirements of this Lease. All of Tenant's Work shall be coordinated with any work being performed by, or for, Landlord, and in such manner as to maintain harmonious labor relations. Each party authorizes the other to rely in connection with design and construction upon the written approval or other written authorizations on the party's behalf by any Construction Representative of the party designated by the party. Each party's initial Construction Representative is designated on Exhibit 1.

5. USE OF PREMISES

5.1 PERMITTED USE. Tenant shall continuously during the term hereof occupy and use the Premises only for the purposes as stated in Exhibit 1 and for no other purposes. Service and utility areas (whether or not a part of the Premises) shall be used only for the particular purpose for which they were designed. Without limiting the generality of the foregoing, Tenant agrees that it shall not use the Premises or any part thereof, or permit the Premises or any part thereof to be used for the preparation or dispensing of food, whether by vending machines or otherwise. Notwithstanding the foregoing, but subject to the other terms and provisions of this Lease, Tenant may, with Landlord's prior written consent, which consent shall not be unreasonably withheld, install at its own cost and expense so-called hot-cold water fountains, coffee makers and refrigerator-sink-stove combinations for the preparation of beverages and foods, provided that no cooking, frying, etc., are carried on in the Premises to such extent as

requires special exhaust venting, Tenant hereby acknowledging that the Building is not engineered to provide any such special venting. Landlord hereby agrees that any equipment shown on Tenant's final approved plans and equivalent equipment in substitution of such equipment shall not, if maintained in good operating order, be deemed to violate the provisions of this Article 5.1.

5.2 PROHIBITED USES. Notwithstanding any other provision of this Lease, Tenant shall not use, or suffer or permit the use or occupancy of, or suffer or permit anything to be done in or anything to be brought into or kept in or about the Premises or the Building or any part thereof (including, without limitation, any materials appliances or equipment used in the construction or other preparation of the Premises and furniture and carpeting): (i) which would violate any of the covenants, agreements, terms, provisions and conditions of this Lease or otherwise applicable to or binding upon the Premises; (ii) for any unlawful purposes or in any unlawful manner; (iii) which, in the reasonable judgment of Landlord shall in any way (a) impair the appearance or reputation of the Building; or (b) impair, interfere with or otherwise diminish the quality of any of the Building services or the proper and economic heating, cleaning, ventilating, air conditioning or other servicing of the Building; or Premises, or with the use or occupancy of any of the other areas of the Building, or occasion discomfort, inconvenience or annoyance, or injury or damage to any occupants of the Premises or other tenants or occupants of the Building; or (iv) which is inconsistent with the maintenance of the Building as an office building of the first class in the quality of its maintenance, use, or occupancy. Tenant shall not install or use any electrical or other equipment of any kind which, in the reasonable judgment of Landlord, might cause any such impairment, interference, discomfort, inconvenience, annoyance or injury.

5.3 LICENSES AND PERMITS. If any governmental license or permit shall be required for the proper and lawful conduct of Tenant's business, and if the failure to secure such license or permit would in any way affect Landlord, the Premises, the Building or Tenant's ability to perform any of its obligations under this Lease, Tenant, at Tenant's expense, shall duly procure and thereafter maintain such license and submit the same to inspection by Landlord. Tenant, at Tenant's expense, shall at all times comply with the terms and conditions of each such license or permit. Tenant shall furnish all data and information to governmental authorities and Landlord as required in accordance with legal, regulatory, licensing or other similar requirements as they relate to Tenant's use or occupancy of the Premises or the Building.

6. RENT AND SPECIAL ALLOWANCE

6.1. RENT.

(a) During the term of this Lease the Yearly Rent and other charges, at the rate stated in Exhibit 1, shall be payable by Tenant to Landlord by monthly payments, as stated in Exhibit 1, in advance and without demand on the first day of each month for and in respect of such month. The rent and other charges reserved and covenanted to be paid under this Lease in respect of the Premises shall commence on the Rent Commencement Date. If, by reason of any provisions of this Lease, the rent reserved hereunder shall commence or terminate on any day other than the first day of a calendar month, the rent for such calendar month shall be prorated. The rent shall be payable to Landlord or, if Landlord shall so direct in writing, to Landlord's agent or nominee, in lawful money of the United States which shall be legal tender for payment of all debts and dues, public and private, at the time of payment, at the office of the Landlord or

such place as Landlord may designate, and the rent and other charges in all circumstances shall be payable without any setoff or deduction whatsoever. Rental and any other sums due hereunder not paid on or before the date which is five (5) business days after the date due shall bear interest for each month or fraction thereof from the due date until paid computed at the annual rate of three percentage points over the so-called prime rate then currently from time to time charged to its most favored corporate customers by the largest national bank (N.A.) located in the city in which the Building is located ("National Bank"), or at any applicable lesser maximum legally permissible rate for debts of this nature. In lieu of requiring Tenant to pay monthly installments of Yearly Rent and other fixed monthly charges in the manner described above, Tenant shall have the right to pay such amounts by means of an automated debit system (the "Automatic Debit System") whereby any or all such payments shall be debited from Tenant's account in a bank or financial institution designated by Tenant and credited to Landlord's account in a bank or financial institution designated by Landlord. In the event Tenant elects to pay monthly installments of Yearly Rent and other fixed monthly charges by means of the Automatic Debit System, Tenant, within thirty (30) days after written request by Landlord, shall execute and deliver to Landlord any authorizations, certificates or other documentation as may be required to establish and give effect to the Automatic Debit System. Either party shall have the right to change its bank or financial institution from time to time, provided that Tenant, no less than thirty (30) days prior to the effective date of any such change, shall provide Landlord with written notice of such change and any and all authorizations, certificates or other documentation as may be required to establish and give effect to the Automatic Debit System at Tenant's new bank or financial institution if Tenant elects to continue to use such Automatic Debit System. Tenant shall promptly pay all service fees and other charges imposed upon Tenant in connection with the Automatic Debit System, and Tenant shall promptly reimburse Landlord for any charges resulting from insufficient funds in Tenant's bank account (provided however, that Tenant shall have the right to discontinue the use of the Automatic Debit System at any time upon at least thirty (30) days' prior written notice to Landlord). In the event that any Yearly Rent or other fixed monthly charges are not paid on time as a result of insufficient funds in Tenant's account, Tenant shall be liable for any interest in accordance with this Article. Tenant shall remain liable to Landlord for all payments of Rent due hereunder regardless of whether Tenant's account is incorrectly debited in any given month, it being agreed that a debit of less than the full amount due shall not be construed as a waiver by Landlord of its right to receive any unpaid balance.

(b) Rentable Area. Landlord and Tenant acknowledge the Total Rentable Area of the Premises, the Building and of the other buildings initially in the Complex have been determined by agreement, and that the figures set forth in Exhibit 1 shall be conclusive and binding on Landlord and Tenant with regard to the Complex. In the event that Landlord alters any of the buildings in, or adds other buildings to, the Complex, the Total Rentable Area of any such buildings shall be included in the Total Rentable Area of the Complex when first occupied.

6.2 LANDLORD'S CONTRIBUTION.

(a) As an inducement to Tenant's entering into this Lease, Landlord shall provide to Tenant a special allowance equal to up to Thirty and 00/100 Dollars ($30.00) per square foot of Rentable Floor Area of the Premises initially demised to Tenant (i.e. Three Million Four Hundred Nine Thousand Three Hundred Eighty and 00/100 Dollars ($3,409,380.00)) ("Landlord's Contribution") to be used by Tenant to pay for the cost of the Tenant's Work. For

the purposes hereof, the cost to be so reimbursed by Landlord shall include the cost of leasehold improvements but not the cost of any of Tenant's personal property, trade fixtures or trade equipment or any so-called soft costs. Furthermore, in the event that Tenant does not build out all of the Premises, Landlord's Contribution shall be limited to a maximum of Thirty and 00/100 Dollars ($30.00) per square foot of Rentable Floor Area of the Premises actually built out by Tenant (the "Finished Area").

(b) Landlord shall pay Landlord's Proportion (as hereinafter defined) of the cost shown on each requisition (as hereinafter defined) submitted by Tenant to Landlord within twenty (20) days of submission thereof by Tenant to Landlord until the entirety of Landlord's Contribution has been exhausted. For purposes hereof, "Landlord's Proportion" shall be a fraction, the numerator of which is Landlord's Contribution and the denominator of which is the total contract price for Tenant's Work, and a "requisition" shall mean written documentation (including, without limitation, invoices from Tenant's contractors, vendors, service providers and consultants, lien waivers, and such other documentation as Landlord or Landlord's mortgagee may reasonably request) showing in reasonable detail the costs of the item in question or of the improvements installed to date in the Premises, accompanied by certifications from Tenant that the amount of the requisition in question does not exceed the cost of the items, services and work covered by such requisition. Each requisition shall be accompanied by evidence reasonably satisfactory to Landlord that items, services and work covered by such requisition has been fully paid by Tenant and that the work has been performed. Landlord shall have the right, upon reasonable advance notice to Tenant, to inspect Tenant's books and records relating to each requisition in order to verify the amount thereof. Tenant shall submit requisition(s) no more often than monthly.

(c) Notwithstanding anything to the contrary herein contained:

(i) Landlord shall have no obligation to advance funds on account of Landlord's Contribution unless and until Landlord has received the requisition in question.

(ii) Except with respect to work and/or materials previously paid for by Tenant, as evidenced by paid invoices and written lien waivers provided to Landlord, Landlord shall have the right to have Landlord's Contribution paid to directly to Tenant's contractor(s), consultants, service providers, and vendor(s). In no event shall Landlord's Contribution be applied to any fees paid to Tenant or any affiliate of Tenant.

(iii) Landlord shall have no obligation to pay any portion of Landlord's Contribution in respect of any requisition submitted after the date ("Outside Requisition Date") which is the earlier of: (a) three (3) months after the completion of Tenant's Work, or (b) twenty-one (21) months after the Full Rent Commencement Date (provided, however, that if Tenant certifies to Landlord that it is engaged in a good faith dispute with its contractor, such Outside Requisition Date shall be extended while such dispute is ongoing, so long as Tenant is diligently prosecuting the resolution of such dispute). Tenant shall not be entitled to receive any portion of Landlord's Contribution except to the extent

that it has submitted requisitions and/or made demand therefor, on or before the Outside Requisition Date.

(iv) Tenant shall not be entitled to any unused portion of Landlord's Contribution.

(v) Landlord's obligation to pay any portion of Landlord's Contribution shall be conditioned upon there existing no default beyond the expiration of any applicable grace periods by Tenant in its obligations under the Lease at the time that Landlord would otherwise be required to make such payment.

7. RENTABLE AREA

Total Rentable Area of the Premises, the Building and the Complex have, as of the Execution Date, been agreed to be the amounts set forth on Exhibit 1.

8. SERVICES FURNISHED BY LANDLORD

8.1 ELECTRIC CURRENT.

(a) As stated in Exhibit 1, Landlord will require Tenant to contract directly with the company supplying electric current for the purchase and obtaining by Tenant of electric current directly from such company to be billed directly to, and paid for by, Tenant. Tenant shall have the right to choose among companies supplying electric current to the Premises if there is more than one such company available. Tenant acknowledges that such electric current purchased directly by Tenant shall include the current used to operate the HVAC equipment serving the Premises.

(b) Landlord shall (i) permit its risers, conduits and feeders to the extent available, suitable and safely capable, to be used for the purpose of enabling Tenant to purchase and obtain electric current directly from such company, (ii) without cost or charge to Tenant, make such alterations and additions to the electrical equipment and/or appliances in the Building as such company shall specify for the purpose of enabling Tenant to purchase and obtain electric current directly from such company, and (iii) at Landlord's expense, furnish and install in or near the Premises any necessary metering equipment used in connection with measuring Tenant's consumption of electric current and Tenant, at Tenant's expense, shall maintain and keep in repair such metering equipment.

(c) If Tenant shall require electric current for use in the Premises in excess of the capacity available at the commencement of the term of this Lease and if (i) in Landlord's reasonable judgment, Landlord's facilities are inadequate for such excess requirements or (ii) such excess use shall result in an additional burden on the Building air conditioning system and additional cost to Landlord on account thereof then, as the case may be, (x) Landlord upon written request and at the sole cost and expense of Tenant, will furnish and install such additional wire, conduits, feeders, switchboards and appurtenances as reasonably may be required to supply such additional requirements of Tenant if current therefor be available to Landlord, provided that the same shall be permitted by applicable laws and insurance regulations and shall not cause damage to the Building or the Premises or cause or create a dangerous or hazardous condition or

entail excessive or unreasonable alterations or repairs or interfere with or disturb other tenants or occupants of the Building or (y) Tenant shall reimburse Landlord for such additional cost, as aforesaid.

(e) Landlord, at Tenant's expense and upon Tenant's request, shall purchase and install all replacement lamps of types generally commercially available (including, but not limited to, incandescent and fluorescent) used in the Premises.

(f) Subject to Article 8.8(b), Landlord shall not in any way be liable or responsible to Tenant for any loss, damage or expense which Tenant may sustain or incur if the quantity, character, or supply of electrical energy is changed or is no longer available or suitable for Tenant's requirements.

(g) Tenant agrees that it will not make any material alteration or material addition to the electrical equipment and/or appliances in the Premises without the prior written consent of Landlord in each instance first obtained, which consent will not be unreasonably withheld, and will promptly advise Landlord of any other alteration or addition to such electrical equipment and/or appliances.

8.2 WATER. Landlord shall furnish hot and cold water for ordinary premises cleaning, toilet, lavatory and drinking purposes. If Tenant requires, uses or consumes water for any purpose other than for the aforementioned purposes, Landlord may (i) assess a reasonable charge for the additional water so used or consumed by Tenant or (ii) install a water meter and thereby measure Tenant's water consumption for all purposes. In the latter event, Landlord shall pay the cost of the meter and the cost of installation thereof and shall keep said meter and installation equipment in good working order and repair. Tenant agrees to pay for water consumed, as shown on said meter, together with the sewer charge based on said meter charges, as and when bills are rendered, and on default in making such payment Landlord may pay such charges and collect the same from Tenant, but only to the extent that the charges shown on the meter exceed the consumption reasonably expected for ordinary premises cleaning, toilet, lavatory and drinking purposes. All piping and other equipment and facilities for use of water outside the building core will be installed and maintained by Landlord at Tenant's sole cost and expense.

8.3 ELEVATORS, HEAT, CLEANING.

(a) Landlord at its expense shall: (i) provide necessary elevator facilities (which may be manually or automatically operated, either or both, as Landlord may from time to time elect) on Mondays through Fridays, excepting legal holidays, from 8:00 a.m. to 6:00 p.m. and on Saturdays, excepting legal holidays, from 8:00 a.m. to 1:00 p.m. (called "business days") and have one elevator in operation available for Tenant's use, non-exclusively, together with others having business in the Building, at all other times; (ii) furnish heat (substantially equivalent to that being furnished in comparably aged similarly equipped office buildings in the same city) to the Premises during the normal heating season on business days; and (iii) cause the office areas and the network operations center of the Premises to be cleaned on business days (except on Saturdays) provided the same are kept in order by Tenant. Either Exhibit 4 (if annexed hereto) or, otherwise, the cleaning standards generally prevailing in first-class office buildings in the city or town where the Building is located, shall represent substantially the extent and scope of the cleaning by Landlord referred to in this Article 8.3.

(b) The parties agree and acknowledge that, despite reasonable precautions in selecting cleaning and maintenance contractors and personnel, any property or equipment in the Premises of a delicate, fragile or vulnerable nature may nevertheless be damaged in the course of cleaning and maintenance services being performed. Accordingly, Tenant shall take reasonable protective precautions with such property and equipment (including, without limitation, computers or other data processing components or equipment and optical or electronic equipment, etc.), e.g., housing the property and equipment in a separate, locked room, so as to render it inaccessible to the Building's cleaning personnel.

8.4 AIR CONDITIONING. Landlord shall through the air conditioning equipment of the Building furnish to and distribute in the Premises air conditioning as normal seasonal changes may require on business days during the hours as aforesaid in Article 8.3 when air conditioning may reasonably be required for the comfortable occupancy of the Premises by Tenant. Tenant agrees to use reasonable efforts to lower and close the blinds or drapes when necessary because of the sun's position, whenever the air conditioning system is in operation, and to cooperate fully with Landlord with regard to, and to abide by all the reasonable regulations and requirements which Landlord may prescribe for the proper functioning and protection of the air conditioning system. The air conditioning system referred to in this Article 8.4 shall be capable of maintaining the following: the air conditioning system referred to in this Article 8.4 shall be capable of providing 75(Degree)F dry bulb and 55% of relative humidity with outside conditions of 91(Degree)F dry bulb and 73(Degree)F wet bulb.

8.5 ADDITIONAL HEAT, CLEANING AND AIR CONDITIONING SERVICES.

(a) Landlord will use reasonable efforts upon reasonable advance written notice from Tenant of its requirements in that regard, to furnish additional heat, cleaning or air conditioning services to the Premises on days and at times other than as above provided.

(b) There shall be no charge for additional heat or air conditioning, as Tenant pays the cost of electricity therefor directly pursuant to Article 8.1. Tenant will pay to Landlord a reasonable charge (i) for any such additional cleaning service required by Tenant, (ii) for any extra cleaning of the Premises required because of the carelessness or indifference of Tenant or because of the nature of Tenant's business, and (iii) for any cleaning done at the request of Tenant of any portions of the Premises which may be used for storage, shipping room or other non-office purposes. If the cost to Landlord for cleaning the Premises shall be increased due to the installation in the Premises, at Tenant's request, of any materials or finish other than those which are building standard, Tenant shall pay to Landlord an amount equal to such increase in cost.

8.6 ADDITIONAL AIR CONDITIONING EQUIPMENT. In the event Tenant requires additional air conditioning for business machines, meeting rooms or other special purposes, or because of occupancy or excess electrical loads, any additional air conditioning units, chillers, condensers, compressors, ducts, piping and other equipment, such additional air conditioning equipment will be installed and maintained by Landlord at Tenant's sole cost and expense, but only if, in Landlord's reasonable judgment, the same will not cause damage or injury to the Building or create a dangerous or hazardous condition or entail excessive or unreasonable alterations, repairs or expense or interfere with or disturb other tenants; and Tenant shall

reimburse Landlord in such an amount as will compensate it for the cost incurred by it in operating such additional air conditioning equipment.

8.7 REPAIRS. Except as otherwise provided in Articles 18 and 20, and subject to Tenant's obligations in Article 14, Landlord shall keep and maintain the roof, exterior walls, structural floor slabs, columns, elevators, public stairways and corridors, lavatories, equipment (including, without limitation, sanitary, electrical, heating, air conditioning, or other systems) and other common facilities of the Building in good condition and repair.

8.8 INTERRUPTION OR CURTAILMENT OF SERVICES.

(a) When necessary by reason of accident or emergency, or for repairs, alterations, replacements or improvements which in the reasonable judgment of Landlord are desirable or necessary to be made, or of difficulty or inability in securing supplies or labor, or of strikes, or of any other cause beyond the reasonable control of Landlord, whether such other cause be similar or dissimilar to those hereinabove specifically mentioned until said cause has been removed, Landlord reserves the right to interrupt, curtail, stop or suspend (i) the furnishing of heating, elevator, air conditioning, and cleaning services and (ii) the operation of the plumbing and electric systems. Landlord shall exercise reasonable diligence to eliminate the cause of any such interruption, curtailment, stoppage or suspension, but there shall be no diminution or abatement of rent or other compensation due from Landlord to Tenant hereunder, nor shall this Lease be affected or any of the Tenant's obligations hereunder reduced, and the Landlord shall have no responsibility or liability for any such interruption, curtailment, stoppage, or suspension of services or systems.

(b) Notwithstanding anything to the contrary in this Lease contained, if the Premises shall lack any service which Landlord is required to provide hereunder, or if Tenant's use and occupancy of the Premises shall be disturbed in violation of Article 10 hereof (thereby rendering the Premises or a portion thereof substantially untenantable) so that, for the Landlord Service Interruption Cure Period, as hereinafter defined, the continued operation in the ordinary course of Tenant's business is materially adversely affected and if Tenant ceases to use the affected portion of the Premises during the period of untenantability as the direct result of such lack of service or disturbance, then, provided that Tenant ceases to use the affected portion of the Premises during the entirety of the Landlord Service Interruption Cure Period and that such untenantability and Landlord's inability to cure such condition is not caused by the fault or neglect of Tenant or Tenant's agents, employees or contractors, Yearly Rent, Operating Expense Excess and Tax Excess shall thereafter be abated in proportion to such untenantability until the day such condition is completely corrected. For the purposes hereof, the "Landlord Service Interruption Cure Period" shall be defined as five (5) consecutive business days after Landlord's receipt of written notice from Tenant of the condition causing untenantability in the Premises, provided however, that the Landlord Service Interruption Cure Period shall be ten (10) consecutive business days after Landlord's receipt of written notice from Tenant of such condition causing untenantability in the Premises if either the condition was caused by causes beyond Landlord's control or Landlord is unable to cure such condition as the result of causes beyond Landlord's control.

(c) The provisions of Paragraph (b) of this Article 8.8 shall not apply in the event of untenantability caused by fire or other casualty, or taking (see Articles 18 and 20).

8.9 ENERGY CONSERVATION. Notwithstanding anything to the contrary in this Article 8 or in this Lease contained, Landlord may institute, and Tenant shall comply with, such policies, programs and measures as may be necessary, required, or expedient for the conservation and/or preservation of energy or energy services, provided however, that Landlord does not, by reason of such policies, programs and measures, reduce the level of energy or energy services being provided to the premises below the level of energy or energy services then being provided in comparably aged, first-class office buildings in the greater Boston area, or as may be necessary or required to comply with applicable codes, rules regulations or standards.

8.10 MISCELLANEOUS. Other than air conditioning, all services provided by Landlord to Tenant are based upon an assumed maximum Premises population of one person per one hundred fifty (150) square feet of Total Rentable Area. Tenant acknowledges that if it exceeds the foregoing limitation, Landlord may incur costs including, without limitation, additional costs due to the additional load on building systems. Tenant agrees to reimburse Landlord for the amount of such costs (if any), as reasonably determined by Landlord, due to a Premises population in excess of the foregoing maximum.

9. ESCALATION

9.1 DEFINITIONS. As used in this Article 9, the words and terms which follow mean and include the following:

(a) "Operating Year" shall mean a calendar year in which occurs any part of the term of this Lease.

(b) "Operating Cost Base" shall be the amount as stated in Exhibit 1.

(c) Subject to the provisions of Article 6(b),"Tenant's Building Percentage" and "Tenant's Complex Percentage" shall be the respective figures as stated in Exhibit 1.

(d) "Taxes":

Subject to Article 9.7:

(d1) "Building Taxes" shall mean the real estate taxes and other taxes, levies and assessments imposed upon the Building and that portion of the land of the Complex comprised of the Building's footprint and an area surrounding the Building as shown on Exhibit 2-1, and upon any personal property of Landlord used in the operation of the Building, or on Landlord's interest in the Building or such personal property (provided that to the extent such taxes, levies, and assessments are also allocable to property other than the Building, such amounts shall be allocated among all real estate which is so jointly assessed based on the assessor's records or, if the records do not provide a separate allocation, based on square footage of the buildings in question); charges, fees and assessments for transit, housing, police, fire or other services or purported benefits to the Building; service or user payments in lieu of taxes; and any and all other taxes, levies, betterments, assessments and charges arising from the ownership, leasing, operating, use or occupancy of the Building or based upon rentals derived therefrom, which are or shall be imposed by federal, state, county, municipal or other governmental authorities. Notwithstanding anything to the contrary herein contained, with respect to

betterments or other extraordinary or special assessments, Tenant's obligations shall apply only to the extent such assessments are payable during and in respect of the term of the Lease if paid over the longest period permitted by law. The definition of Building Taxes is subject to the provisions of Article 9.1(d4)

(d2) "Land" shall mean all of the land of the Complex (but not any improvements thereon which are separately assessed, except for common facilities as set forth in Paragraph (d3) below), excluding, however, the land on which the Garage and all other parking areas are located and the portions of land under each building in the Complex and an area surrounding each such building as shown on Exhibit 2-1, and reasonable similar areas designated by Landlord in connection with new buildings added to the Complex from time to time. Real estate taxes with respect to such parking areas are included in the parking fees charged to users and real estate taxes attributable to the land comprised of the footprint and such perimeter area of each building in the Complex shall be allocated on a building-by-building basis.

