As filed with the Securities and Exchange Commission on February 22, 2011

Registration No. 333-172215

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1
to
FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

PANDORA MEDIA, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**7370**	**94-3352630**
(State or Other Jurisdiction of Incorporation or Organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

2101 Webster Street, Suite 1650
Oakland, CA 94612
(510) 451-4100
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Joseph Kennedy
Chief Executive Officer and President
Pandora Media, Inc.
2101 Webster Street, Suite 1650
Oakland, CA 94612
(510) 451-4100
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

Martin A. Wellington	**Delida Costin**	**Jeffrey D. Saper**
Davis Polk & Wardwell LLP	**Pandora Media, Inc.**	**Michael Nordtvedt**
1600 El Camino Real	**2101 Webster Street, Suite 1650**	**Wilson Sonsini Goodrich & Rosati**
Menlo Park, California 94025	**Oakland, CA 94612**	**Professional Corporation**
(650) 752-2000	**(510) 451-4100**	**650 Page Mill Road**
		Palo Alto, California 94304
		(650) 493-9300

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

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

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

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

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

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

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

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

EXPLANATORY NOTE

This Amendment No. 1 to the Registration Statement on Form S-1, or the Form S-1, of Pandora Media, Inc. is being filed solely for the purpose of adding Exhibits to the original filing of the Form S-1, filed on February 11, 2011. This Amendment No. 1 does not modify any provision of the prospectus that forms a part of the Form S-1 and accordingly such prospectus is not reproduced in this Amendment No. 1.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. ***Other Expenses of Issuance and Distribution.***

The expenses, other than underwriting commissions, we expect to incur in connection with the issuance and distribution of the securities being registered under this Registration Statement are estimated to be as follows:

	Amount To Be Paid
Securities and Exchange Commission Registration fee	$ 11,610
FINRA Filing fee	10,500
Listing fee	*
Transfer agent's fees and expenses	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue Sky fees and expenses	*
Miscellaneous	*
Total	$ *

* To be filed by amendment.

Each of the amounts set forth above, other than the Registration fee and the FINRA filing fee, is an estimate.

Item 14. ***Indemnification of Directors and Officers.***

Section 145(a) of the Delaware General Corporation Law provides, in general, that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the corporation), because he or she is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit, or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 145(b) of the Delaware General Corporation Law provides, in general, that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor because the person is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made with respect to any claim, issue, or matter as to which he or she shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, he or she is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or other adjudicating court shall deem proper.

Section 145(e) of the Delaware General Corporation Law provides that expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized by Section 145 of the Delaware General Corporation Law. Section 145(e) of the Delaware General Corporation Law further provides that such expenses (including attorneys' fees) incurred by former directors and officers or other employees or agents of the corporation may be so paid upon such terms and conditions as the corporation deems appropriate.

Section 145(g) of the Delaware General Corporation Law provides, in general, that a corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify the person against such liability under Section 145 of the Delaware General Corporation Law.

Our certificate of incorporation that will be in effect upon the closing of this offering will provide that we will indemnify and hold harmless, to the fullest extent permitted by the Delaware General Corporation Law, any person who was or is made or is threatened to be made a party or is otherwise involved in any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws that will be in effect upon the closing of this offering will further provide for the advancement of expenses to each of our officers and directors.

Our certificate of incorporation that will be in effect upon the closing of this offering will provide that, to the fullest extent permitted by the Delaware General Corporation Law, our directors shall not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director. Under Section 102(b)(7) of the Delaware General Corporation Law, the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty can be limited or eliminated except (1) for any breach of the director's duty of loyalty to the corporation or its stockholders; (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (3) under Section 174 of the Delaware General Corporation Law (relating to unlawful payment of dividend or unlawful stock purchase or redemption); or (4) for any transaction from which the director derived an improper personal benefit.

We also intend to maintain a general liability insurance policy which covers certain liabilities of directors and officers of our company arising out of claims based on acts or omissions in their capacities as directors or officers, whether or not we would have the power to indemnify such person against such liability under the Delaware General Corporation Law or the provisions of our certificate of incorporation.

In connection with the sale of common stock being registered hereby, we intend to enter into indemnification agreements with each of our directors and our executive officers. These agreements will provide that we will indemnify each of our directors and such officers to the fullest extent permitted by law and by our certificate of incorporation or bylaws.

In any underwriting agreement we enter into in connection with the sale of common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us, within the meaning of the Securities Act, against certain liabilities.

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

On December 28, 2010, we issued common stock, redeemable convertible preferred stock, options to purchase common stock and warrants to purchase redeemable convertible preferred stock to stockholders, option holders and warrant holders of Pandora Media, Inc., a California corporation and our sole stockholder, in connection with our reincorporation in Delaware. Such transaction was not a "sale" within the meaning of Section 2(3) of the Securities Act because it fit within the exemption under Rule 145(a)(2) of the Securities Act. The following sets forth information regarding all securities sold by our California predecessor since February 1, 2008 through the date of such reincorporation and all securities sold by us since such reincorporation, in each case, without registration under the Securities Act. For purposes of the discussion below, "we" refers to both us and our California predecessor.

1. On January 27, 2011, we issued 1,210,191 shares of our common stock for aggregate consideration for aggregate consideration of $3,799,999.74 to accredited investors.
2. On July 21, 2010, we issued 50,000 shares of common stock as compensation to a consultant pursuant to our obligations under an engagement letter.
3. On May 10, 2010, we sold and issued 8,129,338 shares of Series G redeemable convertible preferred stock for aggregate consideration of $22,249,998.15 to accredited investors.
4. On March 18, 2010, we issued 124,470 shares of Series B redeemable convertible preferred stock at a purchase price of $0.3766 per share to an accredited investor pursuant to our obligations under a warrant agreement.
5. Between July 9, 2009 and October 20, 2009, we sold and issued 45,833,082 shares of Series F redeemable convertible preferred stock for aggregate consideration of $35,497,722.09 to accredited investors.
6. On September 4, 2009, we issued a warrant to purchase 154,938 shares of Series F redeemable convertible preferred stock for an aggregate exercise price of $119,999.48, subject to certain adjustments, to a venture capital fund. The warrant may be exercised at any time prior to its termination date, which is the earlier of September 4, 2016 or a "public acquisition" as defined in the warrant.
7. On January 16, 2009, we sold and issued 8,639,737 shares of Series E redeemable convertible preferred stock for aggregate consideration of $14,693,603.40 to accredited investors upon conversion of convertible notes for the Series E redeemable convertible preferred stock held by such investors.
8. From February 1, 2008 to January 31, 2011, we granted to our directors, officers, employees and consultants options to purchase 24,329,119 shares of our common stock with per share exercise prices ranging from $0.16 to $3.14 under our 2004 Stock Plan, as amended.
9. From February 1, 2008 to January 31, 2011, we issued to our directors, officers, employees and consultants an aggregate of 7,192,431 shares of our common stock at exercise prices ranging from $0.04 to $3.14 pursuant to exercises of options granted under our 2004 Stock Plan, as amended.
10. From February 1, 2008 to January 31, 2011, we issued to our directors, officers, employees and consultants an aggregate of 328,186 shares of our common stock at an exercise price of $0.40 pursuant to exercises of options granted under our 2000 Stock Incentive Plan, as amended.

Unless otherwise stated, the sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(2) of the Securities Act or Regulation D promulgated thereunder, or Rule 701 promulgated under Section 3(b) of the Securities Acts as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of securities in each of these transactions represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were affixed to the share certificates and instruments issued in such transactions.