(d3) "Land Taxes" shall mean the real estate taxes and other taxes, levies and assessments imposed upon the Land, upon any common facilities separately assessed as such by the tax assessor, and upon any personal property of Landlord used in connection with the Land, or on Landlord's interest in the Land or such personal property (provided that to the extent such taxes, levies, and assessments are also allocable to property other than the Land, such amounts shall be equitably allocated among all real estate which is so jointly assessed); charges, fees and assessments for transit, housing, police, fire or other governmental services or purported benefits to the Land; service or user payments in lieu of taxes; and any and all other taxes, levies, betterments, assessments and charges arising from the ownership, leasing, operation, or use of the Land or based upon rentals derived therefrom, which are or shall be imposed by federal, state, county, municipal or other governmental authorities. Land Taxes shall exclude any taxes on any parking garage located on the Land or which are otherwise assessed as part of Building Taxes. The definition of Land Taxes is subject to the provisions of Article 9.1(d4).

(d4) As of the Execution Date, neither Building Taxes nor Land Taxes shall include any inheritance, estate, succession, gift, franchise, rental, income or profit tax, capital stock tax, capital levy or excise, or any income taxes arising out of or related to the ownership and operation of the Building or Complex, provided, however, that any of the same and any other tax, excise, fee, levy, charge or assessment, however described, that may in the future be levied or assessed as a substitute for or an addition to, in whole or in part, any tax, levy or assessment which would otherwise constitute "Taxes," whether or not now customary or in the contemplation of the parties on the Execution Date of this Lease, shall constitute "Taxes," but only to the extent calculated as if the Complex were the only real estate owned by Landlord. "Taxes" shall also include reasonable expenses of tax abatement or other proceedings contesting assessments or levies.

(e) "Tax Base" shall be the amount stated in Exhibit 1 and shall apply to a Tax Period of twelve (12) months. The Tax Base shall be reduced pro rata if and to the extent that the Tax Period contains fewer than twelve (12) months.

(f) "Tax Period" shall be any fiscal/tax period in respect of which Taxes are due and payable to the appropriate governmental taxing authority (i.e., as mandated by the governmental taxing authority), any portion of which period occurs during the term of this Lease, the first such Period being the one in which the Rent Commencement Date (or, if there is more than one Rent Commencement Date hereunder, the first such date) occurs.

(g) "Operating Costs":

Subject to Article 9.7:

(g1) Definition of Building Operating Costs. "Building Operating Costs" shall mean all costs incurred and expenditures of whatever nature made by Landlord in the operation and management, for repair and replacements, cleaning and maintenance of the non-retail portion of the Building, including, without limitation, vehicular and pedestrian passageways serving the Building, related equipment, facilities and appurtenances and cooling and heating equipment. For costs and expenditures made by Landlord in connection with the Building as a whole, Landlord shall make a reasonable allocation thereof between the retail and non-retail portions of the Building. A portion of Complex Operating Costs shall be included in Building Operating Costs in accordance with Subparagraphs g(3) and g(6).

(g2) Definition of Complex Operating Costs. "Complex Operating Costs" shall mean all costs incurred and expenditures made by Landlord in the operation and management, repair and replacement, cleaning and maintenance of the common areas of the Complex, exclusive of the Garage, the Parking Areas, the Building, and the other buildings in the Complex. Any expenses incurred by Landlord that can be allocated on a building-by-building basis shall be so allocated in accordance with Subparagraph (g3). To the extent that a cost included in Complex Operating Costs is also allocable to property other than the Complex, such cost shall be equitably allocated to each parcel of property which benefits from such cost.

(g3) The allocation of costs and expenditures among the various buildings in the Complex shall be on the basis of the ratio of the Total Rentable Area of each building in the Complex to the Total Rentable Area of the Complex, unless such allocation would result in a disproportionate charge based upon the relative usage of the service on which such cost is based, in which case such allocation shall be based upon such relative usage. Building Operating Costs and Complex Operating Costs shall include, without limitation, those categories of "Specifically Included Operating Costs", as set forth below, but shall not include "Excluded Costs", as hereinafter defined.

(g4) Definition of Excluded Costs. "Excluded Costs" shall be defined as:

(i) mortgage charges (including interest, principal, points and fees);

(ii) brokerage commissions;

(iii) salaries of executives and owners not directly employed in the management/operation of the Complex;

(iv) the cost of work done by Landlord for a particular tenant for which Landlord has the right to be reimbursed by such tenant;

(v) subject to Subparagraph (g5) below, such portion of expenditures as are not properly chargeable against income;

(vi) any ground or underlying lease rental;

(vii) bad debt expenses;

(viii) costs incurred by Landlord to the extent that Landlord is reimbursed by insurance proceeds or is otherwise reimbursed, other than through the payment of Operating Costs;

(ix) depreciation, amortization and interest payments, except as expressly set forth in subparagraph (g5) below and except on equipment, materials, tools, supplies and vendor-type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party where such depreciation, amortization and interest payments would otherwise have been included in the charge for such third party's services, all as determined in accordance with generally accepted accounting principles, consistently applied, and when depreciation or amortization is permitted or required, the item shall be amortized over its reasonably anticipated useful life;

(x) advertising and promotional expenditures, and costs of acquisition and maintenance of one-party signs in or on the Building identifying the owner of the Building or other tenants;

(xi) marketing costs, including leasing commissions, attorneys' fees (in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, subleases and/or assignments), space planning costs and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants or other occupants of the Building;

(xii) costs, including permit, license and inspection costs, incurred with respect to the installation of tenants' or other occupants' improvements or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Building;

(xiii) expenses in connection with services or other benefits which are offered to other tenants of the Building or Complex but not to Tenant or for which Tenant is charged directly, other than through Operating Costs;

(xiv) fines, interest and penalties incurred by Landlord due to the violation by Landlord or any tenant of the terms and conditions of any lease of space in the Building;

(xv) management fees paid or charged by Landlord in connection with the management of the Building to the extent such management fee is in excess of the market rate.

(xvi) salaries and other benefits paid to any executive employees above the level of senior property manager of the Complex;

(xvii) amounts paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in the Building to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis;

(xviii) Landlord's general corporate overhead and general administrative expenses;

(xix) any compensation paid to clerks, attendants or other persons in commercial concessions operated by Landlord;

(xx) services provided, taxes, attributable to, and costs incurred in connection with the operation (as opposed to the repair and maintenance thereof which shall be included in Operating Costs) of any garage for the Building, and any replacement garages or parking facilities;

(xxi) costs incurred in connection with upgrading the Building to comply with laws, rules, regulations and codes in effect prior to the Term Commencement Date;

(xxii) fines, interest and penalties arising from the negligence or willful misconduct of Landlord or other tenants or occupants of the Building or their respective agents, employees, licensees, vendors, contractors or providers of materials or services;

(xxiii) costs arising from Landlord's political contributions;

(xxiv) costs for sculpture, paintings or other objects of art;

(xxv) costs associated with the operation of the business of the entity which constitutes Landlord as the same are distinguished from the costs of operation of the Building, including accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Building, costs incurred in connection with any disputes between Landlord and its employees, between Landlord and Building management, or between Landlord and other tenants or occupants;

(xxvi) rentals for items which, if purchased rather than rented, would constitute a capital cost, to the extent that the rental payments exceed the costs which could be included pursuant to paragraph (g5) below;

(xxvii) costs of electricity for plugs and lights provided to other tenants' demised premises;

(xxviii) repair and replacement costs in connection with defects in Landlord's Work which are incurred by Landlord prior to the third (3rd) anniversary of the Full Rent Commencement Date; and

(xxix) any costs related to any development, demolition or construction activity in the Building or the Complex, and any and all costs of construction mitigation measures, including, without limitation, dust control, cleaning, maintenance, debris removal, traffic control and noise control, but the foregoing shall have no effect on the inclusion of the cost of normal cleaning services for the Complex.

(g5) Capital Expenditures.

(i) REPLACEMENTS. If, during the term of this Lease, Landlord shall replace any capital items or make any capital expenditures

(collectively called "Capital Expenditures") the total amount of which is not properly includable in Operating Costs for the Operating Year in which they were made, in accordance with generally accepted accounting principles and practices in effect at the time of such replacement, there shall nevertheless be included in such Operating Costs and in Operating Costs for each succeeding Operating Year the amount, if any, by which the Annual Charge-Off (determined as hereinafter provided) of such Capital Expenditure (less insurance proceeds, if any, collected by Landlord by reason of damage to, or destruction of the capital item being replaced) exceeds the Annual Charge-Off of the Capital Expenditure for the item being replaced.

(ii) NEW CAPITAL ITEMS. If a new capital item is acquired which does not replace another capital item which was worn out, has become obsolete, etc., and such new capital item being acquired is either (i) required by law or (ii) reasonably projected to reduce Operating Costs, then there shall be included in Operating Costs for each Operating Year in which and after such capital expenditure is made the Annual Charge-Off of such capital expenditure.

(iii) ANNUAL CHARGE-OFF. "Annual Charge-Off" shall be defined as the annual amount of principal and interest payments which would be required to repay a loan ("Capital Loan") in equal monthly installments over the Useful Life, as hereinafter defined, of the capital item in question on a direct reduction basis at an annual interest rate equal to the Capital Interest Rate, as hereinafter defined, where the initial principal balance is the cost of the capital item in question.

(iv) USEFUL LIFE. "Useful Life" shall be reasonably determined by Landlord in accordance with generally accepted accounting principles and practices in effect at the time of acquisition of the capital item. Notwithstanding the foregoing, if Landlord reasonably concludes on the basis of engineering estimates that a particular capital expenditure will effect savings in Complex operating expenses including, without limitation, energy-related costs, and that such annual projected savings will exceed the Annual Charge-Off of Capital Expenditures computed as aforesaid, then and in such events, the Annual Charge-Off shall be determined based upon a Useful Life which would cause the principal and interest payments in a full repayment of the Capital Loan in question to equal the amount of projected savings of such Useful Life.

(v) CAPITAL INTEREST RATE. "Capital Interest Rate" shall be defined as an annual rate of either one percentage point over the AA Bond rate (Standard & Poor's corporate composite or, if unavailable, its equivalent) as reported in the financial press at the time the capital expenditure is made or, if the capital item is acquired through third-party financing, then the actual (including fluctuating) rate paid by Landlord in financing the acquisition of such capital item.

(g6) Specifically Included Categories of Operating Costs. Subject to the Excluded Costs definition, the qualifications on reimbursable Building Operating Costs and Complex Operating Costs set forth in Articles 9.1(g1) 9.1(g2) and 9.1(g3), and

except as otherwise expressly excluded from the definition of Building Operating Costs and Complex Operating Costs pursuant to the provisions of this Lease, Building Operating Costs and Complex Operating Costs shall include, but not be limited to, the following, provided that if such costs are attributable to the Building and to other buildings in the Complex, then such costs shall be equitably apportioned among the Building and such other buildings in accordance with Article 9.1(g3), and if such costs are attributable to common areas of the Complex and to other property which is not part of the Complex, then such costs shall be equitably apportioned among the Complex and such other property.

TAXES (other than Real Estate Taxes): Sales taxes and Federal Social Security, Unemployment and Old Age Taxes and contributions and State Unemployment taxes and contributions accruing to and paid by the Landlord on account of all employees of Landlord and/or Landlord's managing agent, who are employed in, about or on account of the Premises (to the extent that the underlying wages or salaries are included in Building Operating Costs or Complex Operating Costs, as the case may be), except that taxes levied upon the net income of the Landlord and taxes withheld from employees, and "Taxes" as defined in Article 9.1(d) shall not be included herein.

WATER: All charges and rates connected with water supplied to the Premises, the Building and/or the common areas of the Complex and related sewer use charges.

HEAT AND AIR CONDITIONING: The cost of electricity connected with heat and air conditioning supplied to the common areas of the Building and/or Complex, and all other charges connected with heat and air conditioning supplied to the Premises, Building and/or Complex.

WAGES: Wages and cost of all employee benefits of all employees of the Landlord and/or Landlord's managing agent who are employed in, about or on account of the Premises and/or Complex provided that wages and costs for employees who also work on other properties shall be allocated to the Complex based upon the proportion of their time spent working on the Complex and then allocated to the Premises on a square foot basis.

CLEANING: The cost of labor and material for cleaning the Premises and/or Complex, surrounding areaways and windows in the Premises and/or Complex, including, without limitation, the services listed on Exhibit 4.

ELEVATOR MAINTENANCE: All expenses for or on account of the upkeep and maintenance of all elevators in the Premises, Building and/or the Complex (if any).

ELECTRICITY: The cost of all electric current for the operation of any machine, appliance or device used for the operation of the Premises and the Building and/or Complex, including the cost of electric current for the elevators, lights, air conditioning and heating, but not including electric current which is paid for directly to the utility by the user/tenant in the Premises and/or Complex. (If and so long as Tenant is billed directly by the electric utility for its own consumption of electricity for lights and plugs as determined by its separate meter or by submeter, then Operating Costs shall include only public area electric current consumption and electricity for base building HVAC and not any demised Premises electric current consumption for lights and plugs.) Wherever

separate metering is unlawful, prohibited by utility company regulation or tariff or is otherwise impracticable, relevant consumption figures for the purposes of this Article 9 shall be determined by fair and reasonable allocations and engineering estimates made by Landlord.

INSURANCE, ETC.: Fire, casualty, liability and such other insurance as may from time to time be reasonably required by lending institutions on first-class office buildings in the City or Town wherein the Building is located and all other expenses customarily incurred in connection with the operation and maintenance of first-class suburban office/research and development buildings in the Market Area.

MANAGEMENT SPACE: Market rate rental costs associated with the Complex's management office.

COMPLEX AMENITIES: The cost of operating any amenities in the Complex available to all tenants of the Complex including, without limitation, any cafeteria. The costs to be included in Complex Operating Costs shall include any subsidy, including lower than market rate rent, provided by Landlord for or with respect to such amenity. In the event that the costs of a Complex amenity are included in an Operating Year but such costs were not included in the Complex Operating Costs Base, then the Complex Operating Costs Base shall be adjusted to reflect what would have been the costs for such amenity in the Complex Operating Costs Base if such amenity had been operated during calendar year 2000.

9.2 TAX EXCESS.

(a) IN GENERAL. Commencing as of the Rent Commencement Date (or, if there is more than one Rent Commencement Date hereunder, the first such date), and continuing thereafter throughout the term of this Lease, if with respect to any Tax Period, the sum ("Tenant's Tax Share") of (i) Tenant's Building Tax Percentage of Building Taxes plus (ii) Tenant's Complex Tax Percentage of Land Taxes exceeds the Tax Base, Tenant shall, subject to Article 9.10, pay such excess to Landlord, such amount being hereinafter referred to as "Tax Excess." Tax Excess shall be due within thirty (30) days of Tenant's receipt of Landlord's bill therefor. In implementation and not in limitation of the foregoing, Tenant shall remit to Landlord pro rata monthly installments on account of projected Tax Excess, calculated by Landlord on the basis of the most recent Tax data available. If the total of such monthly remittances on account of any Tax Period is greater than the actual Tax Excess for such Tax Period, Tenant may credit the difference against the next installment of rental or other charges due to Landlord hereunder, except that if such difference is determined after the end of the term of this Lease, Landlord shall refund such difference to Tenant within thirty (30) days after such determination to the extent that such difference exceeds any amounts then due from Tenant to Landlord. If the total of such remittances is less than the actual Tax Excess for such Tax Period, Tenant shall pay the difference to Landlord within thirty (30) days of Tenant's receipt of the bill.

(b) EFFECT OF ABATEMENTS. Appropriate credit against Tax Excess shall be given for any refund obtained by reason of a reduction in any Taxes by the Assessors or the administrative, judicial or other governmental agency responsible therefor. The original computations, as well as reimbursement or payments of additional charges, if any, or allowances, if any, under the provisions of this Article 9.2 shall be based on the original assessed valuations

with adjustments to be made at a later date when the tax refund, if any, shall be paid to Landlord by the taxing authorities. Expenditures for reasonable legal fees and for other reasonable similar or dissimilar expenses incurred in obtaining the tax refund may be charged against the tax refund before the adjustments are made for the Tax Period.

9.3 OPERATING EXPENSE EXCESS.

Commencing as of the Rent Commencement Date (or, if there is more than one Rent Commencement Date hereunder, the first such date), and continuing thereafter throughout the term of the Lease, if with respect to any Operating Year, the Building Operating Costs exceed the Operating Cost Base, Tenant shall, subject to Article 9.10, pay Tenant's Building Operating Cost Percentage of such excess to Landlord, such amount being hereinafter referred to as "Operating Expense Excess." Operating Expense Excess shall be due within thirty (30) days of the Tenant's receipt of the Landlord's bill therefor. In implementation and not in limitation of the foregoing, Tenant shall remit to Landlord pro rata monthly installments on account of projected Operating Expense Excess, calculated by Landlord on the basis of the most recent Operating Costs data or budget available. Landlord shall, within one hundred twenty (120) days after the end of each Operating Year, deliver to Tenant a reasonably detailed statement ("Year End Statement") of the actual amount of Operating Costs for such Operating Year. If the total of such monthly remittances on account of any Operating Year is greater than the actual Operating Expense Excess for such Operating Year, Tenant may credit the difference against the next installment of rent or other charges due to Landlord hereunder, except that if such difference is determined after the end of the term of this Lease, Landlord shall refund such difference to Tenant within thirty (30) days after such determination to the extent that such difference exceeds any amounts then due from Tenant to Landlord. If the total of such remittances is less than actual Operating Expense Excess for such Operating Year, Tenant shall pay the difference to Landlord within thirty (30) days of Tenant's receipt of Landlord's bill therefor.

9.4 PART YEARS. If any Rent Commencement Date or if the Termination Date occurs in the middle of an Operating Year or Tax Period, Tenant shall be liable for only that portion of the Operating Expense or Tax Excess, as the case may be, in respect of such Operating Year or Tax Period represented by a fraction the numerator of which is the number of days of the herein term (commencing as of the applicable Rent Commencement Date) which falls within the Operating Year or Tax Period and the denominator of which is three hundred sixty-five (365), or the number of days in said Tax Period, as the case may be. Any credit pursuant to Article 9.10 for the years in which any Rent Commencement Date or the Termination Date occur shall be similarly pro-rated.

9.5 EFFECT OF TAKING. In the event of any taking of a portion of the Complex, the Building or the land upon which it stands under circumstances whereby this Lease shall not terminate under the provisions of Article 20 then, for the purposes of determining Tax Excess, there shall be substituted for the Tax Base originally provided for herein a fraction of such Tax Base, the numerator of which fraction shall be the Taxes for the first Tax Period subsequent to the condemnation or taking which takes into account such condemnation or taking, and the denominator of which shall be the Taxes for the last Tax Period prior to the condemnation or taking, which did not take into account such condemnation or taking. Tenant's Building Tax Percentage shall be adjusted appropriately to reflect the proportion of the Premises and the Building remaining after such taking.

9.6 ADJUSTMENT OF OPERATING COSTS BASED UPON OCCUPANCY. If less than ninety-five percent (95%) of the rentable area of the Building shall have been occupied by tenants at any time during any Operating Year (including the Base Year), or if services, for any other reason, are not provided by Landlord to at least ninety-five (95%) percent of the rentable area of the Building, then, at Landlord's election, Building Operating Costs for such Operating Year shall be adjusted to equal the amount which Landlord reasonably determines is the amount Building Operating Costs would have been for such period had occupancy been ninety-five percent (95%) throughout such period, or if such services had been provided to ninety-five (95%) percent of the Building throughout such period, as the case may be.

9.7 EFFECT OF CONVERSION OF COMPLEX TO A CONDOMINIUM. Landlord reserves the right to create a condominium encompassing some or all of the Complex, including the Building. In the event that such a condominium is created, then (i) if the Building shall constitute a separately assessed unit in the condominium, Building Taxes shall thereafter be defined as the amount of Taxes assessed against such unit, and if the Building does not constitute a separately assessed unit, Landlord shall thereafter equitably allocate Taxes to the Building and the Land on a reasonable basis; and (ii) Landlord shall include any condominium fees assessed against the unit containing the premises in Building Operating Costs and Complex Operating Costs, as the case may be, to the extent such fees represent costs which would otherwise be included in Building Operating Costs or Complex Operating Costs. The allocation of any such condominium fees between Building Operating Costs and Complex Operating Costs shall be based on square footage of Total Rentable Area of the premises benefiting from the cost in question, unless Landlord reasonably determines that such allocation should be made on another reasonable basis.

9.8 DISPUTES, ETC. Any disputes arising under this Article 9 may, at the election of either party, be submitted to arbitration as hereinafter provided. Any obligations under this Article 9 which shall not have been paid at the expiration or sooner termination of the term of this Lease shall survive such expiration and shall be paid when and as the amount of same shall be determined and be due.

9.9 TENANT'S AUDIT RIGHTS. Subject to the provisions of this paragraph, Tenant shall have the right, at Tenant's cost and expense, to examine all documentation and calculations prepared in the determination of Operating Expense Excess:

1. Such documentation and calculation shall be made available to Tenant at the offices where Landlord keeps such records during normal business hours within a reasonable time after Landlord receives a written request from Tenant to make such examination.

2. Tenant shall have the right to make such examination no more than once in respect of any period in which Landlord has given Tenant a statement of the actual amount of Operating Costs.

3. Any request for examination in respect of any Operating Year may be made no more than sixty (60) days after Landlord advises Tenant of the actual amount of Operating Costs in respect of such period.

4. Such examination may be made only by a nationally recognized independent certified public accounting firm approved by Landlord, such

approval not to be unreasonably withheld or delayed. Without limiting Landlord's approval rights, Landlord may withhold its approval of any examiner of Tenant who is being paid by Tenant on a contingent fee basis.

5. As a condition to performing any such examination, Tenant and its examiners shall be required to execute and deliver to Landlord an agreement, in form reasonably acceptable to Landlord, agreeing to keep confidential any information which it discovers about Landlord or the Building or the Complex in connection with such examination.

6. If such audit reveals an overcharge of more than five percent (5%), Landlord shall reimburse Tenant the reasonable cost of such audit within thirty (30) days after written demand therefor.

9.10 CREDIT IF OPERATING COSTS AND TAXES ARE LESS THAN THEIR RESPECTIVE BASES.

(a) The provisions of this Article 9.10(a) shall only apply if, with respect to any Operating Year, Tenant is required to pay Operating Expense Excess, but the amount of Tenant's Tax Share for such Operating Year is less than the Tax Base. In such instance, the amount of Operating Expense Excess payable by Tenant for such Operating Year shall be reduced by an amount equal to the amount by which the Tax Base exceeds Tenant's Tax Share for such Operating Year. Since, as of the Execution Date, the method for determining Tenant's Tax Share is determined based upon a fiscal Tax Period commencing as of each July 1 and ending as of the following June 30, Tenant's Tax Share for any Operating Year shall, for the purposes of this Article 9.10(a), be determined based upon the pro-rata portion of the actual amount of Taxes payable in respect of each Tax Period which overlaps such Operating Year. Following are three examples of this calculation:

EXAMPLE 1

(1) For calendar year 2002, the Operating Expense Excess payable by Tenant would be $1,000.00, but for the provisions of this Article 9.10(a), and

(2) For fiscal year 2002 (i.e. July 1, 2001-June 30, 2002), the Tenant's Tax Share is $500.00 LESS than the Tax Base, and

(3) For fiscal year 2003 (i.e. July 1, 2002-June 30, 2003), the Tenant's Tax Share is $200.00 MORE than the Tax Base, then,

(4) The amount of Operating Expense Excess payable by Tenant for calendar year 2002 shall be reduced by $150.00 pursuant to this Article 9.10(a) (the reduction amount being equal to 50% of the amount by which Tenant's Tax Share is LESS than the Tax Base for fiscal year 2002 [$250.00] MINUS 50% of the amount by which Tenant's Tax Share for fiscal year 2003 is MORE than the Tax Base [$100.00]).

EXAMPLE 2

(1) For calendar year 2002, the Operating Expense Excess payable by Tenant would be $1,000.00, but for the provisions of this Article 9.10(a), and

(2) For fiscal year 2002 (i.e. July 1, 2001-June 30, 2002), the Tenant's Tax Share is $400.00 LESS than the Tax Base, and

(3) For fiscal year 2003 (i.e. July 1, 2002-June 30, 2003), the Tenant's Tax Share is $300.00 LESS than the Tax Base, then,

(4) The amount of Operating Expense Excess payable by Tenant for calendar year 2002 shall be reduced by $350.00 pursuant to this Article 9.10(a) (the reduction amount being equal to 50% of the amount by which Tenant's Tax Share is LESS than the Tax Base for fiscal year 2002 [$200.00] PLUS 50% of the amount by which Tenant's Tax Share for fiscal year 2003 is LESS than the Tax Base [$150.00]).

EXAMPLE 3

(1) For calendar year 2002, the Operating Expense Excess payable by Tenant would be $1,000.00, but for the provisions of this Article 9.10(a), and

(2) For fiscal year 2002 (i.e. July 1, 2001-June 30, 2002), the Tenant's Tax Share is $300.00 LESS than the Tax Base, and

(3) For fiscal year 2003 (i.e. July 1, 2002-June 30, 2003), the Tenant's Tax Share is $600.00 MORE than the Tax Base, then,

(4) The amount of Operating Expense Excess payable by Tenant for calendar year 2002 shall not be reduced pursuant to this Article 9.10(a) (the reduction amount being equal to 50% of the amount by which Tenant's Tax Share is LESS than the Tax Base for fiscal year 2002 [$150.00] MINUS 50% of the amount by which Tenant's Tax Share for fiscal year 2003 is MORE than the Tax Base [$300.00], but never less than zero).

(b) The provisions of this Article 9.10(b) shall only apply if, with respect to any Tax Period, Tenant is required to pay Tax Excess, but the amount of Tenant's Building Operating Cost Percentage of Building Operating Costs ("Tenant's Operating Share") for such Tax Period is less than the Operating Cost Base. In such event, the amount of Tax Excess payable by Tenant for such Tax Period shall be reduced by an amount equal to the amount by which the Operating Cost Base exceeds Tenant's Operating Share for such Tax Period. Since, as of the Execution Date, the method for determining Tenant's Tax Share is determined based upon a fiscal Tax Period commencing as of each July 1 and ending as of the following June 30, Tenant's Operating Share for any Tax Period shall, for the purposes of this Article 9.10(b), be determined based upon the pro-rata portion of the actual amount of Tenant's Operating Share payable in respect of each Operating Year which overlaps such Tax Period Year. Following are three examples of this calculation:

EXAMPLE 1

(1) For fiscal year 2003 (i.e. July 1, 2002-June 30, 2003), the Tax Excess payable by Tenant would be $1,000.00, but for the provisions of this Article 9.10(b), and

(2) For calendar year 2002, the Tenant's Operating Share is $500.00 LESS than the Operating Cost Base, and

(3) For calendar year 2003, the Tenant's Operating Share is $200.00 MORE than the Operating Cost Base, then,

(4) The amount of Tax Excess payable by Tenant for fiscal year 2003 shall be reduced by $150.00 pursuant to this Article 9.10(b) (the reduction amount being equal to 50% of the amount by which Tenant's Operating Share is LESS than the Operating Cost Base for calendar year 2002 [$250.00] MINUS 50% of the amount by which Tenant's Operating Share for calendar year 2003 is MORE than the Operating Cost Base [$100.00]).

EXAMPLE 2

(1) For fiscal year 2003 (i.e. July 1, 2002-June 30, 2003), the Tax Excess payable by Tenant would be $1,000.00, but for the provisions of this Article 9.10(b), and

(2) For calendar year 2002, the Tenant's Operating Share is $400.00 LESS than the Operating Cost Base, and

(3) For calendar year 2003, the Tenant's Operating Share is $300.00 LESS than the Operating Cost Base, then,

(4) The amount of Tax Excess payable by Tenant for fiscal year 2003 shall be reduced by $350.00 pursuant to this Article 9.10(b) (the reduction amount being equal to 50% of the amount by which Tenant's Operating Share is LESS than the Operating Cost Base for calendar year 2002 [$200.00] PLUS 50% of the amount by which Tenant's Operating Share for calendar year 2003 is LESS than the Operating Cost Base [$150.00]).

EXAMPLE 3

(1) For fiscal year 2003 (i.e. July 1, 2002-June 30, 2003), the Tax Excess payable by Tenant would be $1,000.00, but for the provisions of this Article 9.10(b), and

(2) For calendar year 2002, the Tenant's Operating Share is $300.00 LESS than the Operating Cost Base, and

(3) For calendar year 2003, the Tenant's Operating Share is $600.00 MORE than the Operating Cost Base, then,

(4) The amount of Tax Excess payable by Tenant for fiscal year 2003 shall not be reduced pursuant to this Article 9.10(b) (the reduction amount being equal to 50% of the amount by which Tenant's Operating Share is LESS than the Operating Cost Base for calendar year 2002 [$150.00] MINUS 50% of the amount by which Tenant's Operating Share for calendar year 2003 is MORE than the Operating Cost Base [$300.00], but never less than zero).

10. CHANGES OR ALTERATIONS BY LANDLORD

Landlord reserves the right, exercisable by itself or its nominee, at any time and from time to time without the same constituting an actual or constructive eviction and without incurring any liability to Tenant therefor or otherwise affecting Tenant's obligations under this Lease, to make such changes, alterations, additions, improvements, repairs or replacements in or to the Building (including the Premises) 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, and to change the arrangement and/or location of entrances or passageways, doors and doorways, and corridors, elevators, stairs, toilets, or other public parts of the Building, provided, however, that there be no unreasonable obstruction of the right of access to, or unreasonable interference with the use and enjoyment of, the Premises by Tenant. Nothing contained in this Article 10 shall be deemed to relieve Tenant of any duty, obligation or liability of Tenant with respect to making any repair, replacement or improvement or complying with any law, order or requirement of any governmental or other authority. Landlord reserves the right to adopt and at any time and from time to time to change the name or address of the Building. After the initial change of the name and address of the Building, Landlord shall provide to Tenant at least six (6) months' prior written notice of any subsequent change of the name or address of the Building. Neither this Lease nor any use by Tenant shall give Tenant any right or easement for the use of any door or any passage or any concourse connecting with any other building or to any public convenience, and the use of such doors, passages and concourses and of such conveniences may be regulated or discontinued at any time and from time to time by Landlord without notice to Tenant and without affecting the obligation of Tenant hereunder or incurring any liability to Tenant therefor, provided, however, that there be no unreasonable obstruction of the right of access to, or unreasonable interference with the use of the Premises by Tenant.

If at any time any windows of the Premises are temporarily closed or darkened for any reason whatsoever including but not limited to, Landlord's own acts, Landlord shall not be liable for any damage Tenant may sustain thereby and Tenant shall not be entitled to any compensation therefor nor abatements of rent nor shall the same release Tenant from its obligations hereunder nor constitute an eviction.

Subject to the provisions of Article 8.8(b) hereof, during the performance of demolition or renovation of existing buildings and construction of new buildings by Landlord in the Complex, Landlord, its agents, employees and contractors shall use reasonable efforts to minimize any interference with Tenant's use and occupancy of the Premises.

11. FIXTURES, EQUIPMENT AND IMPROVEMENTS--REMOVAL BY TENANT

All fixtures, equipment, improvements and appurtenances attached to or built into the Premises prior to or during the term, whether by Landlord at its expense or at the expense of Tenant (either or both) or by Tenant shall be and remain part of the Premises and shall not be removed by Tenant during or at the end of the term unless Landlord otherwise elects to require Tenant to remove such fixtures, equipment, improvements and appurtenances, in accordance with Articles 12 and/or 22 of the Lease; provided, however, that Tenant shall have the right to remove (at Tenant's expense) the items of Tenant's Removable Property listed on Exhibit 8, attached hereto, provided that such removal shall not materially damage the Premises or the

Building and that the cost of repairing any damage to the Premises or the Building arising from installation or such removal shall be paid by Tenant. All electric, plumbing, heating and sprinkling systems, fixtures and outlets, vaults, paneling, molding, shelving, radiator enclosures, cork, rubber, linoleum and composition floors, ventilating, silencing, air conditioning and cooling equipment, shall be deemed to be included in such fixtures, equipment, improvements and appurtenances, whether or not attached to or built into the Premises. Where not built into the Premises, all removable electric fixtures, carpets, drinking or tap water facilities, furniture, or trade fixtures or business equipment or Tenant's inventory or stock in trade shall not be deemed to be included in such fixtures, equipment, improvements and appurtenances and may be, and upon the request of Landlord will be, removed by Tenant upon the condition that such removal shall not materially damage the Premises or the Building and that the cost of repairing any damage to the Premises or the Building arising from installation or such removal shall be paid by Tenant. If this Lease shall be terminated by reason of Tenant's breach or default, then, notwithstanding anything to the contrary in this Lease contained, Landlord shall have a lien against all Tenant's property in the Premises or elsewhere in the Building at the time of such termination to secure Landlord's rights under Article 21 hereof. Tenant shall, within ten (10) days of Landlord's written request, from time to time, execute and deliver to Landlord such documentation (e.g., UCC statements) as may be necessary to enable Landlord to perfect such lien.

12. ALTERATIONS AND IMPROVEMENTS BY TENANT

Tenant shall make no alterations, decorations, installations, removals, additions or improvements in or to the Premises without Landlord's prior written consent and then only those made by contractors or mechanics approved by Landlord. No installations or work shall be undertaken or begun by Tenant until: (i) Landlord has approved written plans and specifications and a time schedule for such work; (ii) Tenant has made provision for either written waivers of liens from all contractors, laborers and suppliers of materials for such installations or work, the filing of lien bonds on behalf of such contractors, laborers and suppliers, or other appropriate protective measures approved by Landlord and reasonably and customarily required by other landlords of first class office buildings in Cambridge, Massachusetts for work of the type being performed; and (iii) where the cost of such work exceeds $300,000.00 in any one instance, Tenant has procured appropriate surety payment and performance bonds. No amendments or additions to such plans and specifications shall be made without the prior written consent of Landlord. Landlord's consent and approval required under this Article 12 shall not be unreasonably withheld. Landlord's approval is solely given for the benefit of Landlord and neither Tenant nor any third party shall have the right to rely upon Landlord's approval of Tenant's plans for any purpose whatsoever. Without limiting the foregoing, Tenant shall be responsible for all elements of the design of Tenant's plans (including, without limitation, compliance with law, functionality of design, the structural integrity of the design, the configuration of the Premises and the placement of Tenant's furniture, appliances and equipment), and Landlord's approval of Tenant's plans shall in no event relieve Tenant of the responsibility for such design. Landlord shall have no liability or responsibility for any claim, injury or damage alleged to have been caused by the particular materials, whether building standard or non-building standard, appliances or equipment selected by Tenant in connection with any work performed by or on behalf of Tenant in the Premises including, without limitation, furniture, carpeting, copiers, laser printers, computers and refrigerators. Any such work, alterations, decorations, installations, removals, additions and improvements shall be done at Tenant's sole expense and at such times and in such manner as Landlord may from time to time

designate. If Tenant shall make any alterations, decorations, installations, removals, additions or improvements to the Premises, then Landlord may elect to require the Tenant at the expiration or sooner termination of the term of this Lease to restore the Premises to substantially the same condition as existed at the Full Rent Commencement Date. Landlord agrees to make such election at the time that Landlord approves Tenant's plans for any such alterations, etc., if Tenant requests in writing that Landlord make such election at the time that Tenant requests Landlord's approval of such alterations, etc.

Tenant shall have the right, during the term of the Lease, to use the internal stairwells of the Building to provide access for Tenant's employees between the floors of the Premises provided that (i) such use is permitted by applicable law, (ii) Landlord shall, if required by applicable laws, rules, orders and regulations, install a card key access system for the doors to and from such stairwells, and (iii) Tenant shall reimburse Landlord, as additional rent, or shall use a portion of the Landlord Allowance, for the costs incurred by Landlord to install such card key access system.

Notwithstanding anything to the contrary herein contained, Tenant shall have the right, without obtaining Landlord's consent, to make interior nonstructural alterations, additions, or improvements, provided however that Tenant:

(i) shall give prior written notice to Landlord of such alterations, additions or improvements;

(ii) Tenant shall submit to Landlord plans for such alterations, additions or improvements if Tenant utilizes plans for such alterations, additions or improvements, and

(iii) that such alterations, additions or improvements shall not materially, adversely affect any of the Building's systems, or the ceiling of the Premises.

13. TENANT'S CONTRACTORS--MECHANICS' AND OTHER LIENS--STANDARD OF TENANT'S PERFORMANCE--COMPLIANCE WITH LAWS

Whenever Tenant shall make any alterations, decorations, installations, removals, additions or improvements in or to the Premises--whether such work be done prior to or after the Term Commencement Date--Tenant will strictly observe the following covenants and agreements:

(a) Tenant agrees that it will not, either directly or indirectly, use any contractors and/or materials if their use will create any difficulty, whether in the nature of a labor dispute or otherwise, with other contractors and/or labor engaged by Tenant or Landlord or others in the construction, maintenance and/or operation of the Building or any part thereof.

(b) In no event shall any material or equipment be incorporated in or added to the Premises, so as to become a fixture or otherwise a part of the Building, in connection with any such alteration, decoration, installation, addition or improvement which is subject to any lien, charge, mortgage or other encumbrance of any kind whatsoever or is subject to any security interest or any form of title retention agreement. No installations or work shall be undertaken or

begun by Tenant until (i) Tenant has made provision for written waiver of liens from all contractors, laborers and suppliers of materials for such installations or work, and taken other appropriate protective measures approved by Landlord; and (ii) Tenant has procured appropriate surety payment and performance bonds which shall name Landlord as an additional obligee and has filed lien bond(s) (in jurisdictions where available) on behalf of such contractors, laborers and suppliers. Any mechanic's lien filed against the Premises or the Building for work claimed to have been done for, or materials claimed to have been furnished to, Tenant shall be discharged by Tenant within ten (10) days thereafter, at Tenant's expense by filing the bond required by law or otherwise. If Tenant fails so to discharge any lien, Landlord may do so at Tenant's expense and Tenant shall reimburse Landlord for any expense or cost incurred by Landlord in so doing within fifteen (15) days after rendition of a bill therefor. Notwithstanding the foregoing, Tenant shall have the right to grant security interests and/or to lease its business equipment and personal property in the Premises which were not paid for in whole or in part by the Landlord Allowance, provided that such lessor or secured party agrees:

1. That it will repair any damage to the Building or the Premises caused by the installation or removal of any such equipment or personal property;

2. That it will give Landlord not less than five (5) days advance written notice prior to making any entry into the Premises;

3. That it will not hold any auction or foreclosure sale on the Premises; and

4. That it will have the right to remove such equipment or property only during the term of this Lease.

(c) All installations or work done by Tenant shall be at its own expense and shall at all times comply with (i) laws, rules, orders and regulations of governmental authorities having jurisdiction thereof; (ii) orders, rules and regulations of any Board of Fire Underwriters, or any other body hereafter constituted exercising similar functions, and governing insurance rating bureaus; (iii) Rules and Regulations of Landlord; and (iv) plans and specifications prepared by and at the expense of Tenant theretofore submitted to and approved by Landlord. Notwithstanding any other provision of this Lease, Tenant shall not be responsible for compliance with any laws, regulations, or the like requiring (i) structural repairs or modifications or (ii) repairs or modifications to the utility or building service equipment or (iii) installation of new building service equipment, such as fire detection or suppression equipment, unless such repairs, modifications, or installations shall be (a) due to Tenant's particular use or manner of use of the Premises (as opposed to office use generally), (b) due to the negligence or willful misconduct of Tenant or any agent, employee, or contractor of Tenant, or (c) due to alterations, additions or installations by or on behalf of Tenant.

(d) Tenant shall procure all necessary permits before undertaking any work in the Premises; do all of such work in a good and workmanlike manner, employing materials of good quality and complying with all governmental requirements; and defend, save harmless, exonerate and indemnify Landlord from all injury, loss or damage to any person or property occasioned by or growing out of such work. Tenant shall cause contractors employed by Tenant to carry Worker's Compensation Insurance in accordance with statutory requirements,

Automobile Liability Insurance and, naming Landlord as an additional insured, Commercial General Liability Insurance covering such contractors on or about the Premises in the amounts stated in Article 15 hereof or in such other reasonable amounts as Landlord shall require and to submit certificates evidencing such coverage to Landlord prior to the commencement of such work.

14. REPAIRS BY TENANT--FLOOR LOAD

14.1 REPAIRS BY TENANT. Tenant shall keep all and singular the Premises neat and clean (including periodic rug shampoo and waxing of tiled floors and cleaning of blinds and drapes) and in such repair, order and condition as the same are in on the Term Commencement Date or may be put in during the term hereof, reasonable use and wearing thereof and damage by fire or by other casualty excepted. Tenant shall be solely responsible for the proper maintenance of all equipment and appliances operated by Tenant, including, without limitation, copiers, laser printers, computers and refrigerators. Tenant shall make, as and when needed as a result of misuse by, or neglect or improper conduct of, Tenant or Tenant's servants, employees, agents, contractors, invitees, or licensees or otherwise, all repairs in and about the Premises necessary to preserve them in such repair, order and condition, which repairs shall be in quality and class equal to the original work. Landlord may elect, at the expense of Tenant, to make any such repairs or to repair any damage or injury to the Building or the Premises caused by moving property of Tenant in or out of the Building, or by installation or removal of furniture or other property, or by misuse by, or neglect, or improper conduct of, Tenant or Tenant's servants, employees, agents, contractors, or licensees.

14.2 FLOOR LOAD--HEAVY MACHINERY. Tenant shall not place a load upon any floor of the Premises exceeding the floor load per square foot of area which such floor was designed to carry and which is allowed by law. Landlord reserves the right to prescribe the weight and position of all business machines and mechanical equipment, including safes, which shall be placed so as to distribute the weight. Business machines and mechanical equipment shall be placed and maintained by Tenant at Tenant's expense in settings sufficient in Landlord's judgment to absorb and prevent vibration, noise and annoyance. Tenant shall not move any safe, heavy machinery, heavy equipment, freight, bulky matter, or fixtures into or out of the Building without Landlord's prior written consent. If such safe, machinery, equipment, freight, bulky matter or fixtures requires special handling, Tenant agrees to employ only persons holding a Master Rigger's License to do said work, and that all work in connection therewith shall comply with applicable laws and regulations. Any such moving shall be at the sole risk and hazard of Tenant and Tenant will defend, indemnify and save Landlord harmless against and from any liability, loss, injury, claim or suit resulting directly or indirectly from such moving. Proper placement of all such business machines, etc., in the Premises shall be Tenant's responsibility.

15. INSURANCE, INDEMNIFICATION, EXONERATION AND EXCULPATION

15.1 GENERAL LIABILITY INSURANCE. Tenant shall procure, and keep in force and pay for Commercial General Liability Insurance insuring Tenant on an occurrence basis against all claims and demands for personal injury liability (including, without limitation, bodily injury, sickness, disease, and death) or damage to property which may be claimed to have occurred from and after the time Tenant and/or its contractors enter the Premises in accordance with Article 4 of this Lease, of not less than Two Million ($2,000,000) Dollars in the event of personal injury to any number of persons or damage to property, arising out of any one occurrence, and from time

to time thereafter shall be not less than such higher amounts, if procurable, as may be reasonably required by Landlord and are customarily carried by responsible similar tenants in the City or Town wherein the Building is located.

15.2 CERTIFICATES OF INSURANCE. Such insurance shall be effected with insurers approved by Landlord, authorized to do business in the State wherein the Building is situated under valid and enforceable policies wherein Tenant names Landlord and Landlord's managing agent as additional insureds. Such insurance shall provide that it shall not be canceled or modified without at least thirty (30) days' prior written notice to each insured named therein. On or before the time Tenant and/or its contractors enter the Premises in accordance with Articles 4 and 14 of this Lease and thereafter not less than fifteen (15) days prior to the expiration date of each expiring policy, original copies of the policies provided for in Article 15.1 issued by the respective insurers, or certificates of such policies setting forth in full the provisions thereof and issued by such insurers together with evidence satisfactory to Landlord of the payment of all premiums for such policies, shall be delivered by Tenant to Landlord and certificates as aforesaid of such policies shall upon request of Landlord, be delivered by Tenant to the holder of any mortgage affecting the Premises.

15.3 GENERAL. Tenant will save Landlord, its agents and employees, harmless and will exonerate, defend and indemnify Landlord, its agents and employees, from and against any and all claims, liabilities or penalties asserted by or on behalf of any person, firm, corporation or public authority arising from the Tenant's breach of the Lease or:

(a) On account of or based upon any injury to person, or loss of or damage to property, sustained or occurring on the Premises on account of or based upon the act, omission, fault, negligence or misconduct of any person whomsoever (except to the extent the same is caused by Landlord, its agents, contractors or employees);

(b) On account of or based upon any injury to person, or loss of or damage to property, sustained or occurring elsewhere (other than on the Premises) in or about the Building (and, in particular, without limiting the generality of the foregoing, on or about the elevators, stairways, public corridors, sidewalks, concourses, arcades, malls, galleries, vehicular tunnels, approaches, areaways, roof, or other appurtenances and facilities used in connection with the Building or Premises) to the extent arising out of the use or occupancy of the Building or Premises by the Tenant, or by any person claiming by, through or under Tenant, to the extent on account of or based upon the fault, negligence or misconduct of Tenant, its agents, employees or contractors; and

(c) On account of or based upon (including monies due on account of) any work or thing whatsoever done (other than by Landlord or its contractors, or agents or employees of either) on the Premises during the term of this Lease and during the period of time, if any, prior to the Term Commencement Date that Tenant may have been given access to the Premises.

(d) Tenant's obligations under this Article 15.3 shall be insured either under the Commercial General Liability Insurance required under Article 15.1, above, or by a contractual insurance rider or other coverage; and certificates of insurance in respect thereof shall be provided by Tenant to Landlord upon request.

(e) Except as set forth in this Article 15.3(e), Tenant shall not be liable to Landlord for consequential damages. Notwithstanding the foregoing, in the event that Tenant is required to indemnify Landlord against the claim of a third party pursuant to this Article 15.3, and if such third party recovers a judgment against Landlord for consequential damages based upon the negligence or willful misconduct of Tenant, its contractors, agents or employees, Tenant shall be liable for such consequential damages suffered by such third party. The foregoing shall not limit Landlord's right to recover damages in accordance with Article 21.3 (x) or (y) or to recover damages in accordance with the last paragraph of Article 22 as the result of a holdover by Tenant in the premises beyond the term of the Lease.

15.4 PROPERTY OF TENANT. In addition to and not in limitation of the foregoing, Tenant covenants and agrees that, to the maximum extent permitted by law, all merchandise, furniture, fixtures and property of every kind, nature and description related or arising out of Tenant's leasehold estate hereunder, which may be in or upon the Premises or Building, in the public corridors, or on the sidewalks, areaways and approaches adjacent thereto, shall be at the sole risk and hazard of Tenant, and that if the whole or any part thereof shall be damaged, destroyed, stolen or removed from any cause or reason whatsoever no part of said damage or loss shall be charged to, or borne by, Landlord, except, subject to Article 19 hereof, to the extent such damage or loss is due to the negligence or willful misconduct of Landlord or Landlord's agents, employees or contractors, in which case Landlord shall bear loss or damage only to "ordinary office property" (as hereinafter defined). For the purpose of this Article 15.4, "ordinary office property" shall mean merchandise, furniture, and other tangible personal property of the kind and quantity which may customarily be expected to be found within comparable business offices in the greater Cambridge area, and excluding any unusually valuable or exotic property, works of art, and the like.