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

(a) The following exhibits are filed as part of this Registration Statement:

Exhibit Number	Exhibit Description
1.1*	Form of Underwriting Agreement.
3.1*	Form of Amended and Restated Certificate of Incorporation to be effective upon completion of the offering.
3.2*	Form of Amended and Restated Bylaws to be effective upon completion of the offering.
4.1*	Form of Common Stock Certificate.
4.2	Fifth Amended and Restated Investor Rights Agreement, by and among Pandora Media, Inc. and the investors listed on Exhibit A thereto, dated May 20, 2010, as amended.
5.1*	Form of Opinion of Davis Polk & Wardwell LLP.
10.1*†	2011 Long Term Incentive Plan and Form of Stock Option Agreement under 2011 Long Term Incentive Plan to be effective upon completion of the offering.
10.2*†	2011 Corporate Incentive Plan.
10.3†	2004 Stock Plan, as amended, and Forms of Stock Option Agreement and Restricted Stock Purchase Agreement under 2004 Stock Plan.
10.4†	2000 Stock Incentive Plan, as amended, and Forms of NSO Stock Option Agreement and ISO Stock Option Agreement under 2000 Stock Plan.
10.5†	Form of Indemnification Agreement by and between Pandora Media, Inc. and each of its executive officers and its directors not affiliated with an investment fund.
10.5A†	Form of Indemnification Agreement by and between Pandora Media, Inc. and each of its directors affiliated with an investment fund.
10.6†	Offer Letter with Joseph Kennedy, dated July 7, 2004.
10.7†	Employment Agreement with Tim Westergren, dated April 28, 2004.
10.8†	Offer Letter with Steven Cakebread, dated February 23, 2010.
10.9†	Offer Letter with Thomas Conrad, dated November 12, 2004.
10.10†	Offer Letter with John Trimble, dated February 18, 2009.
10.11†	Offer Letter with Delida Costin, dated February 19, 2010.
10.12	Office Lease between CIM/Oakland Center 21, LP and Pandora Media, Inc., dated July 23, 2009.
10.12A	First Amendment to Lease between CIM/Oakland Center 21, LP and Pandora Media, Inc., dated April 13, 2010.
10.12B	Second Amendment to Lease between CIM/Oakland Center 21, LP and Pandora Media, Inc., dated June 16, 2010.
10.13	Web Site Performance Agreement by and between Broadcast Music, Inc. and Savage Beast Technologies, Inc., dated June 30, 2005.
10.14	License Agreement by and between SESAC and Pandora Media, Inc., dated July 1, 2007.
10.15	Notice of Election for Rates and Terms for PurePlay Webcasters 2011 License Period from Pandora Media, Inc. to SoundExchange.
10.16	Amended and Restated Loan and Security Agreement by and between Bridge Bank, National Association and Pandora Media, Inc., dated September 10, 2009.
23.1**	Consent of Ernst & Young LLP, independent registered public accounting firm.

Exhibit Number	Exhibit Description
23.2*	Consent of Davis Polk & Wardwell LLP (included in Exhibit 5.1).
24.1**	Power of Attorney (see page II-6 to this registration statement).

* To be filed by amendment.
** Previously filed.
† Indicates management contract or compensatory plan.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. ***Undertakings***

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suite or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

The undersigned hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oakland, State of California, on February 22, 2011.

PANDORA MEDIA, INC.

By: /s/ Joseph Kennedy
Name: Joseph Kennedy
Title: Chief Executive Officer, President and Chairman of the Board

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Joseph Kennedy Joseph Kennedy	Chief Executive Officer, President and Chairman of the Board (Principal Executive Officer)	February 22, 2011
/s/ Steven Cakebread Steven Cakebread	Chief Financial Officer (Principal Financial and Accounting Officer)	February 22, 2011
* Peter Chernin	Director	February 22, 2011
* James M. P. Feuille	Director	February 22, 2011
* Peter Gotcher	Director	February 22, 2011
* Robert Kavner	Director	February 22, 2011
* Larry Marcus	Director	February 22, 2011
* Barry McCarthy	Director	February 22, 2011
* David Sze	Director	February 22, 2011
* Tim Westergren	Director	February 22, 2011

*By: /s/ Joseph Kennedy
Joseph Kennedy
Attorney-in-fact

EXHIBIT INDEX

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24.1**	Power of Attorney (see page II-6 to this registration statement).

* To be filed by amendment.
** Previously filed.
† Indicates management contract or compensatory plan.

EXHIBIT 4.2

PANDORA MEDIA, INC.

FIFTH AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

This Fifth Amended and Restated Investor Rights Agreement (the "***Agreement***") is entered into as of May 20, 2010, by and among Pandora Media, Inc., a California corporation (the "Company"), and the holders of the Company's Series A Preferred Stock, par value of $0.0001 per share ("***Series A Stock***"), Series B Preferred Stock, par value of $0.0001 per share ("***Series B Stock***"), Series C Preferred Stock, par value of $0.0001 per share ("***Series C Stock***"), Series D Preferred Stock, par value of $0.0001 per share ("***Series D Stock***"), Series E Preferred Stock, par value of $0.0001 per share ("***Series E Stock***"), Series F Preferred Stock, par value of $0.0001 per share ("***Series F Stock***"), and Series G Preferred Stock, par value of $0.0001 per share ("***Series G Stock***") set forth on Exhibit A hereto (collectively, the "***Investors***"), and Will Glaser, Tim Westergren, Joe Kennedy and Jon Kraft (each of whom is herein referred to as a "***Founder***"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in that certain Series G Preferred Stock Purchase Agreement of even date herewith (the "***Purchase Agreement***").

RECITALS

WHEREAS, the Company and holders of the Series A Stock, Series B Stock, Series C Stock, Series D Stock, Series E Stock and Series F Stock (the "***Prior Investors***") are parties to that certain Fourth Amended and Restated Investor Rights Agreement dated as of July 9, 2009 (the "***Prior Rights Agreement***") pursuant to which the Company granted the Founders and such Prior Investors certain rights;

WHEREAS, the Company and certain of the Investors are parties to the Purchase Agreement, pursuant to which the Company has agreed to sell, and such Investors have agreed to purchase shares of Series G Stock;

WHEREAS, in order to induce certain of the Investors to purchase the Series G Stock pursuant to the Purchase Agreement, the Company, the Founders and certain of the Investors desire to amend and restate the Prior Rights Agreement in order to extend to the Investors and Founders the registration rights, information rights and other rights as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein and in the Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

A. **Amendments of Prior Rights Agreement; Waiver of Right of First Offer.** Effective and contingent upon execution of this Agreement by (i) the Company, (ii) the holders of at least a majority of the Registrable Securities, as that term is defined in the Prior Rights Agreement, (iii) the holders of at least a majority of the Series D Stock (and/or shares of Common Stock issued upon conversion thereof), (iv) the holders of at least a majority of the Series E Stock (and/or shares of Common Stock issued upon conversion thereof), and (v) the holders of at least a majority of the Series F Stock (and/or shares of Common Stock issued upon

conversion thereof) and upon the initial closing of the transactions contemplated by the Purchase Agreement, the Prior Rights Agreement is hereby amended and restated in its entirety to read as set forth in this Agreement, and the Company, the Founders (on behalf of such Founder and all other Founders), and the Investors (on behalf of such Investor and all other Investors) hereby agree to be bound by the provisions hereof as the sole agreement of the Company, the Founders and the Investors with respect to registration rights of the Company's securities and certain other rights, as set forth herein. The Prior Investors hereby waive (on behalf of such Prior Investor and all other Prior Investors) any rights of first refusal provided under the Prior Rights Agreement, including any notice requirements, with respect to the issuance of the Series G Stock and any underlying securities.