15.5 BURSTING OF PIPES, ETC. Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, air contaminants or emissions, electricity, electrical or electronic emanations or disturbance, water, rain or snow or leaks from any part of the Building or from the pipes, appliances, equipment or plumbing works or from the roof, street or sub-surface or from any other place or caused by dampness, vandalism, malicious mischief or by any other cause of whatever nature, unless caused by or due to the negligence of Landlord, its agents, servants or employees, and then, where notice and an opportunity to cure are appropriate (i.e., where Tenant has an opportunity to know or should have known of such condition sufficiently in advance of the occurrence of any such injury or damage resulting therefrom as would have enabled Landlord to prevent such damage or loss had Tenant notified Landlord of such condition) only after (i) notice to Landlord of the condition claimed to constitute negligence and (ii) the expiration of a reasonable time after such notice has been received by Landlord without Landlord having taken all reasonable and practicable means to cure or correct such condition; and pending such cure or correction by Landlord, Tenant shall take all reasonably prudent temporary measures and safeguards to prevent any injury, loss or damage to persons or property. In no event shall Landlord be liable for any loss, the risk of which is covered by Tenant's insurance or is required to be so covered by this Lease; nor shall Landlord or its agents be liable for any such damage caused by other tenants or persons in the Building or caused by operations in construction of any private, public, or quasi-public work; nor shall Landlord be liable for any latent defect in the Premises or in the Building; provided however, that: (i) the foregoing shall not limit Landlord's obligation to repair any latent defect in Landlord's Work of which Tenant gives Landlord written notice within the time period required pursuant to Article 4.8, and (ii) the foregoing shall not relieve Landlord of its obligation to

perform maintenance and repairs pursuant to Article 8.7. Landlord shall cooperate with Tenant in such manner as Tenant shall reasonably request in the event that Tenant suffers any loss or damage by reason of any such latent defect so that Tenant shall be able to prosecute any claim which it may have against the contractor and/or material supplier responsible for such latent defect. Without limiting the foregoing, Landlord shall assign its right to Tenant against any such contractor and/or material supplier, if necessary to enable Tenant to prosecute its claim against any such contractor and/or material supplier.

15.6 REPAIRS AND ALTERATIONS--NO DIMINUTION OF RENTAL VALUE. Except as otherwise provided in Article 18, there shall be no allowance to Tenant for diminution of rental value and no liability on the part of Landlord by reason of inconvenience, annoyance or injury to Tenant arising from any repairs, alterations, additions, replacements or improvements made by Landlord, or any related work, Tenant or others in or to any portion of the Building or Premises or any property adjoining the Building, or in or to fixtures, appurtenances, or equipment thereof, or for failure of Landlord or others to make any repairs, alterations, additions or improvements in or to any portion of the Building, or of the Premises, or in or to the fixtures, appurtenances or equipment thereof.

16. ASSIGNMENT, MORTGAGING AND SUBLETTING

A. Tenant covenants and agrees that neither this Lease nor the term and estate hereby granted, nor any interest herein or therein, will be assigned, mortgaged, pledged, encumbered or otherwise transferred, voluntarily, by operation of law or otherwise, and that neither the Premises, nor any part thereof will be encumbered in any manner by reason of any act or omission on the part of Tenant, or used or occupied, or permitted to be used or occupied, or utilized for desk space or for mailing privileges, by anyone other than Tenant, or for any use or purpose other than as stated in Exhibit 1, or be sublet, or offered or advertised for subletting.

B. Notwithstanding anything to the contrary in the Lease contained, except to the extent set forth in Paragraph C below:

1. Tenant shall, prior to offering or advertising the Premises, or any portion thereof for sublease or assignment give Landlord a Recapture Offer, as hereinafter defined.

2. For the purposes hereof a "Recapture Offer" shall be defined as a notice in writing from Tenant to Landlord which:

   (a) States that Tenant desires to sublet the Premises, or a portion thereof, or to assign its interest in this Lease.

   (b) Identifies the affected portion of the Premises ("Recapture Premises").

   (c) Identifies the period of time ("Recapture Period") during which Tenant proposes to sublet the Recapture Premises or to assign its interest in the Lease.

(d) Offers to Landlord to terminate the Lease in respect of the Recapture Premises (in the case of a proposed assignment of Tenant's interest in the Lease or a subletting for the remainder of the term of the Lease) or to suspend the term of the Lease PRO TANTO in respect of the Recapture Period (i.e. the term of the Lease in respect of the Recapture Premises shall be terminated during the Recapture Period and Tenant's rental obligations shall be reduced in proportion to the ratio of the Total Rentable Area of the Recapture Premises to the Total Rentable Area of the Premises then demised to Tenant).

3. Landlord shall have twenty-one (21) business days to accept a Recapture Offer. If Landlord does not timely give written notice to Tenant accepting a Recapture Offer, then Landlord agrees that, subject to Subparagraph 5 of this Paragraph B, it will not unreasonably withhold or delay its consent to a sublease of the Recapture Premises for the Recapture Period, or an assignment of Tenant's interest in the Lease, as the case may be, to a Qualified Transferee, as hereinafter defined.

4. For the purposes hereof, a "Qualified Transferee" shall be defined as a person, firm or corporation which, in Landlord's reasonable opinion:

(a) is financially responsible and of good reputation (recognizing that Akamai Technologies, Inc. remains liable hereunder); and

(b) is engaged in a business, the functional aspects of which, with respect to the Premises, are similar to the use of other Premises made by other office space tenants in the Building.

5. In the event that the proposed assignee or sublessee is then a tenant or subtenant of other premises in the Building or the Complex (an "Existing Tenant"), then Tenant's written request for Landlord's consent to a sublease or assignment to such entity shall be deemed to constitute a second Recapture Offer to Landlord with respect to such proposed sublease or assignment, except that Landlord shall have seven (7) calendar days from the receipt of Tenant's written request for consent to such proposed sublease or assignment in which to give Tenant written notice that Landlord accepts such Recapture Offer.

6. Notwithstanding anything to the contrary in this Paragraph B contained:

(a) If Tenant is in default of its obligations under the Lease at the time that it makes the aforesaid offer to Landlord, such default shall be deemed to be a "reasonable" reason for Landlord withholding its consent to any proposed subletting or assignment; and

(b) If Tenant does not enter into a sublease with a subtenant (or an assignment to an assignee, as the case may be) approved by Landlord, as aforesaid, on or before the date which is one hundred eighty (180) days after the earlier of: (x) the expiration of said twenty-one (21) business day period, or (y) the date that Landlord notifies Tenant that Landlord will not accept Tenant's offer to terminate or suspend the Lease, then Landlord shall have the right arbitrarily to withhold its consent to any subletting or assignment proposed to be entered into by Tenant after the expiration of said one hundred eighty (180) day period unless Tenant again offers, in accordance with this Paragraph B, either to terminate or to suspend the Lease in respect of the portion of the Premises proposed to be sublet (or in respect of the entirety of the Premises in the event of a proposed assignment, as the case may be). If Tenant shall make any subsequent offers to terminate or suspend the Lease pursuant to this Paragraph B, any such subsequent offers shall be treated in all respects as if it is Tenant's first offer to suspend or terminate the Lease pursuant to this Paragraph B, provided that the period of time Landlord shall have in which to accept or reject such subsequent offer shall be fourteen (14) business days.

7. Notwithstanding anything to the contrary herein contained, except in connection with a Protected Sublease, as defined in Subparagraph 8 of this Paragraph B, Tenant shall have no right, under this Paragraph B hereof, prior to the date that is the earlier of (i) one (1) year after the Full Rent Commencement Date, and (ii) the date when Buildings 100, 300 and 700 are one hundred percent (100%) leased.

8. Notwithstanding the foregoing, Tenant shall have the right to sublease up to 35,696 square feet of Rentable Floor Area, in the aggregate, of the Premises for a term not in excess of forty-two months (a "Protected Sublease") without the requirement of giving Landlord a Recapture Notice with respect thereto, and without being subject to the provisions of Paragraph (7) above. Such Protected Sublease shall, however, require Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed for a sublease to a Qualified Transferee, as defined in Paragraph (4) above, and shall be subject to the provisions of

Paragraph (5) above allowing Landlord to recapture the relevant portion of the Premises in connection with subleases or assignments to Existing Tenants. Tenant shall pay Landlord 50% of the net (i.e., net of the reasonable and customary brokerage, legal, design and construction costs incurred by Tenant in connection with such Protected Sublease) amount of all rent and other consideration which Tenant receives as a result of a Protected Sublease that is in excess of the rent payable to Landlord for the portion of the Premises and Term covered by the Transfer. Tenant shall pay Landlord for Landlord's share of any excess within ten (10) days after Tenant's receipt of such excess consideration.

9. No subletting or assignment shall relieve Tenant of its primary obligation as party-Tenant hereunder, nor shall it reduce or increase Landlord's obligations under the Lease.

C. Notwithstanding anything to the contrary herein contained, Tenant shall have the right, without obtaining Landlord's consent and without giving Landlord a Recapture Offer, to assign its interest in this Lease and to sublease the premises, or any portion thereof, to an Affiliated Entity, as hereinafter defined, so long as such entity remains in such relationship to Tenant, and provided that prior to or simultaneously with such assignment or sublease, such Affiliated Entity executes and delivers to Landlord an Assumption Agreement, as hereinabove defined. For the purposes hereof, an "Affiliated Entity" shall be defined as any entity which is controlled by, is under common control with, or which controls Tenant. Notwithstanding anything to the contrary herein contained, it is hereby expressly understood and agreed, however, that if Tenant is a corporation, that the assignment or transfer of this Lease, and the term and estate hereby granted, to any corporation into which Tenant is merged or with which Tenant is consolidated or which acquires all or substantially all of its stock or assets which corporation shall have a net worth at least equal to that of Tenant immediately prior to such merger or consolidation (such corporation being hereinafter called "Assignee"), shall not be deemed to be prohibited hereby, or to require Landlord's consent, or to require the furnishing of a Recapture Offer, if, and upon the express condition that Assignee and Tenant shall promptly execute, acknowledge and deliver to Landlord an agreement in form and substance satisfactory to Landlord whereby Assignee shall agree to be independently bound by and upon all the covenants, agreements, terms, provisions and conditions set forth in this Lease on the part of Tenant to be performed, and whereby Assignee shall expressly agree that the provisions of this Article 16 shall, notwithstanding such assignment or transfer, continue to be binding upon it with respect to all future assignments and transfers.

D. If Tenant is an individual who uses and/or occupies the Premises with partners, or if Tenant is a partnership, then:

(i) Each present and future partner shall be personally bound by and upon all of the covenants, agreements, terms, provisions and conditions set forth in this Lease on the part of Tenant to be performed; and

(ii) In confirmation of the foregoing, Landlord may (but without being required to do so) request (and Tenant shall duly comply) that Tenant, at the time that Tenant admits any new partner to its partnership, shall require each such new partner to execute an agreement in form and substance satisfactory to Landlord whereby such new partner shall agree to be personally bound by and upon all of the covenants, agreements, terms, provisions and conditions of this Lease on the part of Tenant to be performed, without regard to the time when such new partner is admitted to partnership or when any obligations under any such covenants, etc., accrue.

E. The listing of any name other than that of Tenant, whether on the doors of the Premises or on the Building directory, or otherwise, shall not operate to vest in any such other person, firm or corporation any right or interest in this Lease or in the Premises or be deemed to effect or evidence any consent of Landlord, it being expressly understood that any such listing is a privilege extended by Landlord revocable at will by written notice to Tenant.

F. If this Lease be assigned, or if the Premises or any part thereof be sublet or occupied by anybody other than Tenant, Landlord may, at any time and from time to time, collect rent and other charges from the assignee, subtenant or occupant, and apply the net amount collected to the rent and other charges herein reserved then due and thereafter becoming due, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as a tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. Any consent by Landlord to a particular assignment or subletting shall not in any way diminish the prohibition stated in the first sentence of this Article 16 or the continuing liability of the Tenant named on Exhibit 1 as the party Tenant under this Lease. No assignment or subletting shall affect the purpose for which the Premises may be used as stated in Exhibit 1.

G. Tenant agrees that in no event shall this Lease be assigned, or all or any portion of the Premises be sublet, to any of the following entities: Gardner Group, Inc.; META Group, Inc.; GIGA Information Group, Inc.; Jupiter Communications; The Yankee Group, a subsidiary of Primark Corporation; Odyssey Research; and Mainspring Communications, Inc.

17. MISCELLANEOUS COVENANTS

Tenant covenants and agrees as follows:

17.1 RULES AND REGULATIONS. Tenant will faithfully observe and comply with the Rules and Regulations, if any, annexed hereto and such other and further reasonable Rules and Regulations as Landlord hereafter at any time or from time to time may make and may communicate in writing to Tenant, which in the reasonable judgment of Landlord shall be necessary for the reputation, safety, care or appearance of the Building, or the preservation of good order therein, or the operation or maintenance of the Building, or the equipment thereof, or the comfort of tenants or others in the Building, provided, however, that in the case of any conflict between the provisions of this Lease and any such regulations, the provisions of this Lease shall control, and provided further that nothing contained in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations or the terms, covenants or conditions in any other lease as against any other tenant and Landlord shall not be liable to Tenant for violation of the same by any other tenant, its servants, employees, agents, contractors, visitors, invitees or licensees. Notwithstanding anything to the contrary in

this Lease contained, Landlord agrees that it will not enforce said Rules and Regulations against Tenant in a discriminatory or arbitrary manner.

17.2 ACCESS TO PREMISES--SHORING. Tenant shall: (i) permit Landlord to erect, use and maintain pipes, ducts and conduits in and through the Premises, provided the same do not materially reduce the floor area or materially adversely affect the appearance thereof; (ii) upon reasonable prior oral notice (except that no notice shall be required in emergency situations), permit Landlord and any mortgagee of the Building or the Building and land or of the interest of Landlord therein, and any lessor under any ground or underlying lease, and their representatives, to have free and unrestricted access to and to enter upon the Premises at all reasonable hours for the purposes of inspection or of making repairs, replacements or improvements in or to the Premises or the Building or equipment (including, without limitation, sanitary, electrical, heating, air conditioning or other systems) or of complying with all laws, orders and requirements of governmental or other authority or of exercising any right reserved to Landlord by this Lease (including the right during the progress of any such repairs, replacements or improvements or while performing work and furnishing materials in connection with compliance with any such laws, orders or requirements to take upon or through, or to keep and store within, the Premises all necessary materials, tools and equipment); and (iii) permit Landlord, at reasonable times, upon reasonable advance notice, to show the Premises during ordinary business hours to any existing or prospective mortgagee, ground lessor, space lessee, purchaser, or assignee of any mortgage, of the Building or of the Building and the land or of the interest of Landlord therein, and during the period of 12 months next preceding the Termination Date to any person contemplating the leasing of the Premises or any part thereof. If, during the last month of the term, Tenant shall have removed all or substantially all of Tenant's property therefrom, Landlord may immediately enter and alter, renovate and redecorate the Premises, without elimination or abatement of rent, or incurring liability to Tenant for any compensation, and such acts shall have no effect upon this Lease. If Tenant shall not be personally present to open and permit an entry into the Premises at any time when for any reason an entry therein shall be necessary or permissible, Landlord or Landlord's agents may enter the same by a master key, or may forcibly enter the same, without rendering Landlord or such agents liable therefor (if during such entry Landlord or Landlord's agents shall accord reasonable care to Tenant's property), and without in any manner affecting the obligations and covenants of this Lease. Provided that Landlord shall incur no additional expense thereby, Landlord shall exercise its rights of access to the Premises permitted under any of the terms and provisions of this Lease in such manner as to minimize to the extent practicable interference with Tenant's use and occupation of the Premises. If an excavation shall be made upon land adjacent to the Premises or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation, license to enter upon the Premises for the purpose of doing such work as said person shall deem necessary to preserve the Building from injury or damage and to support the same by proper foundations without any claims for damages or indemnity against Landlord, or diminution or abatement of rent.

17.3 ACCIDENTS TO SANITARY AND OTHER SYSTEMS. Tenant shall give to Landlord prompt notice of any fire or accident in the Premises or in the Building and of any damage to, or defective condition in, any part or appurtenance of the Building including, without limitation, sanitary, electrical, ventilation, heating and air conditioning or other systems located in, or passing through, the Premises. Except as otherwise provided in Articles 18 and 20, and subject to Tenant's obligations in Article 14, such damage or defective condition shall be remedied by Landlord with reasonable diligence, but if such damage or defective condition was caused by Tenant or by the employees, licensees, contractors or invitees of Tenant, the cost to remedy the

same shall be paid by Tenant. In addition, all reasonable costs incurred by Landlord in connection with the investigation of any notice given by Tenant shall be paid by Tenant if the reported damage or defective condition was caused by Tenant or by the employees, licensees, contractors, or invitees of Tenant. Tenant shall not be entitled to claim any eviction from the Premises or any damages arising from any such damage or defect unless the same (i) shall have been occasioned by the negligence of the Landlord, its agents, servants or employees and (ii) shall not, after notice to Landlord of the condition claimed to constitute negligence, have been cured or corrected within a reasonable time after such notice has been received by Landlord; and in case of a claim of eviction unless such damage or defective condition shall have rendered the Premises untenantable and they shall not have been made tenantable by Landlord within a reasonable time.

17.4 SIGNS, BLINDS AND DRAPES.

(a) Tenant shall put no signs in any part of the Building. No signs or blinds may be put on or in any window or elsewhere if visible from the exterior of the Building, nor may the building standard drapes or blinds be removed by Tenant. Tenant may hang its own drapes, provided that they shall not in any way interfere with the building standard drapery or blinds or be visible from the exterior of the Building and that such drapes are so hung and installed that when drawn, the building standard drapery or blinds are automatically also drawn. Any signs or lettering in the public corridors or on the doors shall conform to Landlord's building standard design. Neither Landlord's name, nor the name of the Building or any Center, Office Park or other Park of which the Building is a part, or the name of any other structure erected therein shall be used without Landlord's consent in any advertising material (except on business stationery or as an address in advertising matter), nor shall any such name, as aforesaid, be used in any undignified, confusing, detrimental or misleading manner.

(b) Provided that and for so long as Akamai Technologies, Inc., itself or an Assignee or Affiliated Entity (as those terms are defined in Article 16) is occupying and paying rent on not less than seventy percent (70%) of the entirety of Floors 1 through 5 of the Building, excluding the retail portions thereof, Tenant (or an Assignee or Affiliated Entity occupying the Premises as aforesaid) shall have the right to erect and maintain signage on the exterior of the Building (the "Exterior Signage") as described in and subject to the restrictions contained in Exhibit 7 attached hereto, and as shown on the plan attached hereto as part of said Exhibit 7, provided (i) the Exterior Signage complies with all applicable laws and shall not interfere with the Landlord's signage program for the Building and Complex (and Tenant shall have obtained any necessary permits prior to erecting the Exterior Signage), (ii) the Exterior Signage shall be located as shown on the plan contained in Exhibit 7, (iii) the materials, design and lighting of the Exterior Signage, and any requested changes thereto, shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, and (iv) Tenant shall at all times maintain the Exterior Signage in good order and condition and shall remove the Exterior Signage at the expiration or earlier termination of the term hereof or upon Landlord's written demand after the failure of condition (ii) above, and shall repair any damage to the Building caused by the Exterior Signage or its installation or removal. Tenant's signage rights pursuant to the foregoing provision shall be exclusive as to all portions of the Building; provided, however, that the retail tenant(s) of the Building shall have the right to erect signage not more than twenty (20) feet above ground level on the exterior of the side(s) of the Building on which their premises have window frontage. Any such signage by retail tenant(s) (x) shall be in accordance with all applicable law, and (y) with respect to the signage immediately facing Building 500 in the

Complex, so long as Akamai Technologies, Inc., itself or an Assignee or Affiliated Entity collectively are occupying at least seventy percent (70%) of said Building 500, such signage shall be subject to Tenant's approval, which approval shall not be unreasonably withheld, delayed or conditioned. Landlord agrees, at Tenant's cost, to reasonably cooperate with Tenant in obtaining any necessary governmental approvals, permits, etc. in connection with the Exterior Signage. Tenant shall have the right, from time to time throughout the term of the Lease, to replace its signage (if any) with signage which is equivalent to the signage being replaced, subject to all of the terms and conditions of this Article 17.4 and Exhibit 7.

17.5 ESTOPPEL CERTIFICATE. Either party shall at any time and from time to time upon not less than twenty (20) days' prior notice by the other party, execute, acknowledge and deliver to the requesting party a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), and the dates to which the Yearly Rent and other charges have been paid in advance, if any, stating whether or not the other party is in default in performance of any covenant, agreement, term, provision or condition contained in this Lease and, if so, specifying each such default and such other facts as the requesting party may reasonably request, it being intended that any such statement delivered pursuant hereto may be relied upon by any prospective purchaser of the Building or of the Building and the land or of any interest of Landlord therein, any mortgagee or prospective mortgagee thereof, any lessor or prospective lessor thereof, any lessee or prospective lessee thereof, or any prospective assignee of any mortgage thereof. Time is of the essence in respect of any such requested certificate, Tenant hereby acknowledging the importance of such certificates in mortgage financing arrangements, prospective sale and the like. Tenant hereby appoints Landlord Tenant's attorney-in-fact in its name and behalf to execute such statement if Tenant shall fail to execute such statement within such twenty-(20)-day period.

17.6 PROHIBITED MATERIALS AND PROPERTY. Tenant shall not bring or permit to be brought or kept in or on the Premises or elsewhere in the Building (i) any inflammable, combustible or explosive fluid, material, chemical or substance including, without limitation, any hazardous substances as defined under Massachusetts General Laws chapter 21E, the Federal Comprehensive Environmental Response Compensation and Liability Act (CERCLA), 42 USC Section 9601 et seq., as amended, under Section 3001 of the Federal Resource Conservation and Recovery Act of 1976, as amended, or under any regulation of any governmental authority regulating environmental or health matters (except for standard office supplies stored in proper containers), (ii) any materials, appliances or equipment (including, without limitation, materials, appliances and equipment selected by Tenant for the construction or other preparation of the Premises and furniture and carpeting) which pose any danger to life, safety or health or may cause damage, injury or death; (iii) any unique, unusually valuable, rare or exotic property, work of art or the like unless the same is fully insured under all-risk coverage, or (iv) any data processing, electronic, optical or other equipment or property of a delicate, fragile or vulnerable nature unless the same are housed, shielded and protected against harm and damage, whether by cleaning or maintenance personnel, radiations or emanations from other equipment now or hereafter installed in the Building, or otherwise. Nor shall Tenant cause or permit any potentially harmful air emissions, odors of cooking or other processes, or any unusual or other objectionable odors or emissions to emanate from or permeate the Premises.

17.7 REQUIREMENTS OF LAW--FINES AND PENALTIES. Tenant at its sole expense shall comply with all laws, rules, orders and regulations, including, without limitation, all energy-

related requirements, of Federal, State, County and Municipal Authorities and with any direction of any public officer or officers, pursuant to law, which shall impose any duty upon Landlord or Tenant with respect to or arising out of Tenant's use or occupancy of the Premises. In addition, Tenant shall, at Tenant's sole expense, for so long as the Parking and Traffic Demand Management Plan dated May 9, 1999 as approved by (and subject to the conditions set for in such approval) the City of Cambridge on July 9, 1999 remains applicable to the Complex, offer to subsidize mass transit monthly passes for all of its employees and otherwise cooperate with Landlord in encouraging employees to seek alternate modes of transportation. Tenant shall reimburse and compensate Landlord for all expenditures made by, or damages or fines sustained or incurred by, Landlord due to nonperformance or noncompliance with or breach or failure to observe any item, covenant, or condition of this Lease upon Tenant's part to be kept, observed, performed or complied with. If Tenant receives notice of any violation of law, ordinance, order or regulation applicable to the Premises, it shall give prompt notice thereof to Landlord. Landlord shall comply with any laws, rules, orders, regulations, energy requirements ("Laws") and with any direction of any public office or officer relating to the maintenance or operation of the Building as an office building, and the costs so incurred by Landlord shall be included in Operating Costs in accordance with the provisions of Article 9. Landlord hereby represents to Tenant that, as of the Execution Date of the Lease, Landlord has not received notice from any governmental agency that the Building or Premises are in violation of any applicable laws.