SECTION 1. GENERAL

1.1 Definitions. As used in this Agreement the following terms shall have the following respective meanings:

"***Common Stock***" means the Company's Common Stock, par value of $0.0001 per share.

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

"***Form S-3***" means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

"***Founders' Shares***" means the shares of Common Stock issued to the Founders.

"***Holder***" means any person owning of record Registrable Securities that have not been sold to the public or any assignee of record of such Registrable Securities in accordance with Section 2.10 hereof.

"***Initial Offering***" means the Company's first firm commitment underwritten public offering of its Common Stock registered under the Securities Act.

"***Preferred Stock***" means, collectively, the Series A Stock, Series B Stock, Series C Stock Series D Stock, Series E Stock, Series F Stock, and Series G Stock.

"***Register***," "***registered***," and "***registration***" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

"***Registrable Securities***" means (a) Common Stock of the Company issued or issuable upon conversion of the Shares; (b) the Founders' Shares,*provided*, *however*, that for purposes of Sections 2.2, 2.4 and 2.11, the Founders' Shares shall not be deemed Registrable Securities and the Founders shall not be deemed Holders; (c) Common Stock of the Company issued or issuable upon conversion of (i) the Series C Stock issued or issuable upon exercise of that certain Warrant

to Purchase Stock issued to Comerica Bank (the "***Warrantholder***") dated March 3, 2006, (ii) the Series D Stock issued or issuable upon exercise of that certain Warrant to Purchase Stock issued to the Warrantholder dated May 4, 2007 (the shares referred to under subsections (i) and (ii) referred to as, the "***Comerica Warrant Shares***"), and (iii) the Series F Stock issued or issuable upon exercise of those certain Warrant to Purchase Preferred Stock issued to each of Pinnacle Ventures II Equity Holdings, L.L.C. and Pinnacle Ventures III Equity Holdings, L.L.C. (collectively, "***Pinnacle***") (the "***Pinnacle Warrant Shares***," and together with the Comerica Warrant Shares, the "***Warrant Shares***"), *provided*, *however*, that for purposes of (A) Sections 2.2, 2.4 and 2.11, the Comerica Warrant Shares shall not be deemed Registrable Securities and the Warrantholder shall not be deemed a Holder and (B) Sections 2.2 and 2.11, the Pinnacle Warrant Shares shall not be deemed Registrable Securities and Pinnacle shall not be deemed a Holder, and (d) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the securities described in (a), (b) and (c) above. Notwithstanding the foregoing, Registrable Securities shall not include any securities sold by a person to the public pursuant to a registration statement or pursuant to Rule 144 promulgated under the Securities Act ("***Rule 144***") or sold in a private transaction in which the transferor's rights under Section 2 of this Agreement are not assigned in accordance with Section 2.10.

"***Registrable Securities then outstanding***" shall be the number of shares determined by calculating the total number of shares of Common Stock that are Registrable Securities and either (a) are then issued and outstanding or (b) are issuable pursuant to then exercisable or convertible securities.

"***Registration Expenses***" shall mean all expenses incurred by the Company in complying with Sections 2.2, 2.3 and 2.4 hereof, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company, reasonable fees and disbursements of a single special counsel for the Holders for up to an aggregate amount of $50,000 per registration, blue sky fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company and underwriting discounts and commissions).

"***SEC***" or "***Commission***" means the Securities and Exchange Commission.

"***Securities Act***" shall mean the Securities Act of 1933, as amended.

"***Selling Expenses***" shall mean all underwriting discounts and selling commissions applicable to the sale.

"***Shares***" shall mean the Company's Series A Stock and/or Series B Stock and/or Series C Stock and/or Series D Stock and/or Series E Stock and/or Series F Stock and/or Series G Stock held by the Investors and their permitted successors and assigns.

SECTION 2. REGISTRATION; RESTRICTIONS ON TRANSFER

2.1 Restrictions on Transfer.

(a) Each Holder agrees not to make any disposition of all or any portion of the Shares or Registrable Securities unless and until:

(i) There is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(ii)(A) The transferee has agreed in writing to be bound by the terms of this Agreement, (B) such Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and (C) if reasonably requested by the Company, such Holder shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration of such shares under the Securities Act. It is agreed that the Company will not require opinions of counsel for transactions made pursuant to Rule 144 except in unusual circumstances; *provided, however*, that the Company receives reasonably satisfactory documentation that the requirements of Rule 144 have been met.

(iii) Notwithstanding the provisions of paragraphs (i) and (ii) above, no such registration statement or opinion of counsel shall be necessary for a transfer by a Holder which is (A) a partnership to its partners or former partners in accordance with partnership interests, (B) a corporation to its shareholders in accordance with their interest in the corporation, (C) a limited liability company to its members or former members in accordance with their interest in the limited liability company, or (D) to the Holder's "Immediate Family Member" (as defined below) or trust for the benefit of an individual Holder;*provided* that in each case the transferee agrees in writing to be subject to the terms of this Agreement to the same extent as if such Holder were an original Holder hereunder. An "***Immediate Family Member***" means a child, parent, spouse or sibling.

(b) Each instrument or certificate representing the Shares or Registrable Securities shall (unless otherwise permitted by the provisions of the Agreement) be stamped or otherwise imprinted with a legend substantially similar to the following (in addition to any legend required under applicable state securities laws):

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "***ACT***") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS REGISTERED UNDER THE ACT OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.

(c) The Company shall be obligated to reissue promptly unlegended instruments or certificates at the request of any Holder thereof if the Holder shall have obtained an opinion of counsel (which counsel may be counsel to the Company) reasonably acceptable to the Company to the effect that the securities proposed to be disposed of may lawfully be so disposed of without registration, qualification or legend.

(d) Any legend endorsed on an instrument pursuant to applicable state securities laws and the stop-transfer instructions with respect to such securities shall be removed upon receipt by the Company of an order of the appropriate blue sky authority authorizing such removal.

2.2 Demand Registration.

(a) Subject to the conditions of this Section 2.2, if the Company shall receive a written request from the Holders of at least twenty percent (20%) of the Registrable Securities then outstanding, voting together as a single class (the "***Initiating Holders***") that the Company file a registration statement under the Securities Act covering the registration of Registrable Securities held by such Initiating Holders with an anticipated aggregate gross offering price to the public of at least $10,000,000 (a "***Qualified Public Offering***"), then the Company shall, within twenty (20) days of the receipt thereof, give written notice of such request to all Holders, and subject to the limitations of this Section 2.2, use its best efforts to effect, as soon as practicable, the registration under the Securities Act of all Registrable Securities that the Holders request to be registered.