17.8 TENANT'S ACTS--EFFECT ON INSURANCE. Tenant shall not do or permit to be done any act or thing upon the Premises or elsewhere in the Building which will invalidate or be in conflict with any insurance policies covering the Building and the fixtures and property therein; and shall not do, or permit to be done, any act or thing upon the Premises which shall subject Landlord to any liability or responsibility for injury to any person or persons or to property by reason of any business or operation being carried on upon said Premises or for any other reason. Tenant at its own expense shall comply with all rules, orders, regulations and requirements of the Board of Fire Underwriters, or any other similar body having jurisdiction, and shall not (i) do, or permit anything to be done, in or upon the Premises, or bring or keep anything therein, except as now or hereafter permitted by the Fire Department, Board of Underwriters, Fire Insurance Rating Organization, or other authority having jurisdiction, and then only in such quantity and manner of storage as will not increase the rate for any insurance applicable to the Building, or (ii) use the Premises in a manner which shall increase such insurance rates on the Building, or on property located therein, over that applicable when Tenant first took occupancy of the Premises hereunder. If by reason of the failure of Tenant to comply with the provisions hereof the insurance rate applicable to any policy of insurance shall at any time thereafter be higher than it otherwise would be, the Tenant shall reimburse Landlord for that part of any insurance premiums thereafter paid by Landlord, which shall have been charged because of such failure by Tenant.

17.9 MISCELLANEOUS. Tenant shall not suffer or permit the Premises or any fixtures, equipment or utilities therein or serving the same, to be overloaded, damaged or defaced, nor permit any hole to be drilled or made in any part thereof. Tenant shall not suffer or permit any employee, contractor, business invitee or visitor to violate any covenant, agreement or obligations of the Tenant under this Lease.

18. DAMAGE BY FIRE, ETC.

(a) During the entire term of this Lease, and adjusting insurance coverages to reflect current values from time to time:--(i) Landlord shall keep the Building (excluding work,

installations, improvements and betterments made in the Premises after the Term Commencement Date [called "Over-Building-Standard Property"] and any other property installed by or at the expense of Tenant) insured against loss or damage caused by any peril covered under fire, extended coverage and all risk insurance in an amount equal to one hundred percent (100%) replacement cost value above foundation walls; and (ii) Tenant shall keep its personal property in and about the Premises and the Over-Building-Standard Property insured against loss or damage caused by any peril covered under fire, extended coverage and all risk insurance in an amount equal to one hundred percent (100%) replacement cost value. Such Tenant's insurance shall insure the interests of both Landlord and Tenant as their respective interests may appear from time to time and shall name Landlord as an additional insured; and the proceeds thereof shall be used only for the replacement or restoration of such personal property and the Over-Building-Standard Property.

(b) If any portion of the Premises required to be insured by Landlord under the preceding paragraph shall be damaged by fire or other insured casualty, Landlord shall proceed with diligence, subject to the then applicable statutes, building codes, zoning ordinances, and regulations of any governmental authority, and at the expense of Landlord (but only to the extent of insurance proceeds made available to Landlord by any mortgagee and/or ground lessor of the real property of which the Premises are a part) to repair or cause to be repaired such damage, provided, however, in respect of any over-Building Standard Property as shall have been damaged by such fire or other casualty and which (in the judgment of Landlord) can more effectively be repaired as an integral part of Landlord's repair work on the Premises, that such repairs to such Tenant's alterations, decorations, additions and improvements shall be performed by Landlord but at Tenant's expense; in all other respects, all repairs to and replacements of Tenant's property and Over-Building-Standard Property shall be made by and at the expense of Tenant. If the Premises or any part thereof shall have been rendered unfit for use and occupation hereunder by reason of such damage the Yearly Rent or a just and proportionate part thereof, according to the nature and extent to which the Premises shall have been so rendered unfit, shall be suspended or abated until the Premises (except as to the property which is to be repaired by or at the expense of Tenant) shall have been restored as nearly as practicably may be to the condition in which they were immediately prior to such fire or other casualty. Tenant agrees to cooperate with Landlord in such manner as Landlord may reasonably request in assisting Landlord in collecting insurance proceeds due in connection with any casualty which affects the Premises. Landlord shall not be liable for delays in the making of any such repairs which are due to government regulation, casualties and strikes, unavailability of labor and materials, and other causes beyond the reasonable control of Landlord, nor shall Landlord be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting from delays in repairing such damage.

(c) LANDLORD'S TERMINATION RIGHTS. If (i) the Premises are so damaged by fire or other casualty (whether or not insured) at any time during the last thirty months of the term hereof that the cost to repair such damage is reasonably estimated to exceed one third of the total Yearly Rent payable hereunder for the period from the estimated date of restoration until the Termination Date, or (ii) the Building (whether or not including any portion of the Premises) is so damaged by fire or other casualty (whether or not insured) that substantial alteration or reconstruction or demolition of the Building shall in Landlord's judgment be required, then and in either of such events, this Lease and the term hereof may be terminated at the election of Landlord by a notice in writing of its election so to terminate which shall be given by Landlord to Tenant within sixty (60) days following such fire or other casualty, the effective termination date

of which shall be not less than thirty (30) days after the day on which such termination notice is received by Tenant.

(d) TENANT'S TERMINATION RIGHTS. In the event that the premises or the Building are damaged by fire or other casualty to such an extent so as to render the premises untenantable, and if Landlord shall fail to substantially complete said repairs or restoration within two hundred fifty (250) days (sixty (60) days in the case of a fire or other casualty occurring during the last twelve (12) months of the term hereof, as the same may have been extended) after the date of such fire or other casualty for any reason other than Tenant's fault, Tenant may terminate this Lease by giving Landlord written notice as follows:

(i) Said notice shall be given after said two hundred fifty (250) day period or sixty (60) day period, as the case may be.

(ii) Said notice shall set forth an effective date which is not earlier than thirty (30) days after Landlord receives said notice.

(iii) If said repairs or restoration are substantially complete on or before the date thirty (30) days (which thirty-(30)-day period shall be extended by the length of any delays caused by Tenant or Tenant's contractors) after Landlord receives such notice, said notice shall have no further force and effect.

(iv) If said repairs or restoration are not substantially complete on or before the date thirty (30) days (which thirty-(30)-day period shall be extended by the length of any delays caused by Tenant or Tenant's contractors) after Landlord receives such notice, the Lease shall terminate as of said effective date.

(e) GENERAL PROVISIONS RELATING TO TERMINATION BASED UPON CASUALTY. In the event of any termination of this Lease pursuant to this Article 18:

(i) The term hereof shall expire as of such effective termination date as though that were the Termination Date as stated in Exhibit 1 and the Yearly Rent shall be apportioned as of such date.

(ii) If the Premises or any part thereof shall have been rendered unfit for use and occupation by reason of such damage the Yearly Rent for the period from the date of the fire or other casualty to the effective termination date, or a just and proportionate part thereof, according to the nature and extent to which the Premises shall have been so rendered unfit, shall be abated.

(iii) If a Restructuring Rent Event, as defined in Paragraph 1 of the Rider to this Lease, occurs, and if Landlord draws upon any Letter of Credit which Landlord is holding pursuant to Paragraph 1 of the Rider to this Lease for the purpose of making a Restructuring Rent Payment, AND if the Lease is subsequently terminated by either party pursuant to this Article 18 based upon a fire or other casualty, then Landlord shall, within thirty (30) days of the effective termination date of such casualty, pay to Tenant a Casualty Termination Payment, as hereinafter defined. The "Casualty Termination Payment" shall be defined as the amount of principal which would remain unpaid at the effective termination

date on a loan (i) in the original principal amount of the Restructuring Rent Payment, (ii) with interest at the rate of the rate per annum announced by Fleet Bank, N.A., or its successor, from time to time as its "prime" rate, plus one-quarter percent (1/4%), (iii) which is repaid on a direct reduction basis in equal monthly payments of principal and interest, and (iv) with a term commencing with the application of the Restructuring Rent Payment and ending as of the expiration of the then-current term of the Lease. If, prior to the termination of the Lease based upon a fire or other casualty, there have been two Restructuring Rent Payments pursuant to Paragraph 1.C.6 of the Rider to this Lease, the Casualty Termination Payment shall be calculated separately for each such Restructuring Rent Payment.

19. WAIVER OF SUBROGATION

In any case in which Tenant shall be obligated to pay to Landlord any loss, cost, damage, liability, or expense suffered or incurred by Landlord, Landlord shall allow to Tenant as an offset against the amount thereof (i) the net proceeds of any insurance collected by Landlord for or on account of such loss, cost, damage, liability or expense, provided that the allowance of such offset does not invalidate or prejudice the policy or policies under which such proceeds were payable, and (ii) if such loss, cost, damage, liability or expense shall have been caused by a peril against which Landlord has agreed to procure insurance coverage under the terms of this Lease, the amount of such insurance coverage, whether or not actually procured by Landlord.

In any case in which Landlord or Landlord's managing agent shall be obligated to pay to Tenant any loss, cost, damage, liability or expense suffered or incurred by Tenant, Tenant shall allow to Landlord or Landlord's managing agent, as the case may be, as an offset against the amount thereof (i) the net proceeds of any insurance collected by Tenant for or on account of such loss, cost, damage, liability, or expense, provided that the allowance of such offset does not invalidate the policy or policies under which such proceeds were payable and (ii) the amount of any loss, cost, damage, liability or expense caused by a peril covered by fire insurance with the broadest form of property insurance generally available on property in buildings of the type of the Building, whether or not actually procured by Tenant.

The parties hereto shall each procure an appropriate clause in, or endorsement on, any property insurance policy covering the Premises and the Building and personal property, fixtures and equipment located thereon and therein, pursuant to which the insurance companies waive subrogation or consent to a waiver of right of recovery in favor of either party, its respective agents or employees. Having obtained such clauses and/or endorsements, each party hereby agrees that it will not make any claim against or seek to recover from the other or its agents or employees for any loss or damage to its property or the property of others resulting from fire or other perils covered by such property insurance.

20. CONDEMNATION - EMINENT DOMAIN

(a) In the event that the Premises or any part thereof, or the whole or any part of the Building, shall be taken or appropriated by eminent domain or shall be condemned for any public or quasi-public use, or (by virtue of any such taking, appropriation or condemnation) shall suffer any damage (direct, indirect or consequential) for which Landlord or Tenant shall be entitled to compensation, then (and in any such event) this Lease and the term hereof may be terminated at

the election of Landlord by a notice in writing of its election so to terminate which shall be given by Landlord to Tenant within sixty (60) days following the date on which Landlord shall have received notice of such taking, appropriation or condemnation. In the event that a substantial part of the Premises or of the means of access thereto shall be so taken, appropriated or condemned, then (and in any such event) this Lease and the term hereof may be terminated at the election of Tenant by a notice in writing of its election so to terminate which shall be given by Tenant to Landlord within sixty (60) days following the date on which Tenant shall have received notice of such taking, appropriation or condemnation.

(b) Upon the giving of any such notice of termination (either by Landlord or Tenant) this Lease and the term hereof shall terminate on or retroactively as of the date on which Tenant shall be required to vacate any part of the Premises or shall be deprived of a substantial part of the means of access thereto, provided, however, that Landlord may in Landlord's notice elect to terminate this Lease and the term hereof retroactively as of the date on which such taking, appropriation or condemnation became legally effective. In the event of any such termination, this Lease and the term hereof shall expire as of such effective termination date as though that were the Termination Date as stated in Exhibit 1, and the Yearly Rent shall be apportioned as of such date.

(c) If a Restructuring Rent Event, as defined in Paragraph 1 of the Rider to this Lease, occurs, and if Landlord draws upon any Letter of Credit which Landlord is holding pursuant to Paragraph 1 of the Rider to this Lease for the purpose of making a Restructuring Rent Payment, AND if the Lease is subsequently terminated by either party pursuant to this Article 20 based upon taking or condemnation, as aforesaid, then Landlord shall, within thirty (30) days of the effective termination date of such taking, pay to Tenant a Taking Termination Payment, as hereinafter defined. The "Taking Termination Payment" shall be defined as the amount of principal which would remain unpaid at the effective termination date on a loan (i) in the original principal amount of the Restructuring Rent Payment, (ii) with interest at the rate of the rate per annum announced by Fleet Bank, N.A., or its successor, from time to time as its "prime" rate, plus one-quarter percent (1/4%), (iii) which is repaid on a direct reduction basis in equal monthly payments of principal and interest, and (iv) with a term commencing with the application of the Restructuring Rent Payment and ending as of the expiration of the then-current term of the Lease. If, prior to the termination of the Lease based upon a taking, there have been two Restructuring Rent Payments pursuant to Paragraph 1.C.6 of the Rider to this Lease, the Taking Termination Payment shall be calculated separately for each such Restructuring Rent Payment.

(d) If neither party (having the right so to do) elects to terminate Landlord will, with reasonable diligence and at Landlord's expense, restore the remainder of the Premises, or the remainder of the means of access, as nearly as practicably may be to the same condition as obtained prior to such taking, appropriation or condemnation in which event (i) the Total Rentable Area shall be equitably adjusted, (ii) a just proportion of the Yearly Rent, according to the nature and extent of the taking, appropriation or condemnation and the resulting permanent injury to the Premises and the means of access thereto, shall be permanently abated, and (iii) a just proportion of the remainder of the Yearly Rent, according to the nature and extent of the taking, appropriation or condemnation and the resultant injury sustained by the Premises and the means of access thereto, shall be abated until what remains of the Premises and the means of access thereto shall have been restored as fully as may be for permanent use and occupation by Tenant hereunder. Except for any award specifically reimbursing Tenant for moving or relocation expenses, there are expressly reserved to Landlord all rights to compensation and

damages created, accrued or accruing by reason of any such taking, appropriation or condemnation, in implementation and in confirmation of which Tenant does hereby acknowledge that Landlord shall be entitled to receive all such compensation and damages, grant to Landlord all and whatever rights (if any) Tenant may have to such compensation and damages, and agree to execute and deliver all and whatever further instruments of assignment as Landlord may from time to time request. In the event of any taking of the Premises or any part thereof for temporary (i.e., not in excess of one (1) year) use, (i) this Lease shall be and remain unaffected thereby, and (ii) Tenant shall be entitled to receive for itself any award made to the extent allocable to the Premises in respect of such taking on account of such use, provided, that if any taking is for a period extending beyond the term of this Lease, such award shall be apportioned between Landlord and Tenant as of the Termination Date or earlier termination of this Lease.

21. DEFAULT

21.1 CONDITIONS OF LIMITATION - RE-ENTRY - TERMINATION. This Lease and the herein term and estate are, upon the condition that if (a) subject to Article 21.7, Tenant shall neglect or fail to perform or observe any of the Tenant's covenants or agreements herein, including (without limitation) the covenants or agreements with regard to the payment when due of rent, additional charges, reimbursement for increase in Landlord's costs, or any other charge payable by Tenant to Landlord (all of which shall be considered as part of Yearly Rent for the purposes of invoking Landlord's statutory or other rights and remedies in respect of payment defaults); or (b) Tenant shall desert or abandon the Premises or the same shall become vacant (whether or not the keys shall have been surrendered or the rent shall have been paid); or (c) Tenant shall be involved in financial difficulties as evidenced by an admission in writing by Tenant of Tenant's inability to pay its debts generally as they become due, or by the making or offering to make a composition of its debts with its creditors; or (d) Tenant shall make an assignment or trust mortgage, or other conveyance or transfer of like nature, of all or a substantial part of its property for the benefit of its creditors, or (e) an attachment on mesne process, on execution or otherwise, or other legal process shall issue against Tenant or its property and a sale of any of its assets shall be held thereunder; or (f) any judgment, final beyond appeal or any lien, attachment or the like in excess of $250,000.00 shall be entered, recorded or filed against Tenant in any court, registry, etc. and Tenant shall fail to pay such judgment within thirty (30) days after the judgment shall have become final beyond appeal or to discharge or secure by surety bond such lien, attachment, etc. within thirty (30) days of such entry, recording or filing, as the case may be; or (g) the leasehold hereby created shall be taken on execution or by other process of law and shall not be revested in Tenant within thirty (30) days thereafter; or (h) a receiver, sequesterer, trustee or similar officer shall be appointed by a court of competent jurisdiction to take charge of all or any part of Tenant's property and such appointment shall not be vacated within thirty (30) days; or (i) any proceeding shall be instituted by or against Tenant pursuant to any of the provisions of any Act of Congress or State law relating to bankruptcy, reorganizations, arrangements, compositions or other relief from creditors, and, in the case of any proceeding instituted against it, if Tenant shall fail to have such proceedings dismissed within thirty (30) days or if Tenant is adjudged bankrupt or insolvent as a result of any such proceeding, or (j) any event shall occur or any contingency shall arise whereby this Lease, or the term and estate thereby created, would (by operation of law or otherwise) devolve upon or pass to any person, firm or corporation other than Tenant, except as expressly permitted under Article 16 hereof, or (k) for so long as Building 500 in the Complex is owned by Landlord or an affiliate of Landlord, Tenant shall default beyond any applicable notice or cure period under that certain lease dated as of September 22, 1999 between Landlord and Tenant for premises at Building 500 in the Complex, as amended (the

"Building 500 Lease") - then, and in any such event (except as hereinafter in Article 21.2 otherwise provided) Landlord may, by notice to Tenant, elect to terminate this Lease; and thereupon (and without prejudice to any remedies which might otherwise be available for arrears of rent or other charges due hereunder or preceding breach of covenant or agreement and without prejudice to Tenant's liability for damages as hereinafter stated), upon the giving of such notice, this Lease shall terminate as of the date specified therein as though that were the Termination Date as stated in Exhibit 1. Without being taken or deemed to be guilty of any manner of trespass or conversion, and without being liable to indictment, prosecution or damages therefor, Landlord may, forcibly if necessary, enter into and upon the Premises (or any part thereof in the name of the whole); repossess the same as of its former estate; and expel Tenant and those claiming under Tenant. Wherever "Tenant" is used in subdivisions (c), (d), (e), (f), (g), (h) and (i) of this Article 21.1, it shall be deemed to include any one of (i) any corporation of which Tenant is a controlled subsidiary and (ii) any guarantor of any of Tenant's obligations under this Lease. The words "re-entry" and "re-enter" as used in this Lease are not restricted to their technical legal meanings.

21.2 INTENTIONALLY OMITTED.

21.3 DAMAGES - TERMINATION. Upon the termination of this Lease under the provisions of this Article 21, then except as hereinabove in Article 21.2 otherwise provided, Tenant shall pay to Landlord the rent and other charges payable by Tenant to Landlord up to the time of such termination, shall continue to be liable for any preceding breach of covenant, and in addition, shall pay to Landlord as damages, at the election of Landlord

either:

(x) the amount by which, at the time of the termination of this Lease (or at any time thereafter if Landlord shall have initially elected damages under subparagraph (y), below), (i) the aggregate of the rent and other charges projected over the period commencing with such termination and ending on the Termination Date as stated in Exhibit 1 exceeds (ii) the aggregate projected rental value of the Premises for such period;

or:

(y) amounts equal to the rent and other charges which would have been payable by Tenant had this Lease not been so terminated, payable upon the due dates therefor specified herein following such termination and until the Termination Date as specified in Exhibit 1, provided, however, if Landlord shall re-let the Premises during such period, that Landlord shall credit Tenant with the net rents received by Landlord from such re-letting, such net rents to be determined by first deducting from the gross rents as and when received by Landlord from such re-letting the expenses incurred or paid by Landlord in terminating this Lease, as well as the expenses of re-letting, including altering and preparing the Premises for new tenants, brokers' commissions, and all other similar and dissimilar expenses properly chargeable against the Premises and the rental therefrom, it being understood that any such re-letting may be for a period equal to or shorter or longer than the remaining term of this Lease; and provided, further, that (i) in no event shall Tenant be entitled to receive any excess of such net rents over the sums payable by Tenant to Landlord hereunder and (ii) in no event shall Tenant be entitled in any suit for the collection of damages pursuant to this Subparagraph (y) to a credit in respect of any net rents from a re-letting except to the extent that such net rents are

actually received by Landlord prior to the commencement of such suit. If the Premises or any part thereof should be re-let in combination with other space, then proper apportionment on a square foot area basis shall be made of the rent received from such re-letting and of the expenses of re-letting.

In calculating the rent and other charges under Subparagraph (x), above, there shall be included, in addition to the Yearly Rent, Tax Excess and Operating Expense Excess and all other considerations agreed to be paid or performed by Tenant, on the assumption that all such amounts and considerations would have remained constant (except as herein otherwise provided) for the balance of the full term hereby granted.

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 terminated hereunder.

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.

21.4 FEES AND EXPENSES.

(a) If Tenant shall default in the performance of any covenant on Tenant's part to be performed as in this Lease contained, Landlord may, upon reasonable advance notice, except that no notice shall be required in an emergency, immediately, or at any time thereafter, without notice, perform the same for the account of Tenant. If Landlord at any time is compelled to pay or elects to pay any sum of money, or do any act which will require the payment of any sum of money, by reason of the failure of Tenant to comply with any provision hereof, or if Landlord is compelled to or does incur any expense, including reasonable attorneys' fees, in instituting, prosecuting, and/or defending any action or proceeding instituted by reason of any default of Tenant hereunder, Tenant shall on demand pay to Landlord by way of reimbursement the sum or sums so paid by Landlord with all costs and damages, plus interest computed as provided in Article 6 hereof.

(b) Tenant shall pay Landlord's cost and expense, including reasonable attorneys' fees, incurred (i) in enforcing any obligation of Tenant under this Lease or (ii) as a result of Landlord, without its fault, being made party to any litigation pending by or against Tenant or any persons claiming through or under Tenant. Tenant shall not be obligated to make any payment to Landlord of any attorneys' fees incurred by Landlord unless judgment is entered (final, and beyond appeal) in favor of Landlord in the lawsuit relating to such fees. Landlord shall pay, upon demand by Tenant, reasonable attorneys' fees incurred by Tenant in connection with any lawsuit between Landlord and Tenant where judgment is entered (final, and beyond appeal) in favor of Tenant.

21.5 WAIVER OF REDEMPTION. Tenant does hereby waive and surrender all rights and privileges which it might have under or by reason of any present or future law to redeem the Premises or to have a continuance of this Lease for the term hereby demised after being

dispossessed or ejected therefrom by process of law or under the terms of this Lease or after the termination of this Lease as herein provided.

21.6 LANDLORD'S REMEDIES NOT EXCLUSIVE. The specified remedies to which Landlord may resort hereunder are cumulative and are not intended to be exclusive of any remedies or means of redress to which Landlord may at any time be lawfully entitled, and Landlord may invoke any remedy (including the remedy of specific performance) allowed at law or in equity as if specific remedies were not herein provided for.

21.7 GRACE PERIOD. Notwithstanding anything to the contrary in this Article contained, Landlord agrees not to take any action to terminate this Lease (a) for default by Tenant in the payment when due of any sum of money, if Tenant shall cure such default within five (5) business days after written notice thereof is given by Landlord to Tenant, or (b) for default by Tenant in the performance of any covenant other than a covenant to pay a sum of money, if Tenant shall cure such default within a period of thirty (30) days after written notice thereof given by Landlord to Tenant (except where the nature of the default is such that remedial action should appropriately take place sooner, as indicated in such written notice), or within such additional period as may reasonably be required to cure such default if (because of governmental restrictions or any other cause beyond the reasonable control of Tenant) the default is of such a nature that it cannot reasonably be cured within such thirty-(30)-day period, provided, however, (1) that there shall be no extension of time beyond such thirty-(30)-day period for the curing of any such default unless, not more than ten (10) days after the receipt of the notice of default, Tenant in writing (i) shall specify the cause on account of which the default cannot be cured during such period and shall advise Landlord of its intention duly to institute all steps necessary to cure the default and (ii) shall, as soon as reasonably practicable, duly institute and thereafter diligently prosecute to completion all steps necessary to cure such default and, (2) that no notice of the opportunity to cure a default need be given, and no grace period whatsoever shall be allowed to Tenant, if the default is incurable or if the covenant or condition the breach of which gave rise to default had, by reason of a breach on two (2) prior occasions within the immediately preceding twelve (12) month period, been the subject of a notice hereunder to cure such default.

Notwithstanding anything to the contrary in this Article 21.7 contained, except to the extent prohibited by applicable law, any statutory notice and grace periods provided to Tenant by law are hereby expressly waived by Tenant.

22. END OF TERM - ABANDONED PROPERTY

Upon the expiration or other termination of the term of this Lease, Tenant shall peaceably quit and surrender to Landlord the Premises and all alterations and additions thereto, broom clean, in good order, repair and condition (except as provided herein and in Articles 8.7, 18 and 20) excepting only ordinary wear and use and damage by fire or other casualty for which, under other provisions of this Lease, Tenant has no responsibility of repair or restoration. Tenant shall remove all of its property and, to the extent specified by Landlord, all alterations and additions made by Tenant and all partitions wholly within the Premises, and shall repair any damages to the Premises or the Building caused by their installation or by such removal. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this Lease.

Tenant will remove any personal property from the Building and the Premises upon or prior to the expiration or termination of this Lease and any such property which shall remain in the Building or the Premises thereafter shall be conclusively deemed to have been abandoned, and may either be retained by Landlord as its property or sold or otherwise disposed of in such manner as Landlord may see fit. If any part thereof shall be sold, that Landlord may receive and retain the proceeds of such sale and apply the same, at its option, against the expenses of the sale, the cost of moving and storage, any arrears of Yearly Rent, additional or other charges payable hereunder by Tenant to Landlord and any damages to which Landlord may be entitled under Article 21 hereof or pursuant to law.

If Tenant or anyone claiming under Tenant shall remain in possession of the Premises or any part thereof after the expiration or prior termination of the term of this Lease without any agreement in writing between Landlord and Tenant with respect thereto, then, prior to the acceptance of any payments for rent or use and occupancy by Landlord, the person remaining in possession shall be deemed a tenant-at-sufferance. Whereas the parties hereby acknowledge that Landlord may need the Premises after the expiration or prior termination of the term of the Lease for other tenants and that the damages which Landlord may suffer as the result of Tenant's holding-over cannot be determined as of the Execution Date hereof, in the event that Tenant so holds over, Tenant shall pay to Landlord in addition to all rental and other charges due and accrued under the Lease prior to the date of termination, charges (based upon fair market rental value of the Premises) for use and occupation of the Premises thereafter and, in addition to such sums and any and all other rights and remedies which Landlord may have at law or in equity, an additional use and occupancy charge in the amount of fifty percent (50%) of either the Yearly Rent and other charges calculated (on a daily basis) at the highest rate payable under the terms of this Lease, but measured from the day on which Tenant's hold-over commenced and terminating on the day on which Tenant vacates the Premises or the fair market value of the Premises for such period, whichever is greater. In addition, Tenant shall save Landlord, its agents and employees, harmless and will exonerate, defend and indemnify Landlord, its agents and employees, from and against any and all damages which Landlord may suffer on account of Tenant's hold-over in the Premises after the expiration or prior termination of the term of the Lease. Notwithstanding the foregoing, Tenant shall not be liable for consequential damages incurred by Landlord based upon any holdover by Tenant after the expiration or prior termination of the term of the Lease unless such holdover continues for sixty (60) or more days after the termination of this Lease or Tenant's right to possession.

23. SUBORDINATION

(a) Subject to any mortgagee's or ground lessor's election, as hereinafter provided for, this Lease is subject and subordinate in all respects to all matters of record (including, without limitation, deeds and land disposition agreements), ground leases and/or underlying leases, and all mortgages, any of which may now or hereafter be placed on or affect such leases and/or the real property of which the Premises are a part, or any part of such real property, and/or Landlord's interest or estate therein, and to each advance made and/or hereafter to be made under any such mortgages, and to all renewals, modifications, consolidations, replacements and extensions thereof and all substitutions therefor. This Article 23 shall be self-operative and no further instrument or subordination shall be required. In confirmation of such subordination, Tenant shall execute, acknowledge and deliver promptly any certificate or instrument that Landlord and/or any mortgagee and/or lessor under any ground or underlying lease and/or their respective successors in interest may request, subject to Landlord's, mortgagee's and ground

lessor's right to do so for, on behalf and in the name of Tenant under certain circumstances, as hereinafter provided. Tenant acknowledges that, where applicable, any consent or approval hereafter given by Landlord may be subject to the further consent or approval of such mortgagee and/or ground lessor; and the failure or refusal of such mortgagee and/or ground lessor to give such consent or approval shall, notwithstanding anything to the contrary in this Lease contained, constitute reasonable justification for Landlord's withholding its consent or approval. Landlord hereby represents to Tenant that, as of the Execution Date of this Lease, there is no mortgage affecting the Premises or the Building. Notwithstanding anything to the contrary in this Article 23 contained, as to any future mortgages, ground leases, and/or underlying lease or deeds of trust, the herein provided subordination and attornment shall be effective only if the mortgagee, ground lessor or trustee therein, as the case may be, agrees, by a written instrument in recordable form and in the customary form of such mortgagee, ground lessor, or trustee ("Nondisturbance Agreement") that, as long as Tenant shall not be in terminable default of the obligations on its part to be kept and performed under the terms of this Lease, this Lease will not be affected and Tenant's possession hereunder will not be disturbed by any default in, termination, and/or foreclosure of, such mortgage, ground lease, and/or underlying lease or deed of trust, as the case may be.

(b) Any such mortgagee or ground lessor may from time to time subordinate or revoke any such subordination of the mortgage or ground lease held by it to this Lease. Such subordination or revocation, as the case may be, shall be effected by written notice to Tenant and by recording an instrument of subordination or of such revocation, as the case may be, with the appropriate registry of deeds or land records and to be effective without any further act or deed on the part of Tenant. In confirmation of such subordination or of such revocation, as the case may be, Tenant shall execute, acknowledge and promptly deliver any certificate or instrument that Landlord, any mortgagee or ground lessor may request, subject to Landlord's, mortgagee's and ground lessor's right to do so for, on behalf and in the name of Tenant under certain circumstances, as hereinafter provided.

(c) Without limitation of any of the provisions of this Lease, if any ground lessor or mortgagee shall succeed to the interest of Landlord by reason of the exercise of its rights under such ground lease or mortgage (or the acceptance of voluntary conveyance in lieu thereof) or any third party (including, without limitation, any foreclosure purchaser or mortgage receiver) shall succeed to such interest by reason of any such exercise or the expiration or sooner termination of such ground lease, however caused, then such successor may, upon notice and request to Tenant (which, in the case of a ground lease, shall be within thirty (30) days after such expiration or sooner termination), succeed to the interest of Landlord under this Lease, provided, however, that such successor shall not: (i) be liable for any previous act or omission of Landlord under this Lease; (ii) be subject to any offset, defense, or counterclaim which shall theretofore have accrued to Tenant against Landlord; (iii) have any obligation with respect to any letter of credit unless it shall have been physically delivered to such successor; or (iv) be bound by any previous modification of this Lease or by any previous payment of Yearly Rent for a period greater than one (1) month, made without such ground lessor's or mortgagee's consent where such consent is required by applicable ground lease or mortgage documents. In the event of such succession to the interest of the Landlord -- and notwithstanding that any such mortgage or ground lease may antedate this Lease -- the Tenant shall attorn to such successor and shall ipso facto be and become bound directly to such successor in interest to Landlord to perform and observe all the Tenant's obligations under this Lease without the necessity of the execution of any further instrument. Nevertheless, Tenant agrees at any time and from time to time during the term

hereof to execute a suitable instrument in confirmation of Tenant's agreement to attorn, as aforesaid, subject to Landlord's, mortgagee's and ground lessor's right to do so for, on behalf and in the name of Tenant under certain circumstances, as hereinafter provided.

(d) The term "mortgage(s)" as used in this Lease shall include any mortgage or deed of trust. The term "mortgagee(s)" as used in this Lease shall include any mortgagee or any trustee and beneficiary under a deed of trust or receiver appointed under a mortgage or deed of trust. The term "mortgagor(s)" as used in this Lease shall include any mortgagor or any grantor under a deed of trust.

(e) Tenant hereby irrevocably constitutes and appoints Landlord or any such mortgagee or ground lessor, and their respective successors in interest, acting singly, Tenant's attorney-in-fact to execute and deliver any such certificate or instrument for, on behalf and in the name of Tenant, but only if Tenant fails to execute, acknowledge and deliver any such certificate or instrument within twenty (20) days after Landlord or such mortgagee or such ground lessor has made written request therefor.

(f) Notwithstanding anything to the contrary contained in this Article 23, if all or part of Landlord's estate and interest in the real property of which the Premises are a part shall be a leasehold estate held under a ground lease, then: (i) the foregoing subordination provisions of this Article 23 shall not apply to any mortgages of the fee interest in said real property to which Landlord's leasehold estate is not otherwise subject and subordinate; and (ii) the provisions of this Article 23 shall in no way waive, abrogate or otherwise affect any agreement by any ground lessor (x) not to terminate this Lease incident to any termination of such ground lease prior to its term expiring or (y) not to name or join Tenant in any action or proceeding by such ground lessor to recover possession of such real property or for any other relief. As of the Execution Date of this Lease, there is no ground lease of the Building or the real property of which the Building is a part.

(g) In the event of any failure by Landlord to perform, fulfill or observe any agreement by Landlord herein, in no event will the Landlord be deemed to be in default under this Lease permitting Tenant to exercise any or all rights or remedies under this Lease until the Tenant shall have given written notice of such failure to any mortgagee (ground lessor and/or trustee) of which Tenant shall have been advised and until a reasonable period of time shall have elapsed following the giving of such notice, during which such mortgagee (ground lessor and/or trustee) shall have the right, but shall not be obligated, to remedy such failure.

24. QUIET ENJOYMENT

Landlord covenants that if, and so long as, Tenant keeps and performs each and every covenant, agreement, term, provision and condition herein contained on the part and on behalf of Tenant to be kept and performed, Tenant shall quietly enjoy the Premises from and against the claims of all persons claiming by, through or under Landlord subject, nevertheless, to the covenants, agreements, terms, provisions and conditions of this Lease and to the mortgages, ground leases and/or underlying leases to which this Lease is subject and subordinate, as hereinabove set forth.

Without incurring any liability to Tenant, Landlord may permit access to the Premises and open the same, whether or not Tenant shall be present, upon any demand of any receiver,

trustee, assignee for the benefit of creditors, sheriff, marshal or court officer entitled to, or reasonably purporting to be entitled to, such access for the purpose of taking possession of, or removing, Tenant's property or for any other lawful purpose (but this provision and any action by Landlord hereunder shall not be deemed a recognition by Landlord that the person or official making such demand has any right or interest in or to this Lease, or in or to the Premises), or upon demand of any representative of the fire, police, building, sanitation or other department of the city, state or federal governments.

25. ENTIRE AGREEMENT -- WAIVER -- SURRENDER

25.1 ENTIRE AGREEMENT. This Lease and the Exhibits made a part hereof contain the entire and only agreement between the parties and any and all statements and representations, written and oral, including previous correspondence and agreements between the parties hereto, are merged herein. Tenant acknowledges that all representations and statements upon which it relied in executing this Lease are contained herein and that the Tenant in no way relied upon any other statements or representations, written or oral. Any executory agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this Lease in whole or in part unless such executory agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

25.2 WAIVER. The failure of either party to seek redress for violation, or to insist upon the strict performance, of any covenant or condition of this Lease, or any of the Rules and Regulations promulgated hereunder, shall not prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The receipt by Landlord of rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. The failure of Landlord to enforce any of such Rules and Regulations against Tenant and/or any other tenant in the Building shall not be deemed a waiver of any such Rules and Regulations. No provisions of this Lease shall be deemed to have been waived by either party unless such waiver be in writing signed by such party. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this Lease provided.

25.3 SURRENDER. No act or thing done by Landlord during the term hereby demised shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid, unless in writing signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys of the Premises prior to the termination of this Lease. The delivery of keys to any employee of Landlord or of Landlord's agents shall not operate as a termination of the Lease or a surrender of the Premises. In the event that Tenant at any time desires to have Landlord underlet the Premises for Tenant's account, Landlord or Landlord's agents are authorized to receive the keys for such purposes without releasing Tenant from any of the obligations under this Lease, and Tenant hereby relieves Landlord of any liability for loss of or damage to any of Tenant's effects in connection with such underletting.

26. INABILITY TO PERFORM - EXCULPATORY CLAUSE

Except as provided in Article 4.1, 4.2, 8.8, 18 and 20 hereof, this Lease and the obligations of Tenant to pay rent hereunder and perform all the other covenants, agreements, terms, provisions and conditions hereunder on the part of Tenant to be performed shall in no way be affected, impaired or excused because Landlord is unable to fulfill any of its obligations under this Lease or is unable to supply or is delayed in supplying any service expressly or impliedly to be supplied or is unable to make or is delayed in making any repairs, replacements, additions, alterations, improvements or decorations or is unable to supply or is delayed in supplying any equipment or fixtures if Landlord is prevented or delayed from so doing by reason of strikes or labor troubles or any other similar or dissimilar cause whatsoever beyond Landlord's reasonable control, including but not limited to, governmental preemption in connection with a national emergency or by reason of any rule, order or regulation of any department or subdivision thereof of any governmental agency or by reason of the conditions of supply and demand which have been or are affected by war, hostilities or other similar or dissimilar emergency. In each such instance of inability of Landlord to perform, Landlord shall exercise reasonable diligence to eliminate the cause of such inability to perform.

Tenant shall neither assert nor seek to enforce any claim against Landlord, or Landlord's agents or employees, or the assets of Landlord or of Landlord's agents or employees, for breach of this Lease or otherwise, other than against Landlord's interest in the Building of which the Premises are a part and the Complex and in the uncollected rents, issues and profits thereof, and Tenant agrees to look solely to such interest for the satisfaction of any liability of Landlord under this Lease, it being specifically agreed that in no event shall Landlord or Landlord's agents or employees (or any of the officers, trustees, directors, partners, beneficiaries, joint venturers, members, stockholders or other principals or representatives, and the like, disclosed or undisclosed, thereof) ever be personally liable for any such liability. This paragraph shall not limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord or to take any other action which shall not involve the personal liability of Landlord to respond in monetary damages from Landlord's assets other than the Landlord's interest in said real estate, as aforesaid. In no event shall Landlord or Landlord's agents or employees (or any of the officers, trustees, directors, partners, beneficiaries, joint venturers, members, stockholders or other principals or representatives and the like, disclosed or undisclosed, thereof) ever be liable for consequential or incidental damages. Without limiting the foregoing, in no event shall Landlord or Landlord's agents or employees (or any of the officers, trustees, directors, partners, beneficiaries, joint venturers, members, stockholders or other principals or representatives and the like, disclosed or undisclosed, thereof) ever be liable for lost profits of Tenant. If by reason of Landlord's failure to acquire title to the real property of which the Premises are a part or to complete construction of the Building or Premises, Landlord shall be held to be in breach of this Lease, Tenant's sole and exclusive remedy shall be as set forth in Article 4 hereof.

27. BILLS AND NOTICES

Any notice, consent, request, bill, demand or statement hereunder by either party to the other party shall be in writing and, if received at Landlord's or Tenant's address, shall be deemed to have been duly given when either delivered or served personally or mailed in a postpaid envelope, deposited in the United States mail addressed to Landlord at its address as stated in Exhibit 1 and to Tenant at the Premises (or at Tenant's address as stated in Exhibit 1, if mailed prior to Tenant's occupancy of the Premises), or if any address for notices shall have been duly

changed as hereinafter provided, if mailed as aforesaid to the party at such changed address. Either party may at any time change the address or specify an additional address for such notices, consents, requests, bills, demands or statements by delivering or mailing, as aforesaid, to the other party a notice stating the change and setting forth the changed or additional address, provided such changed or additional address is within the United States.

If Tenant is a partnership, Tenant, for itself, and on behalf of all of its partners, hereby appoints Tenant's Service Partner, as identified on Exhibit 1, to accept service of any notice, consent, request, bill, demand or statement hereunder by Landlord and any service of process in any judicial proceeding with respect to this Lease on behalf of Tenant and as agent and attorney-in-fact for each partner of Tenant.

All bills and statements for reimbursement or other payments or charges due from Tenant to Landlord hereunder shall be due and payable in full twenty (20) days, unless herein otherwise provided, after submission thereof by Landlord to Tenant. Tenant's failure to make timely payment of any amounts indicated by such bills and statements, whether for work done by Landlord at Tenant's request, reimbursement provided for by this Lease or for any other sums properly owing by Tenant to Landlord, shall be treated as a default in the payment of rent, in which event Landlord shall have all rights and remedies provided in this Lease for the nonpayment of rent.

28. PARTIES BOUND -- SEIZIN OF TITLE

The covenants, agreements, terms, provisions and conditions of this Lease shall bind and benefit the successors and assigns of the parties hereto with the same effect as if mentioned in each instance where a party hereto is named or referred to, except that no violation of the provisions of Article 16 hereof shall operate to vest any rights in any successor or assignee of Tenant and that the provisions of this Article 28 shall not be construed as modifying the conditions of limitation contained in Article 21 hereof.

If, in connection with or as a consequence of the sale, transfer or other disposition of the real estate (land and/or Building, either or both, as the case may be) of which the Premises are a part, Landlord ceases to be the owner of the reversionary interest in the Premises, Landlord shall be entirely freed and relieved from the performance and observance thereafter of all covenants and obligations hereunder on the part of Landlord to be performed and observed, it being understood and agreed in such event (and it shall be deemed and construed as a covenant running with the land) that the person succeeding to Landlord's ownership of said reversionary interest shall thereupon and thereafter assume, and perform and observe, any and all of such covenants and obligations of Landlord.

29. MISCELLANEOUS

29.1 SEPARABILITY. If any provision of this Lease or portion of such provision or the application thereof to any person or circumstance is for any reason held invalid or unenforceable, the remainder of the Lease (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.

29.2 CAPTIONS, ETC. The captions are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Lease nor the intent of any

provisions thereof. References to "State" shall mean, where appropriate, the District of Columbia and other Federal territories, possessions, as well as a state of the United States.

29.3 BROKER. Tenant represents and warrants that it has not directly or indirectly dealt, with respect to the leasing of office space in the Building or any Center, Office Park or other Park of which it is a part (called "Building, etc." in this Article 29.3) with any broker or had its attention called to the Premises or other space to let in the Building, etc. by anyone other than the broker, person or firm, if any, designated in Exhibit 1. Tenant agrees to defend, exonerate and save harmless and indemnify Landlord and anyone claiming by, through or under Landlord against any claims arising in breach of the representation and warranty set forth in the immediately preceding sentence, provided that Landlord shall be solely responsible for the payment of brokerage commissions to the brokers, persons or firms, if any, designated in Exhibit 1. Landlord represents and warrants that, in connection with the execution and delivery of the Lease, it has not directly or indirectly dealt with any broker other than the brokers designated on Exhibit 1. Landlord agrees to defend, exonerate and save harmless Tenant and anyone claiming by, through, or under Tenant against any claims arising in breach of the representation and warranty set forth in the immediately preceding sentence.

29.4 MODIFICATIONS. If in connection with obtaining financing for the Building, a bank, insurance company, pension trust or other institutional lender shall request reasonable modifications in this Lease as a condition to such financing, Tenant will not withhold, delay or condition its consent thereto, provided that such modifications do not increase the obligations of Tenant hereunder or adversely affect the leasehold interest hereby created.

29.5 ARBITRATION. Any disputes relating to provisions or obligations in this Lease as to which a specific provision for a reference to arbitration is made herein shall be submitted to arbitration in accordance with the provisions of applicable state law (as identified on Exhibit 1), as from time to time amended. Except as specifically otherwise provided below, arbitration proceedings, including the selection of an arbitrator, shall be conducted pursuant to the rules, regulations and procedures from time to time in effect as promulgated by the American Arbitration Association. Prior written notice of application by either party for arbitration shall be given to the other at least ten (10) days before submission of the application to the said Association's office in the City wherein the Building is situated (or the nearest other city having an Association office). The arbitrator shall hear the parties and their evidence. The decision of the arbitrator shall be binding and conclusive, and judgment upon the award or decision of the arbitrator may be entered in the appropriate court of law (as identified on Exhibit 1); and the parties consent to the jurisdiction of such court and further agree that any process or notice of motion or other application to the Court or a Judge thereof may be served outside the State wherein the Building is situated by registered mail or by personal service, provided a reasonable time for appearance is allowed. The costs and expenses of each arbitration hereunder and their apportionment between the parties shall be determined by the arbitrator in his award or decision. No arbitrable dispute shall be deemed to have arisen under this Lease prior to (i) the expiration of the period of twenty (20) days after the date of the giving of written notice by the party asserting the existence of the dispute together with a description thereof sufficient for an understanding thereof; and (ii) where a Tenant payment (e.g., Tax Excess or Operating Expense Excess under Article 9 hereof) is in issue, the amount billed by Landlord which is not disputed by Tenant in good faith having been paid by Tenant. Notwithstanding the foregoing, the parties hereby agree that (i) except as set forth in (ii) below, the arbitrator for any disputes relating to Article 4 of this Lease shall be the "Initial Arbitrator", or the "Alternate Arbitrator" if the Initial

Arbitrator is not available, and (ii) the arbitrators for any disputes relating to the Certificate of Occupancy Test, as set forth in Article 4.0(l) of this Lease, shall be a panel of three (the "Initial Three Arbitrators"), consisting of the Initial Arbitrator, with the Alternate Arbitrator serving as a substitute if the Initial Arbitrator is not available, plus the "Landlord's Arbitrator" and the "Tenant's Arbitrator", with the "Landlord's Alternate Arbitrator" and/or the "Tenant's Alternate Arbitrator" serving as a substitute if the Landlord's Arbitrator or the Tenant's Arbitrator, as the case may be, is not available. All of such individuals shall be chosen as follows: Within seven (7) days after the date hereof, Landlord and Tenant shall each designate one arbitrator and one alternate arbitrator, to be known as Landlord's Arbitrator, Landlord's Alternate Arbitrator, Tenant's Arbitrator and Tenant's Alternate Arbitrator, respectively. Landlord's Arbitrator and Tenant's Arbitrator shall, within thirty (30) days after the date hereof, designate two individuals to serve as the Initial Arbitrator and the Alternate Arbitrator, respectively. Any decision to be made by the Initial Three Arbitrators shall be made as follows: Landlord's Arbitrator and Tenant's Arbitrator (or the Alternate Arbitrator sitting in his/her stead) shall each render a decision on the matter, and the Initial Arbitrator (or the Alternate Arbitrator sitting in his/her stead) shall choose which of the decisions made by the Landlord's Arbitrator or Tenant's Arbitrator is correct, and such decision shall then be binding on the parties.

29.6 GOVERNING LAW. This Lease is made pursuant to, and shall be governed by, and construed in accordance with, the laws of the State wherein the Building is situated and any applicable local municipal rules, regulations, by-laws, ordinances and the like.

29.7 ASSIGNMENT OF RENTS. With reference to any assignment by Landlord of its interest in this Lease, or the rents payable hereunder, conditional in nature or otherwise, which assignment is made to or held by a bank, trust company, insurance company or other institutional lender holding a mortgage or ground lease on the Building, Tenant agrees:

(a) that the execution thereof by Landlord and the acceptance thereof by such mortgagee and/or ground lessor shall never be deemed an assumption by such mortgagee and/or ground lessor of any of the obligations of the Landlord thereunder, unless such mortgagee and/or ground lessor shall, by written notice sent to the Tenant, specifically otherwise elect; and

(b) that, except as aforesaid, such mortgagee and/or ground lessor shall be treated as having assumed the Landlord's obligations thereunder only upon foreclosure of such mortgagee's mortgage or deed of trust or termination of such ground lessor's ground lease and the taking of possession of the demised Premises after having given notice of its exercise of the option stated in Article 23 hereof to succeed to the interest of the Landlord under this Lease.