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 2.2 or any request pursuant to Section 2.4 and the Company shall include such information in the written notice referred to in Section 2.2(a) or Section 2.4(a), as applicable. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by a majority in interest of the Initiating Holders, voting together as a single class (which underwriter or underwriters shall be reasonably acceptable to the Company). Notwithstanding any other provision of this Section 2.2 or Section 2.4, if the underwriter advises the Company that marketing factors require a limitation of the number of securities to be underwritten (including Registrable Securities) then the Company shall so advise all Holders of Registrable Securities which would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated to the Holders of such Registrable Securities on a *pro rata* basis based on the number of Registrable Securities held by all such Holders (including the Initiating Holders); *provided, however*, that the number of shares of Registrable Securities to be included in such underwriting and registration shall not be reduced unless all other securities of the Company are first entirely

excluded from the underwriting and registration. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(c) The Company shall not be required to effect a registration pursuant to this Section 2.2:

(i) prior to the earlier of (A) the third anniversary of the date of this Agreement or (B) one hundred eighty (180) days following the effective date of the registration statement pertaining to the Initial Offering;

(ii) after the Company has effected two (2) registrations pursuant to this Section 2.2, and such registrations have been declared or ordered effective;

(iii) during the period starting with the date of filing of, and ending on the date one hundred eighty (180) days following the effective date of the registration statement pertaining to the Initial Offering; *provided* that the Company uses its best efforts to cause such registration statement to become effective;

(iv) if within thirty (30) days of receipt of a written request from Initiating Holders pursuant to Section 2.2(a), the Company gives notice to the Holders of the Company's intention to make its Initial Offering within ninety (90) days; *provided* that the Company uses its best efforts to cause such registration statement to become effective;

(v) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 2.2, a certificate signed by the Company's Chief Executive Officer stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its shareholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of, together with any deferral period used by the Company pursuant to Section 2.4(b)(iii), not more than ninety (90) days after receipt of the request of the Initiating Holders; *provided* that such right to delay a request shall be exercised by the Company not more than once in any twelve (12) month period and *provided further* that the Company shall not register any securities for the account of itself or any other stockholder during such ninety (90) day period (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered); or

(vi) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 2.4 below.

2.3 Piggyback Registrations.

(a) The Company shall notify all Holders of Registrable Securities in writing at least fifteen (15) days prior to the filing of any registration statement under the Securities Act for purposes of a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding (i) registration statements relating to employee benefit plans or with respect to corporate reorganizations or other transactions under Rule 145 of the Securities Act, and (ii) a registration in which the only stock being registered is Common Stock issuable upon conversion of debt securities which are also being registered) and will afford each such Holder an opportunity to include in such registration statement all or part of such Registrable Securities held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by it shall, within twenty (20) days after the above-described notice from the Company, so notify the Company in writing and in such notice shall inform the Company of the number of Registrable Securities such Holder wishes to include in such registration statement. Such notice shall state the intended method of disposition of the Registrable Securities by such Holder. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(b) Underwriting. If the registration statement under which the Company gives notice under this Section 2.3 is for an underwritten offering, the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder to be included in a registration pursuant to this Section 2.3 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in the form requested by the underwriter or underwriters selected for such underwriting by the Company. Notwithstanding any other provision of the Agreement, if the underwriter determines in good faith that marketing factors require a limitation of the number of shares to be underwritten, the number of shares that may be included in the underwriting shall be allocated, first, to the Company; second, to the Holders on a *pro rata* basis based on the total number of Registrable Securities held by the Holders (excluding the Founders) participating in the registration; third, to the Founders on a *pro rata* basis based on the total number of Registrable Securities held by the Founders participating in the registration; and fourth, to any shareholder of the Company (other than a Holder) on a *pro rata* basis based upon the number of shares of the Company's capital stock held by such shareholders. No such reduction shall reduce the amount of securities of the selling Holders included in the registration below thirty percent (30%) of the total amount of securities included in such registration, unless such offering is the Initial Offering and such registration does not include shares of any other selling shareholders, in which event any or all of the Registrable Securities of the Holders may be excluded in accordance with the fourth sentence of this subsection. In no event will shares of any other selling shareholder be included in such registration which would reduce the number of shares which may be included by Holders without the written consent of Holders of not less than a majority of the Registrable Securities proposed to be sold in the offering. Notwithstanding the foregoing, any Founders'

Shares may be excluded from a registration if the underwriter determines in good faith that it is not in the best interest of the offering for a Founder to participate in the registration. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter, delivered at least ten (10) business days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. For any Holder which is a partnership, limited liability company or corporation, the partners, members, retired partners and members and shareholders of such Holder, or the estates and family members of any such person and any trusts for the benefit of any such person shall be deemed to be a single "***Holder***," and any *pro rata* reduction with respect to such "***Holder***" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "***Holder***," as defined in this sentence.

(c) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.3 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The Registration Expenses of such withdrawn registration shall be borne by the Company in accordance with Section 2.5 hereof.

2.4 Form S-3 Registration. In case the Company shall receive from any Holder or Holders of Registrable Securities a written request or requests that the Company effect a registration on Form S-3 (or any successor to Form S-3) or any similar short-form registration statement and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company will:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders of Registrable Securities; and

(b) as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within twenty (20) days after receipt of such written notice from the Company; *provided, however*, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 2.4:

(i) if Form S-3 (or any successor or similar form) is not available for such offering by the Holders, or

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than one million dollars ($1,000,000), net of any underwriters discounts and commissions, or

(iii) if the Company shall furnish to the Holders a certificate signed by the President of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its shareholders for such Form S-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of, together with any deferral period used by the Company pursuant to Section 2.2(c)(v), not more than ninety (90) days after receipt of the request of the Holder or Holders under this Section 2.4; *provided*, that such right to delay a request shall be exercised by the Company not more than once in any twelve (12) month period and *provided further* that the Company shall not register any securities for the account of itself or any other stockholder during such ninety (90) day period (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered), or

(iv) if the Company has, within the twelve (12) month period preceding the date of such request, already effected two (2) registrations on Form S-3 for the Holders pursuant to this Section 2.4, or

(v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance, or

(vi) during the period ending 90 days after the effective date of a registration statement subject to Section 2.3.

(c) Subject to the foregoing, the Company shall file a Form S-3 registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the Holders. Registrations effected pursuant to this Section 2.4 shall not be counted as demands for registration or registrations effected pursuant to Sections 2.2 or 2.3, respectively.

2.5 Expenses of Registration. Except as specifically provided herein, all Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to Section 2.2 or any registration under Section 2.3 or Section 2.4 herein shall be borne by the Company. All Selling Expenses incurred in connection with any registrations hereunder, shall be borne by the holders of the securities so registered *pro rata* on the basis of the number of shares so registered. The Company shall not, however, be required to pay for expenses of any registration proceeding begun pursuant to Section 2.2 or 2.4, the request of which has been subsequently withdrawn by the Initiating Holders unless (a) the withdrawal is based upon material adverse information concerning the Company of which the Initiating Holders were not aware at the time of such request or (b) the Holders of a majority of Registrable Securities agree to forfeit their right to one requested registration pursuant to Section 2.2 or Section 2.4, as

applicable, in which event such right shall be forfeited by all Holders). If the Holders are required to pay the Registration Expenses, such expenses shall be borne by the holders of securities (including Registrable Securities) requesting such registration in proportion to the number of shares for which registration was requested. If the Company is required to pay the Registration Expenses of a withdrawn offering pursuant to clause (a) above, then the Holders shall not forfeit their rights pursuant to Section 2.2 or Section 2.4 to a demand registration.

2.6 Obligations of the Company. Whenever required to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its reasonable best efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for up to ninety (90) days or, if earlier, until the Holder or Holders have completed the distribution related thereto; *provided*, that if the use of a prospectus is suspended, the period in which the registration statement is to remain effective shall be extended for a period of time equal to the number of days in which the use of the prospectus was suspended. The Company shall not be required to file, cause to become effective or maintain the effectiveness of any registration statement that contemplates a distribution of securities on a delayed or continuous basis pursuant to Rule 415 under the Securities Act.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for the period set forth in paragraph (a) above and, in connection with any registration on Form S-3 pursuant to Section 2.4 above, use its reasonable best efforts to timely file all reports required under the Exchange Act in order to maintain the right to continue to use such Form and to maintain such registration in effect; *provided*, that if the use of a prospectus is suspended, the period in which the registration statement is to remain effective shall be extended for a period of time equal to the number of days in which the use of the prospectus was suspended.

(c) Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus and any Free Writing Prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Use its reasonable best efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders; *provided* that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(e) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter(s) of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus or Free Writing Prospectus (to the extent prepared by or on behalf of the Company) relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and, at the request of any such Holder, the Company will, as soon as reasonably practicable, file and furnish to all such Holders a supplement or amendment to such prospectus or Free Writing Prospectus (to the extent prepared by or on behalf of the Company) so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading in light of the circumstances under which they were made.

(g) In the event of the issuance of any stop order suspending the effectiveness of the registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any Registrable Securities included in such registration statement for sale in any jurisdiction, the Company shall use its reasonable best efforts to obtain promptly the withdrawal of such order.

(h) Use its best efforts to furnish, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and (ii) a letter dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters, if any.

(i) Use its reasonable best efforts to list all Registrable Securities covered by such registration statement on any securities exchange or interdealer quotation system on which any of the Registrable Securities are then listed.

(j) Provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

2.7 Termination of Registration Rights. All registration rights granted under this Section 2 shall terminate and be of no further force and effect five (5) years after the date of the Company's Initial Offering. In addition, a Holder's registration rights shall expire if (a) all Registrable Securities held by and issuable to such Holder (and its affiliates, partners, former

partners, members and former members) may be sold to the public in any 90 day period pursuant to Rule 144 (or any successor provision then in effect) without any volume limitations under the Securities Act; *provided, however*, that to the extent that any such Registrable Securities subsequently become ineligible for sale pursuant to Rule 144, such Holder's registration rights shall again be exercisable with respect to such Registrable Securities, or (b) upon the consummation of a Liquidation Transaction (as defined under the Company's Seventh Amended and Restated Articles of Incorporation, as may be amended from time to time) in which the consideration payable to the Company's shareholders consists entirely of cash and/or securities of a company (a "Public Company") that (A) are publicly traded on a national exchange, including the Nasdaq Stock Market, and (B) if such Public Company has an aggregate market capitalization of less than $250,000,000, are immediately freely tradable without restrictions (except restrictions under Rule 145 promulgated under the Securities Act or for restricted securities which are subject to a binding contractual commitment to be registered on Form S-1 or Form S-3 which registration statement is reasonably expected to be declared effective within 30 days following the closing of such Liquidation Transaction).

2.8 Delay of Registration; Furnishing Information.

(a) No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

(b) It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 2.2, 2.3 or 2.4 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to effect the registration of their Registrable Securities.

(c) The Company shall have no obligation with respect to any registration requested pursuant to Section 2.2 or Section 2.4 if, due to the operation of subsection 2.2(b), the number of shares or the anticipated aggregate offering price of the Registrable Securities to be included in the registration does not equal or exceed the number of shares or the anticipated aggregate offering price required to originally trigger the Company's obligation to initiate such registration as specified in Section 2.2 or Section 2.4, whichever is applicable.

2.9 Indemnification. In the event any Registrable Securities are included in a registration statement under Sections 2.2, 2.3 or 2.4:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, members, officers and directors of each Holder, legal counsel and accountants for each Holder, any underwriter (as defined in the Securities Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or

violations (each a "***Violation***") by the Company: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any federal or state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any federal or state securities law in connection with the offering covered by such registration statement; and the Company will pay as incurred to each such Holder, partner, member, officer, director, underwriter, controlling person or other aforementioned for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; *provided, however*, that the indemnity agreement contained in this Section 2.9(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld or delayed, nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder, partner, officer, director, underwriter, controlling person or other aforementioned person of such Holder.

(b) To the extent permitted by law, each Holder will severally and not jointly, if Registrable Securities held by such Holder are included in the securities as to which such registration qualifications or compliance is being effected, indemnify and hold harmless the Company, each of its directors, its officers, and each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder's partners, members, directors or officers or any person who controls such Holder within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages or liabilities (joint or several) to which the Company or any such director, officer, controlling person, underwriter or other such Holder, or partner, director, officer or controlling person of such other Holder may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder and stated to be specifically for use in connection with such registration; and each such Holder will pay as incurred any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling person, underwriter or other Holder, or partner, member, officer, director or controlling person of such other Holder in connection with investigating or defending any such loss, claim, damage, liability or action; *provided, however*, that the indemnity agreement contained in this Section 2.9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld or delayed; *provided further*, that in no event shall any indemnity under this Section 2.9 exceed the net proceeds from the offering received by such Holder, except in the case of willful fraud by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.9 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.9, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; *provided, however*, that an indemnified party shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if materially prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.9, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.9.

(d) If the indemnification provided for in this Section 2.9 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any losses, claims, damages or liabilities referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party thereunder, shall to the extent permitted by applicable law contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the Violation(s) that resulted in such loss, claim, damage or liability, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by a court of law by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; *provided*, that (i) in no event shall any contribution by a Holder hereunder when combined with any amounts paid by such Holder pursuant to Section 2.9(b), exceed the net proceeds from the offering received by such Holder, except in the case of willful fraud by such Holder and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentations.

(e) The obligations of the Company and Holders under this Section 2.9 shall survive completion of any offering of Registrable Securities in a registration statement and the termination of this Agreement. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(f) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

2.10 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 2 may be assigned by a Holder to a transferee or assignee of Registrable Securities which (a) is a partner or retired partner of any Holder that is a partnership, or the individuals who are the former or current shareholders, members, or partners of any partner that is a general partner of any Holder, (b) is a member of any Holder that is a limited liability company, or the individuals who are the former or current shareholders, members, or partners of any member of any Holder, (c) is a shareholder of any Holder that is a corporation, or the individuals who are the former or current shareholders, members or partners of any shareholder of any Holder, (d) is an individual, partnership, corporation, limited liability company, association, trust, joint venture or unincorporated organization that, directly or indirectly, controls, is controlled by or is under common control with such Holder (within the meaning of the Securities Act of 1933, as amended (the ***"Securities Act"***), (e) with respect to King Street Acquisition Corporation, L.L.C. ("***King Street***"), is an affiliate (which shall include an entity which King Street Capital Management, L.L.C. or its successor serves as manager or investment manager), (f) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder, (g) is an affiliate of any Holder that is an entity, or (h) acquires at least one million (1,000,000) shares of Registrable Securities (as adjusted for stock splits, dividends, combinations, reorganizations or like transactions after the date hereof); *provided, however*, that, in each case, (i) such transfer or assignment shall not be to a competitor of the Company, (ii) such transfer or assignment shall not be allowed if the Company reasonably believes that such transfer or assignment could result in the Company becoming subject to public company reporting requirements, (iii) the transferor shall, within ten (10) days after such transfer, furnish to the Company written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned, and (iv) such transferee shall agree in writing to be subject to all restrictions set forth in this Agreement.