29.8 REPRESENTATION OF AUTHORITY. By his execution hereof each of the signatories on behalf of the respective parties hereby warrants and represents to the other that he is duly authorized to execute this Lease on behalf of such party. If Tenant is a corporation, Tenant hereby appoints the signatory whose name appears below on behalf of Tenant as Tenant's attorney-in-fact for the purpose of executing this Lease for and on behalf of Tenant.

29.9 EXPENSES INCURRED BY LANDLORD UPON TENANT REQUESTS. Tenant shall, upon demand, reimburse Landlord for all reasonable expenses, including, without limitation, legal fees, incurred by Landlord in connection with all requests by Tenant for consents, approvals or execution of collateral documentation related to this Lease, including, without limitation, costs incurred by Landlord in the review and approval of Tenant's plans and specifications in

connection with proposed alterations to be made by Tenant to the Premises, requests by Tenant to sublet the Premises or assign its interest in the Lease, the execution by Landlord of estoppel certificates requested by Tenant (except that there shall be no charge for the first such estoppel certificate requested by Tenant in any calendar year), and requests by Tenant for Landlord to execute waivers of Landlord's interest in Tenant's property in connection with third party financing by Tenant. Such costs shall be deemed to be additional rent under the Lease.

29.10 RETAIL AREA. Landlord agrees that retail uses in the Building will be consistent with the types of retail uses in other office buildings of comparable quality in the metropolitan Boston area, and that no construction activity for retail uses will be allowed in the Building lobby except to the extent that such construction activity relates to a door into the lobby from such retail area and cannot reasonably be performed outside the Building lobby, and then only if separated from the Building lobby by a painted construction barrier. So long as Akamai Technologies, Inc., itself, or an Assignee or Affiliated Entity (as those terms are defined in Article 16) collectively are occupying at least seventy percent (70%) of the Premises then demised to Tenant, Landlord agrees that any door into the lobby from such retail area shall be used for emergency egress only, except that, as shown on Lease Plan, Exhibit 2, Sheet 1, the retail premises located on the first floor of the Building shall have access to the common bathrooms on the first floor through the doors shown on Lease Plan, Exhibit 2, Sheet 1. Reaccess to the lobby from such bathrooms shall be controlled by Tenant's security system, subject to emergency access as required by law.

29.11 SURVIVAL. Without limiting any other obligation of the Tenant which may survive the expiration or prior termination of the term of the Lease, all obligations on the part of Tenant to indemnify, defend, or hold Landlord harmless, as set forth in this Lease (including, without limitation, Tenant's obligations under Articles 13(d), 15.3, and 29.3) shall survive the expiration or prior termination of the term of the Lease.

IN WITNESS WHEREOF the parties hereto have executed this Indenture of Lease in multiple copies, each to be considered an original hereof, as a sealed instrument on the day and year noted in Exhibit 1 as the Execution Date.

LANDLORD:
TECHNOLOGY SQUARE LLC,
a Delaware limited liability company

By: Beacon Capital Partners L.P.,
a Delaware limited partnership
d/b/a Beacon Capital Partners
Limited Partnership, its manager

By: Beacon Capital Partners, Inc., a
Maryland corporation, its general
partner

By: /s/ Thomas Ragno
Name: Thomas Ragno
Title: Senior Vice President

TENANT:
AKAMAI TECHNOLOGIES, INC.

By: /s/ Kathryn L. Jorden
(Name) (Title)
Hereunto Duly Authorized

EXHIBIT 2

LEASE PLAN

EXHIBIT 2-1

PLAN OF COMPLEX

EXHIBIT 3

REQUIREMENTS FOR TENANT PLANS

Intentionally Omitted.

EXHIBIT 4

BUILDING SERVICES

A. General Cleaning (Monday through Friday)

1. All stone, ceramic, tile, marble, terrazzo and other unwaxed flooring to be swept nightly, using approved dust-down preparation.

2. All wood, linoleum, vinyl-asbestos, vinyl and other similar types of floors to be swept or dry mopped nightly, using dust-down preparation; all carpeting and rugs in the main traffic areas (corridors, reception areas, etc.) to be vacuumed nightly and all other carpeted areas to be vacuumed at least once each week.

3. Wax all public areas monthly.

4. Hand dust all furniture, files and fixtures nightly.

5. Empty all waste receptacles nightly and remove waste paper and waste materials, including folded paper boxes and cartons, to a designated area.

6. Empty and clean all ash trays and screen all sand urns nightly.

7. Wash and clean all water fountains and coolers nightly. Sinks and floors adjacent to sinks to be washed nightly.

8. Hand dust all door and other ventilating louvers within reach, as necessary, but not less often than monthly.

9. Dust all telephones as necessary.

10. Keep lockers and janitor sink rooms in a neat, orderly condition at all times.

11. Wipe clean all bright metal work as necessary.

12. Check all stairwells throughout entire building nightly and keep in clean condition.

13. Metal doors and trim of all public elevator cars to be properly maintained and kept clean.

B. Common Area Lavatories

1. Sweep and wash all lavatory floors nightly, using proper non-scented disinfectants.

2. Clean all mirrors, powder shelves, bright work and enameled surfaces in all lavatories nightly. Scour, wash and disinfect all basins, bowls and urinals using non-scented disinfectants.

3. Police lavatories during the day with matron or porter to pick up waste and replenish materials.

4. Wash all toilet seats nightly.

5. Fill toilet tissue holders nightly.

6. Empty paper towel receptacles nightly.

7. Empty sanitary disposal receptacles nightly.

8. Thoroughly clean all wall tile and stall surfaces as necessary.

C. High Dusting

Do all high dusting (not reached in nightly cleaning) quarterly which includes the following:

1. Dust all pictures, frames, charts, graphs, and similar wall hangings.

2. Dust exposed pipes, ventilation and air conditioning louvers, ducts and high moldings.

D. Window Cleaning

1. All exterior windows (except for any retail/commercial areas) from the second floor and above will be cleaned inside and outside at least three (3) times per calendar year except when cleaning is rendered impracticable by inclement weather.

2. Entrance doors and elevator lobby glass to be cleaned daily and kept in a clean condition at all times during the day.

3. Wipe down all metal window frames as necessary but not less often than monthly.

E. Building Lobbies

1. Floors to be swept and washed or vacuumed nightly, and machine scrubbed according to Building Standard frequency.

2. Carpeting in passenger elevator cabs to be vacuum cleaned nightly.

3. Lobby walls to be dusted as often as necessary, but not less than weekly.

4. Screen and clean sand urns nightly.

5. Clean all unpainted metal work in a manner appropriate to original finish.

F. Porters

Necessary number of day porters under supervision will be assigned for the following services:

1. Service all public and building operating space throughout the Building.

2. Keep elevator cars clean and neat during the day.

3. Maintain lobbies clean and, during wet weather, mopped dry to the extent practicable.

4. Dust and rub down all elevator doors, frames, telephone booths and directories daily.

5. Sweep sidewalks, ramps, etc. daily.

6. Clean roofs and setbacks as often as necessary.

7. Maintain firehose and equipment clean.

8. Lay and remove lobby runners as necessary.

9. Replenish toilet tissue, towels and other supplies in lavatories.

10. Maintain fan rooms, motor rooms and air conditioning rooms in clean condition.

11. Check stairways and keep same neat and clean during the day.

12. Clean exterior columns, exterior signs and metal work, standpipe and sprinkler system, walkways and stairs as necessary.

13. If directed by superintendent, fill towel and soap dispensers and perform any emergency cleaning required.

EXHIBIT 5

FORM OF LETTER OF CREDIT

BENEFICIARY:

TECHNOLOGY SQUARE LLC
c/o Beacon Capital Partners

ISSUANCE DATE:

_____, 2000

IRREVOCABLE STANDBY
LETTER OF CREDIT NO.

ACCOUNTEE/APPLICANT:

AKAMAI TECHNOLOGIES, INC.
[TENANT]

MAXIMUM/AGGREGATE
CREDIT AMOUNT:
USD: $10,228,140.00

LADIES AND GENTLEMEN:

We hereby establish our irrevocable letter of credit in your favor for account of the applicant up to an aggregate amount not to exceed Ten Million Two Hundred Twenty-Eight Thousand One Hundred Forty and 00/100 US Dollars ($10,228,140.00) available by your draft(s) drawn on ourselves at sight accompanied by:

Your statement, signed by a purportedly authorized officer/official certifying that the Beneficiary is entitled to draw upon this Letter of Credit (in the amount of the draft submitted herewith) pursuant to Paragraph 1 of the Rider to the Lease (the "Lease") dated _____, 2000 by and between TECHNOLOGY SQUARE LLC, as Landlord, and AKAMAI TECHNOLOGIES, INC., as Tenant, for premises at Building 600, Technology Square, Cambridge, Massachusetts.

Draft(s) must indicate name and issuing bank and credit number and must be presented at this office.

You shall have the right to make partial draws against this Letter of Credit, from time to time.

You shall be entitled to assign your interest in this Irrevocable Standby Letter of Credit from time to time to your lender(s) and/or your successors in interest without our approval and without charge. In the event of an assignment, we reserve the right to require reasonable evidence of such assignment as a condition to any draw hereunder.

Except as otherwise expressly stated herein, this Letter of Credit is subject to the "Uniform Customs and practice for Documentary Credits, International Chamber of Commerce, Publication No. 500 (1993 Revision)".

This Letter of Credit shall expire at our office on _____, 2001 (the "Stated Expiration Date"). It is a condition of this Letter of Credit that the Stated Expiration Date shall be deemed automatically extended without amendment for successive one (1) year period s from such Stated Expiration Date, unless at least forty-five (45) days prior to such Stated Expiration Date)or any anniversary thereof) we shall notify you and the Accountee/Applicant in writing by registered mail (return receipt) that we elect not to consider this Letter of Credit extended for any such additional one (1) year period.

EXHIBIT 6

BASE BUILDING SPECIFICATIONS

EXHIBIT 7

EXTERIOR SIGNAGE

Specifications set forth in report by Sasaki Associates dated August 3, 2000 titled "Technology Square, Cambridge, MA, Site Signage Program, 100% CD's"

See also 2 sheets attached plans.

EXHIBIT 8

TENANT'S REMOVABLE PROPERTY

1. Antennae
2. Satellite Dishes
3. Network Operations Center
4. Computer Equipment
5. Telephone Switch and Equipment
6. Signage (Interior and Exterior)
7. Kitchen Equipment (Only if not built in)
8. Security System (Only if installed by Tenant)
9. Generators

RIDER TO LEASE

LANDLORD: Technology Square LLC
TENANT: Akamai Technologies, Inc.

The subject Lease is hereby amended as follows:

1. LETTERS OF CREDIT

A. DELIVERY OF LETTERS OF CREDIT. Tenant shall deliver to Landlord, on the date that Tenant executes and delivers the Lease to Landlord, an Irrevocable Standby Letter of Credit ("Initial Letter of Credit") which shall be (1) in the form attached hereto as Exhibit 5, (2) issued by a bank reasonably acceptable to Landlord upon which presentment may be made in Boston, Massachusetts, (3) in the Letter of Credit Amount, as hereinafter defined, and (4) for a term of one (1) year, subject to extension in accordance with the terms of the Letter of Credit. The Letter of Credit Amount shall initially be $5,114,070.00. In addition, Tenant shall, on the Term Commencement Date, deliver to Landlord either: (i) an amendment to the Initial Letter of Credit, in form reasonably acceptable to Landlord, increasing the Letter of Credit Amount from $5,114,070.00 to $10,228,140.00 ("Letter of Credit Amendment"), or (ii) a second Letter of Credit conforming to the requirements of this Subparagraph A ("Second Letter of Credit"), in the amount of $5,114,070.00. Tenant's failure to deliver either the Letter of Credit Amendment or the Second Letter of Credit shall be deemed to be a default by Tenant in its obligations under the Lease with the same notice and cure period as would be applicable as if such failure were a failure to pay Yearly Rent when due under the Lease. If Tenant elects to provide a Second Letter of Credit in lieu of a Letter of Credit Amendment, then the Initial Letter of Credit and the Second Letter of Credit shall be collectively referred to herein as the "Letter of Credit" and the Letter of Credit Amount shall be defined as the sum of the amounts of Initial Letter of Credit and the Second Letter of Credit. The Letter of Credit shall be subject to reduction as set forth below. Tenant shall, on or before the date thirty (30) days prior to the expiration of the term of the Letter of Credit, deliver to Landlord a new Letter of Credit satisfying the foregoing conditions ("Substitute Letter of Credit") in lieu of the Letter of Credit then being held by Landlord. Such Letter of Credit shall be automatically renewable in accordance with the second to last grammatical paragraph of Exhibit 5; provided that, in such event, Tenant shall be required to deliver a Substitute Letter of Credit satisfying the conditions hereof, on or before the date thirty (30) days prior to the expiration of the term of such Letter of Credit, if the issuer of such Letter of Credit gives notice of its election not to renew such Letter of Credit for any additional period pursuant thereto. Upon written request of Tenant, Landlord shall deliver to the issuing bank an instruction authorizing the issuing bank to reduce the Letter of Credit Amount in accordance with the schedule set forth herein.

B. RENT RESTRUCTURING EVENT. A "Rent Restructuring Event" shall be defined as :

1. Any monetary default or material non-monetary default by Tenant in its obligations under the Lease which is not cured after the giving of any applicable notice and the expiration of any applicable grace periods ("Event of Default"); or

2. If, at any time, both of the following conditions occur: (i) the price per share for Tenant's common stock as traded on a nationally-recognized exchange and calculated on the basis of a thirty (30) day trailing average and adjusted for any stock splits, reverse

stock splits or mergers from and after the Execution Date, is less than $20.00 (a "Low Stock Price Event"), and (ii) Tenant does not, within ten (10) days after notice from Landlord that Landlord claims that such Low Stock Price Event constitutes a Rent Restructuring Event, provide Landlord with a certification from Tenant's Chief Financial Officer, or from the independent certified public accountant that prepared Tenant's most recent financial statement in accordance with Subparagraph J hereof, or from another independent certified public accountant reasonably acceptable to Landlord, that, as of the date of Landlord's notice, the aggregate amount of cash, cash equivalents, and short term investments held by Tenant and which is free and clear of any liens or encumbrances is equal to or greater than $50,000,000.00.

C. EFFECT OF RENT RESTRUCTURING EVENT. If any Rent Restructuring Event occurs, then:

1. If the Rent Restructuring Event is an Event of Default, Landlord may, at its election, (a) exercise its rights under Paragraph 1.K of this Rider to draw down the Default Draw Amount, and/or in addition thereto, (b) Landlord may, in its sole discretion, draw (i) the balance of the Letter of Credit or (ii) fifty percent (50%) of the balance of the Letter of Credit and apply such amount as a payment of Yearly Rent under the Lease; or

2. If the Rent Restructuring Event is not an Event of Default, Landlord may, at its election and in its sole discretion, draw (i) the entire Letter of Credit or (ii) fifty percent (50%) of the Letter of Credit, and apply such amount as a payment of Yearly Rent under the Lease; and

3. Upon the application of any payment pursuant to Clauses 1 or 2 above (each of which is referred to herein as a "Restructuring Rent Payment"), then the amount of monthly payments of Yearly Rent payable by Tenant thereafter under the Lease shall be reduced by an amount equal to the Monthly Rent Reduction Amount, as hereinafter defined; and

4. Except as set forth in Clause 6 of this Paragraph C, in no event shall Landlord draw down the Letter of Credit (either in whole or in part) and apply the proceeds as a Restructuring Rent Payment more than once during the term hereof. Landlord's election to draw down the Letter of Credit (either in whole or in part) and apply the proceeds as a Restructuring Rent Payment must be made within ninety (90) days following the Rent Restructuring Event in question (or, in the case of a Rent Restructuring Event that continues over a period of time, within ninety (90) days following the last day thereof); and

5. Landlord's right to draw down the Letter of Credit, either in whole or in part, and apply the proceeds as a Restructuring Rent Payment, shall expire upon the occurrence of both of the following events:

(a) At least two (2) years shall have passed since Tenant has provided Landlord with the Initial Letter of Credit, and

(b) Tenant's Cash Flow (as defined in Subparagraph H below), aggregated over four (4) consecutive fiscal quarters (beginning not sooner than the quarter containing the first anniversary of the date Tenant provides Landlord with the Initial Letter of Credit), is positive; and

6. If Landlord exercises its right to draw down the Letter of Credit, either in whole or in part, and apply the proceeds as a Restructuring Rent Payment before the Term Commencement Date, when the Letter of Credit Amount is only $5,114,070.00, then when the Letter of Credit Amount is increased to $10,228,140.00 after the Term Commencement Date, Landlord shall draw down the same percentage of the increased Letter of Credit Amount and apply such proceeds as a Restructuring Rent Payment (e.g., if Landlord drew down the fifty (50%) of the Initial Letter of Credit, then Landlord shall draw down the fifty (50%) percent of Second Letter of Credit, or of the increased amount in the Initial Letter of Credit, as affected by the Letter of Credit Amendment, as the case may be); and

7. Landlord shall have no obligation to draw down the Letter of Credit if a Rent Restructuring Event occurs; and

8. If a Rent Restructuring Event occurs but Landlord does not exercise its right to draw upon the Letter of Credit based upon such Rent Restructuring Event, Landlord shall, if the same or a different Rent Restructuring Event occurs, have the right to draw upon the Letter of Credit to make a Restructuring Rent Payment as if the first such Rent Restructuring Event had not previously occurred; and

9. If a Rent Restructuring Event occurs and Landlord elects to draw upon the Letter of Credit to make a Rent Restructuring Payment, then (except as provided in Clause 6 of this Subparagraph C) Landlord shall have no further right to draw upon the Letter of Credit to make a subsequent Rent Restructuring Payment; provided however, that the provisions of this Clause 9 shall not affect Landlord from drawing upon the Letter of Credit based upon a subsequent Event of Default for the purposes of paying a Default Draw Amount, as hereinafter defined, or from drawing upon the Letter of Credit pursuant to Subparagraph L of this Paragraph 1, if Tenant fails timely to deliver a Substitute Letter of Credit.

D. MONTHLY RENT REDUCTION PAYMENT. The "Monthly Rent Reduction Payment" shall be equal to the amount of the monthly payment of principal and interest which would be necessary to fully pay a loan, in the amount of the Restructuring Rent Payment with interest at the rate of the rate per annum announced by Fleet Bank, N.A., or its successor, from time to time as its "prime" rate, plus one-quarter percent (1/4%), which is repaid on a direct reduction basis in equal monthly payments of principal and interest over a term commencing with the application of the Restructuring Rent Payment and ending as of the expiration of the then-current term of the Lease.

E. REDUCTION DATE. "Reduction Date" shall be defined as the second anniversary of the Full Rent Commencement Date, and each anniversary of the Full Rent Commencement Date which occurs thereafter during the term of the Lease.

F. REDUCTION CONDITIONS. Tenant shall be deemed to have satisfied the "Reduction Conditions" with respect to any Reduction Date, if, as of such Reduction Date, all of the following are satisfied:

1. Tenant is not in monetary default, or in material non-monetary default, in either case beyond any applicable notice and cure periods, of any of its obligations under the Lease as of such Reduction Date;

2. The Lease is in full force and effect; and

3. Tenant has not been in either monetary default, or in material non-monetary default, in either case beyond any applicable notice and cure periods, on more than one occasion during the immediately preceding twelve (12) months of the term of the Lease.

G. REDUCTION AMOUNT. The "Reduction Amount" with respect to any Reduction Date shall be based upon Tenant's Cash Flow, as hereinafter defined, during Tenant's last full twelve month fiscal year immediately preceding the Reduction Date in question, as follows. If Tenant's Cash Flow for the immediately preceding fiscal year is:

1. Not positive, then the Reduction Amount shall be zero;

2. Positive, but less than or equal to $5,000,000.00, then the Reduction Amount shall be $1,000,000.00; or

3. More than $5,000,000.00, but less than or equal to $10,000,000.00, then the Reduction Amount shall be $1,250,000.00; or

4. More than $10,000,000.00, but less than or equal to $15,000,000.00, then the Reduction Amount shall be $1,500,000.00; or

5. More than $15,000,000.00, but less than or equal to $20,000,000.00, then the Reduction Amount shall be $1,750,000.00; or

6. Greater than $20,000,000.00, then the Reduction Amount shall be $2,000,000.00.

In no event, however, shall the Letter of Credit Amount ever be reduced below $3,409,380.00.

H. DEFINITION OF CASH FLOW. Tenant's Cash Flow for any period shall mean the sum of (i) Tenant's net income attributable to common stock holders, (ii) interest on convertible debt that is accrued but not yet paid or payable, (iii) depreciation and (iv) amortization, all as reflected in the audited financial statements for period in question. Stock compensation amortization may be added as part of the definition of Cash Flow, provided that said adjustment is as reported in the audited financial statements of Tenant for the relevant reporting period.

I. EFFECT OF SATISFACTION OF RENT REDUCTION CONDITIONS. If, on any Reduction Date, Tenant satisfies all of the Reduction Conditions, then the Letter of Credit Amount shall be reduced by the applicable Reduction Amount, if any. Such reduction in the Letter of Credit Amount may be effected by an amendment, in form reasonably acceptable to Landlord, to the

existing Letter(s) of Credit then being held by Landlord, or by Tenant's delivery to Landlord of a substitute Letter of Credit satisfying all of the requirements of the Letter of Credit to be provided to Tenant except that the Letter of Credit Amount for such substitute Letter of Credit shall be in the appropriately reduced amount. In the latter event, Landlord shall exchange the Letter(s) of Credit then being held by Landlord for such substitute Letter of Credit.

J. TENANT'S FINANCIAL STATEMENTS. Tenant shall deliver to Landlord financial statements as and when made publicly available, if Tenant's stock is then publicly traded. If Tenant's stock is not then publicly traded, Tenant shall deliver to Landlord (i) within ninety (90) days following the end of its fiscal year, copies of Tenant's annual financial statements, prepared by an independent certified public accounting firm reasonably acceptable to Landlord and in form reasonably acceptable to Landlord, and (ii) within forty-five (45) days following the end of each of its fiscal quarters, copies of Tenant's quarterly financial statements certified by Tenant's chief financial officer and in form reasonably acceptable to Landlord. All such financial statements shall be prepared in accordance with generally accepted accounting principles, consistently applied.

K. EFFECT OF TENANT DEFAULT. In the event that Tenant is in default of its obligations under the Lease, beyond the expiration of applicable notice and grace periods, then the Landlord shall have the right, at any time after such event, without giving any further notice to Tenant, to draw down from said Letter of Credit (Substitute Letter of Credit or Additional Letter of Credit, as defined below, as the case may be) (a) the amount necessary to cure such default or (b) if such default cannot reasonably be cured by the expenditure of money, to exercise all rights and remedies Landlord may have on account of such default, the amount which, in Landlord's opinion, is necessary to satisfy Tenant's liability on account thereof ("Default Draw Amount"). The foregoing shall be in addition to Landlord's other rights to draw down the Letter of Credit (Substitute Letter of Credit or Additional Letter of Credit, as the case may be) pursuant to this Paragraph 1. In the event of any such draw by the Landlord, Tenant shall, within fifteen (15) business days of written demand therefor, deliver to Landlord an additional Letter of Credit satisfying the foregoing conditions ("Additional Letter of Credit"), except that the amount of such Additional Letter of Credit shall be the Default Draw Amount. Notwithstanding anything to the contrary herein contained, if Landlord draws upon the Letter of Credit to make a Rent Restructuring Payment, in no event shall Tenant have any obligation to provide to Landlord an Additional Letter of Credit in the amount of such Rent Restructuring Payment. In addition, in the event of a termination based upon the default of Tenant under the Lease, or a rejection of the Lease pursuant to the provisions of the Federal Bankruptcy Code, Landlord shall have the right to draw upon the Letter of Credit (from time to time, if necessary) to cover the full amount of damages and other amounts due from Tenant to Landlord under the Lease. Any amounts so drawn shall, at Landlord's election, be applied first to any unpaid rent and other charges which were due prior to the filing of the petition for protection under the Federal Bankruptcy Code.