2.11 Limitation on Subsequent Registration Rights. After the date of this Agreement, the Company shall not, without the prior written consent of the Holders of at least a majority of the Registrable Securities then outstanding, voting together as a single class on an as-converted to Common Stock basis**,** enter into any agreement with any holder or prospective holder of any securities of the Company that would grant such holder registration rights pari passu or senior to those granted to the Holders hereunder.

2.12 "Market Stand-Off" Agreement; Agreement to Furnish Information. Each Holder hereby agrees that such Holder shall not sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, or otherwise dispose of any securities of the Company held by such Holder, however or whenever acquired (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred eighty (180) days following the effective date of a

registration statement of the Company filed under the Securities Act; *provided however* that, if during the last 17 days of the restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the 16-day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any FINRA rules, the restrictions imposed by this Section 2.12 shall continue to apply until the end of the third trading day following the expiration of the 15-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event (however, in no event will the restricted period extend beyond 216 days after the effective date of the registration statement); *provided further* that:

(i) such agreement shall apply only to the Company's Initial Offering, and is explicitly conditioned on any release or modification of such agreement being effected among all Holders on a pro-rata basis according to the number of Registrable Securities held by such Holders; and

(ii) all officers, directors and greater than 5% stockholders of the Company enter into similar agreements.

Each Holder agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto; *provided, however*, that any such agreement must require that any release, waiver or modification of such agreement be effected among all Holders on a pro-rata basis according to the number of Registrable Securities held by such Holders. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, each Holder shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 2.12 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company shall have the right to place restrictive legends on the certificates representing the shares subject to this Section and to impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred eighty (180) day period. Each Holder agrees that it will not transfer securities of the Company unless each transferee agrees in writing to be bound by all of the provisions of this Section 2.12.

2.13 Rule 144 Reporting. With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its best efforts to:

(a) Make and keep public information available, as those terms are understood and defined in Rule 144 or any similar or analogous rule promulgated under the Securities Act, at

all times after the effective date of the first registration filed by the Company for an offering of its securities to the general public;

(b) File with the SEC, in a timely manner, all reports and other documents required of the Company under the Exchange Act; and

(c) So long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of said Rule 144, and of the Exchange Act (at any time after it has become subject to such reporting requirements); a copy of the most recent annual or quarterly report of the Company; and such other reports and documents as a Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such securities without registration.

SECTION 3. COVENANTS OF THE COMPANY

3.1 Basic Financial Information and Reporting.

(a) The Company will use commercially reasonable efforts to maintain true books and records of account in which full and correct entries in all material respects will be made of all its business transactions pursuant to a system of accounting established and administered in accordance with United States generally accepted accounting principles and practices consistently applied, and will set aside on its books all such proper accruals and reserves as shall be required under United States generally accepted accounting principles consistently applied.

(b) As soon as practicable after the end of each fiscal year of the Company, and in any event within one hundred twenty (120) days thereafter, the Company will furnish each Investor holding an aggregate of at least 1,300,000 shares (as adjusted for stock splits, stock dividends, combinations, reorganizations or like transactions) of Series A Stock, Series B Stock, Series C Stock, Series D Stock, Series E Stock, Series F Stock or Series G Stock (or Common Stock issued upon conversion thereof after the date hereof) (a "***Major Investor***"), a balance sheet of the Company, as at the end of such fiscal year, and a consolidated statement of income, a statement of shareholders' equity, and a statement of cash flows of the Company and its subsidiaries, for such year, all prepared in accordance with United States generally accepted accounting principles and practices consistently applied and setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and setting forth in each case in comparative form the figures from the Company's previous fiscal year. Such financial statements shall be audited and accompanied by a report and opinion thereon by independent public accountants of national standing selected by the Company's Board of Directors. The financial information shall also include information related to changes from the budget for the fiscal year.

(c) The Company will furnish each Major Investor, as soon as practicable after the end of the first, second and third quarterly accounting periods in each fiscal year of the Company, and in any event within sixty (60) days thereafter, an unaudited balance sheet of the

Company as of the end of each such quarterly period, and an unaudited statement of income and a statement of cash flows of the Company for such period and for the current fiscal year to date, prepared in accordance with United States generally accepted accounting principles and practices consistently applied, with the exception that no notes need be attached to such statements and year-end audit adjustments may not have been made. The financial information shall also include information related to changes from the budget for the corresponding period.

(d) The Company will furnish each Major Investor prior to the beginning of each fiscal year an annual budget, operating plan and financial projections, prepared on a monthly basis, for such fiscal year (and as soon as available, any subsequent material revisions thereto).

(e) With respect to the financial statements called for in subsections (b), (c) and (d) of this Section 3.1, an instrument executed by the Chief Financial Officer of the Company on behalf of the Company and certifying that such financials were prepared in accordance with United States generally accepted accounting principles consistently applied with prior practice for earlier periods (with the exception of footnotes that may be required by United States generally accepted accounting principles) and fairly present the financial condition of the Company and its results of operation for the periods specified therein, subject to year-end audit adjustment.

(f) If an Investor is an institutional investor that is subject to FAS 157, upon the written request by such Investor to the Company, the financial information set forth in subsections (b), (c) and (d) above shall also be provided to such Investor to the extent required for such Investor to comply with the requirements of FAS 157.

3.2 Inspection Rights. Each Major Investor shall have the right to visit and inspect any of the properties of the Company or any of its subsidiaries, and to discuss the affairs, finances and accounts of the Company or any of its subsidiaries with its officers, to examine its books of account and records, and to review any such other information as is reasonably requested all at such reasonable times and as often as may be reasonably requested; *provided, however*, that the Company shall not be obligated under this Section 3.2 with respect to a competitor of the Company or with respect to information which the Board of Directors determines in good faith is confidential and should not, therefore, be disclosed.

3.3 Confidentiality of Records. Each Investor agrees that it shall at all times hold in confidence and trust and not use or disclose any confidential information of the Company provided to or learned by such Investor pursuant to Section 3.1 or Section 3.2 or in connection with diligence performed with respect to its purchase of shares under the Purchase Agreement, and agrees to use, and to use its best efforts to insure that its authorized representatives use, the same degree of care as such Investor uses to protect its own confidential information to keep confidential such information of the Company, except (i) to the extent such information (A) is now or thereafter becomes generally known or available to the public, through no act or omission on the part of such Investor, (B) was known by such Investor, without confidentiality restrictions, prior to receiving such information from the Company, (C) is rightfully acquired by such

Investor, without confidentiality restrictions, from a third party who has the right to disclose it, or (D) is independently developed by such Investor without using any confidential information of the Company and by employees of the Company who have not had access to the Company's confidential information; and (ii) that such Investor may disclose such proprietary or confidential information to any partner, subsidiary, parent, affiliate or legal, financial or tax advisor of such Investor for the purpose of evaluating its investment in the Company as long as such partner, subsidiary or parent is advised and agrees to abide by the confidentiality provisions of this Section 3.3. The provisions of this Section 3.3 shall be in addition to, and not in substitution for, the provisions of any separate nondisclosure agreement executed by the parties hereto with respect to the transactions contemplated hereby. The Company acknowledges that at least some of the Investors are in the business of venture capital investing and therefore review the business plans and related proprietary information of many enterprises, including enterprises that may have products or services which compete directly or indirectly with those of the Company. Nothing in this Agreement shall preclude or in any way restrict the Investors from investing or participating in any particular enterprise so long as such Investors do not violate the confidentiality provisions of this Section 3.3.

3.4 Reservation of Common Stock. The Company will at all times reserve and keep available, solely for issuance and delivery upon the conversion of the Preferred Stock, all Common Stock issuable from time to time upon such conversion.

3.5 Stock Vesting. Unless otherwise approved by the Board of Directors, all stock options and other stock equivalents issued after the date of this Agreement to employees, directors, consultants and other service providers shall be subject to vesting as follows: (a) twenty-five percent (25%) of such stock shall vest at the end of the first year following the earlier of the date of issuance or such person's services commencement date with the company, and (b) seventy-five percent (75%) of such stock shall vest monthly thereafter over the remaining three (3) years at a rate of 1/48th per month. With respect to any shares of stock purchased by any such person, the Company's repurchase option shall provide that upon such person's termination of employment or service with the Company, with or without cause, the Company or its assignee (to the extent permissible under applicable securities laws and other laws) shall have the option to purchase at cost any unvested shares of stock held by such person.

3.6 Proprietary Information and Inventions Agreement. Unless otherwise approved by the Board of Directors, the Company shall require all employees and consultants to execute and deliver a Proprietary Information and Inventions Agreement in substantially the form provided to the Investors or Investors' counsel or as otherwise approved by the Board of Directors.

3.7 Directors' Liability and Indemnification. The Company's Seventh Amended and Restated Articles of Incorporation and Bylaws shall provide (a) for elimination of the liability of directors to the maximum extent permitted by law and (b) for indemnification of directors for acts on behalf of the Company to the maximum extent permitted by law. In addition, the Company shall enter into and use its best efforts to at all times maintain indemnification contracts substantially in the form provided to the Investors or Investors' counsel

or as otherwise approved by the Board of Directors with each of its directors to indemnify such directors to the maximum extent permissible under California law.

3.8 Issuance of Additional Shares of Series G Preferred. In the event the Company issues shares of its Series G Preferred Stock in excess of the number of shares authorized for issuance under the Purchase Agreement, the issuance of such excess shares shall require the consent or approval of the holders of majority of the then outstanding shares of the Company's Series G Preferred Stock.

3.9 Termination of Covenants. All covenants of the Company and each of the Investors contained in Section 3 of this Agreement shall expire and terminate upon the earlier of (i) the effective date of the registration statement pertaining to the Initial Offering, which results in the Preferred Stock being automatically converted into Common Stock pursuant to the terms of the Company's Seventh Amended and Restated Articles of Incorporation, as may be amended from time to time (a "***Qualified Offering***"), or (ii) the consummation of a Liquidation Transaction (as defined under the Company's Seventh Amended and Restated Articles of Incorporation, as may be amended from time to time (a "***Change in Control***").

SECTION 4. RIGHTS OF FIRST REFUSAL

4.1 Subsequent Offerings. Each Major Investor shall have a right of first refusal to purchase its *pro rata* share of all Equity Securities, as defined below, that the Company may, from time to time, sell and issue after the date of this Agreement, other than the Equity Securities excluded by Section 4.6 hereof. Each Major Investor's *pro rata* share is equal to the ratio of (a) the number of shares of Common Stock which such Major Investor is deemed to be a Holder immediately prior to the issuance of such Equity Securities to (b) the total number of shares of the Company's outstanding Common Stock (including for both numerator and denominator all shares of Common Stock issued or issuable upon conversion of the shares of Preferred Stock or upon exercise or conversion of any outstanding warrants, options, notes or other rights to acquire securities of the Company) immediately prior to the issuance of the Equity Securities. Subject to Section 4.6, the term "***Equity Securities***" shall mean (i) any Common Stock or Preferred Stock of the Company, (ii) any security convertible, with or without consideration, into any Common Stock or Preferred Stock (including any option to purchase such a convertible security), (iii) any security carrying any warrant or right to subscribe to or purchase any Common Stock or Preferred Stock or (iv) any such warrant or right.

4.2 Exercise of Rights. If the Company proposes to issue any Equity Securities, it shall give each Major Investor written notice of its intention, describing the Equity Securities, the price and the terms and conditions upon which the Company proposes to issue the same. Each Major Investor shall have fifteen (15) days from the giving of such notice to agree to purchase its *pro rata* share of the Equity Securities for the price and upon the terms and conditions specified in the notice by giving written notice to the Company and stating therein the quantity of Equity Securities to be purchased. The right of first offer in this Section 4 shall not be applicable with respect to any Major Investor and any subsequent securities issuance, if (i) at the time of such subsequent securities issuance, the Major Investor is not an "accredited investor," as that term is

then defined in Rule 501(a) under the Securities Act, as such shall be amended from time to time, and (ii) such subsequent securities issuance is otherwise being offered only to accredited investors.

4.3 Issuance of Equity Securities to Other Persons. If not all of the Major Investors elect to purchase their *pro rata* share of the Equity Securities, then the Company shall promptly notify in writing the Major Investors who do so elect and shall offer such Major Investors the right to acquire such unsubscribed shares (on a *pro rata* basis according to the relative *pro rata* shares of such purchasing Major Investors). The Major Investors shall have five (5) days after receipt of such notice to notify the Company of its election to purchase all or a portion thereof of the unsubscribed shares. If the Major Investors fail to exercise in full the rights of first refusal, the Company shall have sixty (60) days after the expiration of such five (5)-day notice period to sell the Equity Securities in respect of which the Major Investor's rights were not exercised, at a price and upon general terms and conditions materially no more favorable to the purchasers thereof than specified in the Company's notice to the Major Investors pursuant to Section 4.2 hereof. If the Company has not sold such Equity Securities within such sixty (60)-day period, the Company shall not thereafter issue or sell any Equity Securities, without first offering such securities to the Major Investor in the manner provided above.

4.4 Termination and Waiver of Rights of First Refusal. The rights of first refusal established by this Section 4 shall not apply to, and shall terminate upon the earlier of (i) the effective date of the registration statement pertaining to the Company's Qualified Offering or (ii) a Change in Control in which the consideration payable to the Company's shareholders consists entirely of cash and/or securities of a Public Company that (A) are publicly traded on a national exchange, including the Nasdaq Stock Market, and (B) if such Public Company has an aggregate market capitalization of less $250,000,000, are immediately freely tradable without restrictions (except restrictions under Rule 145 promulgated under the Securities Act or for restricted securities which are subject to a binding contractual commitment to be registered on Form S-1 or Form S-3 which registration statement is reasonably expected to be declared effective within 30 days following the closing of such Liquidation Transaction). The rights of first refusal established by this Section 4 may be amended, or any provision waived with the written consent of (i) the Major Investors holding a majority of the Registrable Securities that are held by all of the Major Investors, (ii) the holders of at least a majority of the Series D Stock (and/or shares of Common Stock issued upon conversion thereof), voting together as a single class on an as-converted to Common Stock basis, (iii) the holders of at least a majority of the Series E Stock (and/or shares of Common Stock issued upon conversion thereof), voting together as a single class on an as-converted to Common Stock basis, and (iv) the holders of at least a majority of the Series F Stock (and/or shares of Common Stock issued upon conversion thereof), voting together as a single class on an as-converted to Common Stock basis; provided, however, that with respect to any amendment or waiver of Section 4, if any Major Investor participates (a "***Participating Investor***") in the purchase of Equity Securities to which Section 4 would have applied absent such amendment or waiver (a "***Nonwaiver Event***"), no such amendment or waiver shall be effective with respect to Granite Global Ventures III, L.P. or any of its affiliates (collectively, "***GGV***") without the consent or vote of GGV; provided, however, that to the extent GGV is allowed to participate as a result of a Nonwaiver Event, then the percentage of GGV's

pro rata share that GGV can purchase shall be the same percentage that the Participating Investor purchased of its pro rata share (if there is more than one Participating Investor, the highest percentage shall apply to GGV). (For example, if a Participating Investor purchased 50% of its pro rata share, then GGV shall be allowed to purchase up to 50% of GGV's pro rata share)..