L. EFFECT OF FAILURE TO DELIVER SUBSTITUTE LETTER OF CREDIT. In the event that Tenant fails timely to deliver to Landlord a Substitute Letter of Credit, then the Landlord shall have the right, at any time after such event, without giving any further notice to Tenant and without limiting its other remedies on account thereof, to draw down the Letter of Credit (or Substitute Letter of Credit and/or Additional Letter(s) of Credit) and to hold the proceeds thereof ("Cash Proceeds") in a segregated bank account in the name of the Landlord in accordance with the provisions of this Paragraph 1.

M. RETURN OF LETTER OF CREDIT AT END OF TERM. To the extent that Landlord has not previously drawn upon any Letter of Credit, Substitute Letter of Credit, Additional Letter of Credit or Cash Proceeds (collectively "L/C Equivalent") held by the Landlord, and to the extent that Tenant is not otherwise in default of its obligations under the Lease as of the termination date of the Lease, Landlord shall return such L/C Equivalent to Tenant on the termination of the term of the Lease.

N. LETTER OF CREDIT NOT A MEASURE OF LIQUIDATED DAMAGES. In no event shall the proceeds of any Letter of Credit be considered as a measure of liquidated damages.

2. TENANT'S OPTION TO EXTEND THE TERM OF THE LEASE

A. On the conditions, which conditions Landlord may waive, at its election, by written notice to Tenant at any time, (i) that Tenant is not in default of its covenants and obligations under the Lease, and (ii) that Akamai Technologies, Inc., itself, or an Assignee or Affiliated Entity (as those terms are defined in Article 16) collectively are occupying at least seventy percent (70%) of the Premises then demised to Tenant, both as of the time of option exercise and as of the commencement of the hereinafter described additional term, Tenant shall have the option to extend the term of this Lease for two (2) additional five (5) year terms, each such additional term commencing as of the expiration of the initial term of the Lease or the previous extension term, as the case may be. Tenant may exercise such option to extend by giving Landlord written notice on or before the date fifteen (15) months prior to the expiration date of the initial term of the Lease or the previous extension term, as the case may be. Upon the timely giving of such notice, the term of this Lease shall be deemed extended upon all of the terms and conditions of this Lease, except that Landlord shall have no obligation to construct or renovate the Premises and that the Yearly Rent, Operating Costs in the Base Year, and Tax Base during such additional term shall be as hereinafter set forth. If Tenant fails to give timely notice, as aforesaid, Tenant shall have no further right to extend the term of this Lease, time being of the essence of this Paragraph 2.

B. YEARLY RENT

The Yearly Rent during the additional term(s) shall be based upon the Fair Market Rental Value, as defined in Paragraph 3 of this Rider, as of the commencement of the additional term in question, of the Premises then demised to Tenant, provided however, that in no event shall the sum of Yearly Rent, Operating Expense Excess and Tax Excess payable by Tenant for any twelve-(12)-month period during an additional term be less than the sum of Yearly Rent, Operating Expense Excess and Tax Excess payable by Tenant in respect of the twelve-(12)-month period immediately preceding the commencement of the additional term. Tenant shall have the right, on and after the date eighteen (18) months prior to the expiration date of the initial term of the Lease or the previous extension term, as the case may be, to request in writing that Landlord advise Tenant of Landlord's designation of the Fair Market Rental Value applicable during the additional term. Landlord shall, within thirty (30) days after receipt of Tenant's request, advise Tenant in writing of such designation of the Fair Market Rental Value.

C. TENANT'S TERMINATION RIGHT AFTER THE FAIR MARKET RENTAL VALUE IN RESPECT OF AN ADDITIONAL TERM IS DETERMINED.

If Tenant has exercised its right to extend the term of the Lease in respect of an additional term, and if Tenant, in accordance with Subparagraph (C) of Paragraph 3 of this Rider, timely elects to arbitrate the Fair Market Rental Value applicable to such additional term, Tenant shall have the right to terminate the term of the Lease as follows: Tenant may exercise such right by giving written notice to Landlord on or before the date fifteen (15) days after the Yearly Rent for the extension term is either agreed to by the parties or is determined by the arbitrators, as the case may be. The effective termination date shall be the later of (i) twelve (12) months after Landlord receives such termination notice from Tenant, or (ii) the date that this Lease would have expired had Tenant not exercised the extension option in question. If Tenant timely exercises such termination right, then: (i) the Yearly Rent payable by Tenant for the period commencing as of the day after the expiration of the then current term of the Lease through the effective termination date shall be based upon the Fair Market Rental Value, as determined by the arbitrators or as agreed to by the parties, as the case may be, and (ii) Tenant shall be required to reimburse Landlord, within ten (10) days of billing therefor, for any and all reasonable out-of-pocket expenses incurred by Landlord in connection with the arbitration proceedings; and (iii) Landlord shall have the right, by notice ("Landlord's Extension Notice") given to Tenant within thirty (30) days after the receipt of Tenant's termination notice, to extend the Term of the Lease for a period ending on the date eighteen (18) months after the expiration of the Term, prior to any extension pursuant to Paragraph C above ("Short Extended Term"). If Landlord timely gives Landlord's Extension Notice, then the Term of the Lease shall be automatically extended for the Short Extended Term and the Yearly Rent during the Short Extended Term shall be based upon the Fair Market Rental Value, as determined by the arbitrators or as agreed to by the parties, as the case may be.

D. Tenant shall have no further option to extend the term of the Lease other than the two (2) additional five (5) year terms herein provided.

E. Notwithstanding the fact that upon Tenant's exercise of the herein option(s) to extend the term of the Lease such extension shall be self-executing, as aforesaid, the parties shall promptly execute a lease amendment reflecting such additional term after Tenant exercises the herein option, except that the Yearly Rent payable in respect of such additional term, the Operating Costs in the Base Year during such additional term, and the Tax Base during such additional term, may not be set forth in said amendment. Subsequently, after such Yearly Rent, Operating Costs in the Base Year, and Tax Base are determined, the parties shall execute a written agreement confirming the same. The execution of such lease amendment shall not be deemed to waive any of the conditions to Tenant's exercise of its rights under this Paragraph 2, unless otherwise specifically provided in such lease amendment.

3. DEFINITION OF FAIR MARKET RENTAL VALUE

For the purposes of this Rider:

A. "Fair Market Rental Value" shall be computed as of the date in question at the then current annual rental charge (i.e., the sum of Yearly Rent plus escalation and other charges), including provisions for subsequent increases and other adjustments for leases or agreements to lease then currently being negotiated, or executed in comparable space located in the Complex, or if no leases or agreements to lease are then currently being negotiated or executed in the Complex, the Fair Market Rental Value shall be determined by reference to leases or agreements to lease then currently being negotiated or executed for comparable space located elsewhere in

first-class office buildings located in East Cambridge, Massachusetts. In determining Fair Market Rental Value, the following factors, among others, shall be taken into account and given effect: size, location of Premises, lease term, condition of building, economic concessions then being granted by the landlord, the absence of certain costs to be incurred by landlord (e.g., brokerage commissions, tenant improvement costs), and services provided by the landlord.

B. Notwithstanding anything to the contrary herein contained, the parties hereby agree that upon the determination of any Fair Market Rental Value, Landlord shall have the right, exercisable by written notice to Tenant on or before the time that Landlord gives Tenant its initial designation of Fair Market Rental Value:

(1) to change Operating Costs in the Base Year as stated on Exhibit 1 from the amount stated on Exhibit 1 to an amount equal to the actual amount of Operating Costs for the immediately preceding Operating Year, and

(2) to change the Tax Base as stated on Exhibit 1 from the amount stated on Exhibit 1 to an amount equal to the actual amount of Taxes for the immediately preceding fiscal/tax year for which Landlord has actual data.

If Landlord shall exercise such right, the amount of Yearly Rent payable hereunder shall be commensurately adjusted to reflect such change in Operating Costs in the Base Year and in Tax Base.

C. DISPUTE AS TO FAIR MARKET RENTAL VALUE

Landlord shall initially designate Fair Market Rental Value and Landlord shall furnish data in support of such designation. If Tenant disagrees with Landlord's designation of a Fair Market Rental Value, Tenant shall have the right, by written notice given within thirty (30) days after Tenant has been notified of Landlord's designation, to submit such Fair Market Rental Value to arbitration. Fair Market Rental Value shall be submitted to arbitration as follows: Fair Market Rental Value shall be determined by impartial arbitrators, one to be chosen by the Landlord, one to be chosen by Tenant, and a third to be selected, if necessary, as below provided. The unanimous written decision of the two first chosen, without selection and participation of a third arbitrator, or otherwise, the written decision of a majority of three arbitrators chosen and selected as aforesaid, shall be conclusive and binding upon Landlord and Tenant. Landlord and Tenant shall each notify the other of its chosen arbitrator within ten (10) days following the call for arbitration and, unless such two arbitrators shall have reached a unanimous decision within thirty (30) days after their designation, they shall so notify the President of the Boston Bar Association (or such organization as may succeed to said Boston Bar Association) and request him to select an impartial third arbitrator, who shall be a real estate broker with at least ten (10) years' experience dealing with like types of properties in the Cambridge office market, to determine Fair Market Rental Value as herein defined. Such third arbitrator and the first two chosen shall, subject to commercial arbitration rules of the American Arbitration Association, hear the parties and their evidence and render their decision within thirty (30) days following the conclusion of such hearing and notify Landlord and Tenant thereof. Landlord and Tenant shall bear the expense of the third arbitrator (if any) equally. The decision of the arbitrator shall be binding and conclusive, and judgment upon the award or decision of the arbitrator may be entered in the appropriate court of law (as identified on Exhibit 1); and the parties consent to the

jurisdiction of such court and further agree that any process or notice of motion or other application to the Court or a Judge thereof may be served outside the State wherein the Building is situated by registered mail or by personal service, provided a reasonable time for appearance is allowed. If the dispute between the parties as to a Fair Market Rental Value has not been resolved before the commencement of Tenant's obligation to pay rent based upon such Fair Market Rental Value, then Tenant shall pay Yearly Rent and other charges under the Lease in respect of the Premises in question based upon the rate in effect immediately before the commencement of Tenant's obligation to pay rent based upon such Fair Market Rental Value until either the agreement of the parties as to the Fair Market Rental Value, or the decision of the arbitrators, as the case may be, at which time Tenant shall pay any underpayment of rent and other charges to Landlord, or Landlord shall refund any overpayment of rent and other charges to Tenant, in either case with interest at the rate set forth in Article 6 hereof.

4. ANTENNA AREA

Tenant shall have the right to use the Antenna Area, as hereinafter defined, to install one or more satellite dishes and/or antennae (collectively, the "Antenna") for a period commencing as of the date that Tenant installs the Antenna, as hereinafter defined, in the Antenna Area ("Term Commencement Date in respect of the Antenna Area") and terminating as of the expiration or earlier termination of the term of the Lease. The "Antenna Area" shall be an area or areas on the roof of the Building containing approximately an aggregate of 2700 square feet of rentable area in an area to be designated by Landlord, provided that if such area consists of two or more non-contiguous areas, such areas must be reasonably suitable for Tenant's purposes of installing, maintaining and operating the Antenna. Tenant shall be permitted to use the Antenna Area solely for the Antenna installed in accordance with specifications approved by Landlord in advance utilizing a frequency or frequencies and transmission power identified in such approved specifications which Tenant will be installing in the Antenna Area and no other frequencies or transmission power shall be used by Tenant without Landlord's prior written consent, which shall not be unreasonably withheld or delayed, except for matters of aesthetics, which shall be determined in Landlord's sole discretion. Such installation shall be designed in such manner as to be easily removable and so as not to damage the roof of the Building. The Antenna and any replacement shall be subject to Landlord's approval, which shall not be unreasonably withheld or delayed, except for matters of aesthetics, which shall be determined in Landlord's sole discretion. Tenant's use of the Antenna Area shall be upon all of the conditions of the Lease, except as follows:

A. Tenant shall have no obligation to pay Yearly Rent, Tax Excess or Operating Expense Excess in respect of the Antenna Area.

B. Landlord shall have no obligation to provide any services to the Antenna Area.

C. Tenant shall have no right to make any changes, alterations, signs, decoration, or other improvements (which changes, alterations, signs, decoration or other improvements, together with the Antenna, are hereby collectively referred to as "Rooftop Installations") to the Antenna Area or to the Antenna without Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed, except for matters of aesthetics, which shall be determined in Landlord's sole discretion.

D. Landlord shall provide Tenant with 24-hour access to the Antenna Area, subject to Landlord's reasonable security procedures and restrictions based on emergency conditions and to other causes beyond Landlord's reasonable control. Tenant shall give Landlord reasonable advance written notice of the need for access to the Antenna Area (except that such notice may be oral in an emergency), and Landlord must be present during any entry by Tenant onto the Antenna Area. Each notice for access shall be in the form of a work order referencing the lease and describing, as applicable, the date access is needed, the name of the contractor or other personnel requiring access, the name of the supervisor authorizing the access/work, the areas to which access is required, the Building common elements to be impacted (risers, electrical rooms, etc.) and the description of new equipment or other Rooftop Installations to be installed and evidence of Landlord's approval thereof. In the event of an emergency, such notice shall follow within five (5) days after access to the Antenna Area.

E. At the expiration or prior termination of Tenant's right to use the Antenna Area, Tenant shall remove all Installations (including, without limitation, the Antenna) from the Antenna Area.

F. Tenant shall be responsible for the cost of repairing any damage to the roof of the Building caused by the installation or removal of any Rooftop Installations.

G. Tenant shall have no right to sublet the Antenna Area, except in connection with an assignment or sublease permitted hereunder or otherwise approved by Landlord in accordance with the terms hereof.

H. No other person, firm or entity (including, without limitation, other tenants, licensees or occupants of the Building) shall have the right to benefit from the services provided by the Antenna other than Tenant.

I. In the event that Landlord performs repairs to or replacement of the roof, Tenant shall, to the extent reasonably required, at Tenant's cost, remove the Antenna until such time as Landlord has completed such repairs or replacements. Tenant recognizes that there may be an interference with Tenant's use of the Antenna in connection with such work. Landlord shall use reasonable efforts to complete such work as promptly as possible and to perform such work in a manner which will minimize or, if reasonably possible, eliminate any interruption in Tenant's use of the Antenna.

J. Any services required by Tenant in connection with Tenant's use of the Antenna Area or the Antenna shall be installed by Tenant, at Tenant's expense, subject to Landlord's prior approval.

K. To the maximum extent permitted by law, all Rooftop Installations in the Antenna Area shall be at the sole risk of Tenant, and Landlord shall have no liability to Tenant in the event that any Rooftop Installations are damaged for any reason, except to the extent caused by the gross negligence or willful misconduct of Landlord, its agents or contractors.

L. Tenant shall take the Antenna Area "as-is" in the condition in which the Antenna Area is in as of the Term Commencement Date in respect of the Antenna Area.

M. Tenant shall comply with all applicable laws, ordinances and regulations in Tenant's use of the Antenna Area and the Antenna.

N. Landlord shall have the right, upon thirty (30) days notice to Tenant, to require Tenant to relocate the Antenna Area to another area ("Relocated Rooftop Area") on the roof of the Building suitable for the use of Rooftop Installations. In such event, Tenant shall, at Landlord's cost and expense, on or before the thirtieth (30th) day after Landlord gives such notice, relocate all of its Rooftop Installations from the Antenna Area to the Relocation Rooftop Area.

O. In addition to complying with the applicable construction provisions of the Lease, Tenant shall not install or operate Rooftop Installations in any portion of the Antenna Area until (x) Tenant shall have obtained Landlord's prior written approval, which approval will not be unreasonably withheld or delayed, of Tenant's plans and specifications for the placement and installation of the Rooftop Installations in the Premises, and (y) Tenant shall have obtained and delivered to Landlord copies of all required governmental and quasi-governmental permits, approvals, licenses and authorizations necessary for the lawful installation, operation and maintenance of the Rooftop Installations. The parties hereby acknowledge and agree, by way of illustration and not limitation, that Landlord shall have the right to withhold its approval of Tenant's plans and specifications hereunder, and shall not be deemed to be unreasonable in doing so, if Tenant's intended placement or method of installation or operation of the Rooftop Installations (i) may subject other licensees, tenants or occupants of the Building, or other surrounding or neighboring landowners or their occupants, to signal interference, Tenant hereby acknowledging that a shield may be required in order to prevent such interference, (ii) does not minimize to the fullest extent practicable the obstruction of the views from the windows of the Building that are adjacent to the Rooftop Installations, if any, (iii) does not complement (in Landlord's sole judgment, which shall not, however, require Tenant to incur unreasonable expense) the design and finish of the Building, (iv) may damage the structural integrity of the Building or the roof thereof, or (v) may constitute a violation of any consent, approval, permit or authorization necessary for the lawful installation of the Rooftop Installations.

P. In addition to the indemnification provisions set forth in the Lease which shall be applicable to the Antenna Area, Tenant shall, to the maximum extent permitted by law, indemnify, defend, and hold Landlord, its agents, contractors and employees harmless from any and all claims, losses, demands, actions or causes of actions suffered by any person, firm, corporation, or other entity arising from Tenant's use of the Antenna Area.

Q. Landlord shall have the right to designate or identify the Rooftop Installations with or by a lease or license number (or other marking) and to place such number (or marking) on or near such Rooftop Installations.

R. (i) Tenant recognizes that Landlord may wish to (and Landlord hereby reserves the right to) install a central Building system (the "Central Building System") capable of, among other things, providing Tenant with the type of service (to be) provided by Tenant's Rooftop Installations. If Landlord elects to install the Central Building System, and provided that such Central Building System is capable of providing service comparable to that provided by Tenant's Rooftop Installations, (i) Tenant shall, upon Landlord's request and at Tenant's expense, remove its Rooftop Installations and other Alterations (including any existing cabling) from the Building and repair any damage caused their installation or removal, (ii) Tenant may, at Tenant's

expense and subject to the provisions of this Agreement (including, without limitation, subparagraph P hereof), have access to and use (and tie into) the Central Building System for the uses permitted hereunder, and (ii) commencing upon Tenant's use of the Central Building System and continuing thereafter throughout the term, the Yearly Rent payable hereunder shall be adjusted to be that which is reasonably designated by Landlord from time to time based upon Landlord's determination of the fair market value of the access rights to the Central Building System granted herein.

(ii) Landlord shall maintain, repair or replace the Central Building System, in accordance with the standards for the repair and maintenance of such systems generally prevailing in the industry from time to time, so as to eliminate any material interruption or other adverse effects caused by malfunction, damage or destruction of the Central Building System, the cost of which shall be borne by Tenant if the problem was caused by the act or omission of Tenant or its agents, contractors or employees. Notwithstanding the foregoing, Landlord's obligation to maintain, repair or replace the Central Building System shall apply only to the extent necessary to reach premises in the Building that are then used by tenants after the malfunction, damage or destruction or that, if damaged or destroyed, will be again used by tenants upon the completion of restoration or repair thereof. In no event shall Tenant have any claim or right to make any claim against Landlord whatsoever for any damages, including, without limitation, consequential or incidental damages, or lost profits, in any such circumstance.

5. GENERATOR AREA

Landlord hereby demises and leases to Tenant, and Tenant hereby hires and takes from Landlord, an area containing approximately 730 square feet of rentable area on that portion of the roof of the Building ("Generator Area") for a generator for emergency use only ("Generator") for a term commencing as of the date of installation of the Generator ("Term Commencement Date in respect of the Generator") and terminating as of the expiration or earlier termination of the term of the Lease. Said demise of the Generator Area shall be upon all of the same terms and conditions of the Lease, except as set forth in this Paragraph 5. Tenant shall not install or operate the Generator until Tenant has obtained and submitted to Landlord copies of all required governmental permits, licenses, and authorizations necessary for the installation and operation of the Generator. In addition, Tenant shall comply with all reasonable construction rules and regulations promulgated by Landlord in the installation, maintenance and operation of the Generator. Tenant shall be permitted to use the Generator Area solely for the maintenance and operation of the Generator, and the Generator and Generator Area are solely for the benefit of Tenant. All electricity generated by the Generator may only be consumed by Tenant in the Premises.

A. Tenant shall have no obligation to pay Yearly Rent, Tax Excess or Operating Expense Excess in respect of the Generator Area.

B. Landlord shall have no obligation to provide any services including, without limitation, electric current, to the Generator Area.

C. Tenant shall have no right to make any changes, alterations, additions, decorations or other improvements (collectively "Installations") to the Generator Area without Landlord's prior written consent, , which shall not be unreasonably withheld or delayed, except for matters of aesthetics, which shall be determined in Landlord's sole discretion.

D. Tenant shall be responsible for the cost of repairing any damage to the Building, or the cost of any necessary improvements to the Building, caused by or as a result of the installation of the Generator and/or any Installations.

E. Tenant shall have no right to sublet the Generator Area or to assign its interest hereunder, except in connection with an assignment or sublease permitted hereunder or otherwise approved by Landlord in accordance with the terms hereof.

F. To the maximum extent permitted by law, the Generator and all Installations in the Generator Area shall be at the sole risk of Tenant, and Landlord shall have no liability to Tenant in the event that the Generator or any Installations are damaged for any reason, except to the extent caused by the gross negligence or willful malfeasance of Landlord, its agents or contractors.

G. Tenant shall take the Generator Area "as-is" in the condition in which the Generator Area is in as of the Term Commencement Date in respect of the Generator, without any obligation on the part of Landlord to prepare or construct the Generator Area for Tenant's use or occupancy. Without limiting the foregoing, Landlord makes no warranties or representations to Tenant as to the suitability of the Generator Area for the installation and operation of the Generator.

H. In addition to and without limiting Tenant's obligations under the Lease, Tenant shall comply with all applicable environmental and fire prevention laws, ordinances and regulations in Tenant's use of the Generator Area.

I. In addition to and without limiting Tenant's obligations under the Lease, Tenant covenants and agrees that the installation and use of the Generator and Installations shall not adversely affect the insurance coverage for the Building. If for any reason, the installation or use of the Generator and/or the Installations shall result in an increase in the amount of the premiums for such coverage, then Tenant shall be liable for the full amount of any such increase.

J. Tenant shall, at Tenant's sole cost and expense, repair and maintain the Generator and Installations.

K. In addition to and without limiting the insurance provisions of the Lease, Tenant shall procure, keep in force and pay for Commercial General Liability Insurance in respect of the Generator Area of not less than Ten Million ($10,000,000.00) Dollars in the event of personal injury to any number of persons or damage to property, arising out

of any one occurrence and such insurance shall name Landlord as an additional insured party.

L. In addition to and without limiting the indemnification provisions set forth in the Lease, Tenant shall, to the maximum extent permitted by law, indemnify, defend, and hold Landlord harmless from any and all claims, losses, demands, actions, or causes of actions suffered by any person, firm, corporation, or other entity arising from Tenant's use of the Generator Area.

M. Notwithstanding anything to the contrary herein or in the Lease contained, in the event that at any time during the term of the Lease in respect of the Generator Area, Landlord determines, in its sole but bona fide business judgment, that the periodic testing of the Generator interferes with the operation of the Building or the operations of any of the occupants of the Building, then Tenant shall, upon notice from Landlord, cause all further testing of the Generator to occur after normal business hours. Other than for periodic testing as aforesaid, in no event shall Tenant be entitled to operate the Generator except in cases of a power outage to the Premises or any portion thereof.

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

1. AKAMAI Ltd. — Incorporated in the United Kingdom
2. AKAMAI GMBH — Incorporated in Germany
3. AKAMAI SARL — Incorporated in France
4. AKAMAI SECURITIES CORPORATION — Incorporated in Massachusetts
5. INTERVU Inc. — Incorporated in Delaware
6. VIDEOLINX COMMUNICATIONS Inc. — Incorporated in Texas

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-45696 and 333-53906) of Akamai Technologies, Inc. and incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-37810, 333-36518, 333-35464, 333-35470, 333-35462, 333-31668, 333-89887, and 333-89889) of Akamai Technologies, Inc. of our report dated January 22, 2001, relating to the consolidated financial statements and consolidated financial statement schedules, which appears in this form 10-K.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 9, 2001