4.5 Transfer of Rights of First Refusal. The rights of first refusal of each Major Investor under this Section 4 may be transferred to the same parties, subject to the same restrictions as any transfer of registration rights pursuant to Section 2.10.

4.6 Excluded Securities. The rights of first refusal established by this Section 4 shall have no application to any of the following Equity Securities:

(a) shares of Common Stock of the Company issued pursuant to stock dividends, stock splits, reorganization or similar transactions;

(b) shares of Common Stock (or options therefor) of the Company issued or issuable to employees, consultants or directors of the Company directly or pursuant to a stock option plan or restricted stock plan approved by the Board of Directors of the Company;

(c) any capital stock, or options or warrants to purchase capital stock of the Company (including any underlying securities), issued to financial institutions, lessors, lenders, vendors, customers, consultants, independent members of the Board of Directors or similar persons in connection with commercial credit arrangements, equipment financings, commercial property lease transactions or other transactions, in each case approved by the Board of Directors;

(d) shares of Common Stock or Preferred Stock (including Common Stock issuable upon conversion thereof) of the Company issuable upon exercise or conversion of warrants, notes or other rights to acquire securities of the Company outstanding as of the date hereof;

(e) shares of capital stock, or warrants or options to purchase capital stock of the Company (including any underlying securities), issued in connection with bona fide acquisitions, mergers, joint ventures or similar transactions, the terms of which are approved by the Board of Directors of the Company;

(f) shares of Common Stock of the Company issued or issuable upon conversion of shares of the Preferred Stock.

(g) shares of Common Stock of the Company issued or issuable in a public offering prior to or in connection with which all outstanding shares of the Preferred Stock will be converted to Common Stock;

(h) shares of capital stock or other securities of the Company (including any underlying securities) issued or issuable to an entity as a component of any business relationship with such entity for the purpose of (A) joint venture, technology licensing or development activities, (B) distribution, supply or manufacture of the Company's products or services or

(C) any other arrangements involving corporate partners that are primarily for purposes other than raising capital, in each case with respect to clauses (A), (B) and (C), the terms of which business relationship with such entity are approved by the Board of Directors;

(i) shares of Series G Preferred Stock issued under the Purchase Agreement; and

(j) shares of capital stock or other securities (including any underlying securities) issued or issuable which the holders of at least a majority of the then outstanding shares of Preferred Stock (voting together as a single class on and as-converted to Common Stock basis) affirmatively approve or agree that such issuances will not be subject to the rights of first refusal under this Section 4.

SECTION 5. MISCELLANEOUS

5.1 Governing Law. This Agreement shall be governed by and construed under the laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California, without giving effect to that body of laws pertaining to conflict of laws that would require or permit the application of the law of any other jurisdiction.

5.2 Survival. The representations, warranties, covenants, and agreements made herein shall survive any investigation made by any Holder and the closing of the transactions contemplated hereby. All statements as to factual matters contained in any certificate or other instrument delivered by or on behalf of the Company pursuant hereto in connection with the transactions contemplated hereby shall be deemed to be statements by the Company hereunder solely as of the date of such certificate or instrument.

5.3 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto and shall inure to the benefit of and be enforceable by each person who shall be a holder of Registrable Securities from time to time; *provided, however*, that prior to the receipt by the Company of adequate written notice of the transfer of any Registrable Securities specifying the full name and address of the transferee and a written statement by such subsequent holder to be bound by the terms of Section 2.12, the Company may deem and treat the person listed as the holder of such shares in its records as the absolute owner and holder of such shares for all purposes, including the payment of dividends or any redemption price. The parties hereto agree and acknowledge that King Street may freely assign the Registrable Securities held by King Street or any other rights held by King Street pursuant to this Agreement to an affiliate (which shall include an entity which King Street Capital Management, L.L.C. or its successor serves as manager or investment manager). The parties hereto agree that prior written notice of any such assignment must be provided to the Company and assignee must agree in writing to be bound by the terms of this Agreement to the same extent as such assigning party hereto. Each of the Investors understands and agrees that no transfer or assignment of the Registrable Securities (i) shall be to a competitor of the Company,

and (ii) shall be allowed if the Company reasonably believes that such transfer or assignment could result in the Company becoming subject to public company reporting requirements.

5.4 Entire Agreement. This Agreement, the Exhibits and Schedules hereto, the Purchase Agreement and the other documents delivered pursuant thereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof, and supersede any and all prior understandings and agreements, whether oral or written, between or among the parties hereto with respect to the specific subject matter hereof, and no party shall be liable or bound to any other in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein and therein.

5.5 Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

5.6 Amendment and Waiver.

(a) Except as otherwise expressly provided, this Agreement may be amended or modified only upon the written consent of (i) the Company, (ii) the holders of at least a majority of the Registrable Securities, (iii) the holders of at least a majority of the Series D Stock (and/or shares of Common Stock issued upon conversion thereof) voting together as a single class on an as-converted to Common Stock basis, (iv) the holders of at least a majority of the Series E Stock (and/or shares of Common Stock issued upon conversion thereof), voting together as a single class on an as-converted to Common Stock basis and (v) the holders of at least a majority of the Series F Stock (and/or shares of Common Stock issued upon conversion thereof), voting together as a single class on an as-converted to Common Stock basis; provided, however, that any amendment or waiver that treats any Major Investor in a material and adverse manner that is different than any other Major Investor will require the separate consent of such Major Investor (it being understood that merely including additional holders of any existing or future series of Preferred Stock as "Investors" as parties hereto, or any existing or future series of Preferred Stock of the Company as "Registrable Securities" hereunder, shall not be deemed "adverse" for purposes of this proviso); and provided, further, that Section 3.8 cannot be amended or waived without the written consent of the holders of at least a majority of the then outstanding shares of Series G Preferred Stock. Any amendment effected in accordance with this Section 5.6 shall be binding upon the Company, each of the parties hereto and any successor or assignee of any such party.

(b) Except as otherwise expressly provided, the obligations of the Company and the rights of the Holders under this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the holders of at least a majority of the Registrable Securities; provided, however, that any waiver that treats any Major Investor in a material and adverse manner that is different than any other Major Investor will require the separate waiver of such Major Investor. Any waiver effected in

accordance with this Section 5.6 shall be binding upon the Company, each of the parties hereto and any successor or assignee of any such party. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. No waiver granted under this Agreement as to any one provision herein shall constitute a subsequent waiver of such provision or of any other provision herein, nor shall it constitute the waiver of any performance other than the actual performance specifically

5.7 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power, or remedy accruing to any Holder, upon any breach, default or noncompliance of the Company under this Agreement shall impair any such right, power, or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent, or approval of any kind or character on any Holder's part of any breach, default or noncompliance under the Agreement or any waiver on such Holder's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, by law, or otherwise afforded to Holders, shall be cumulative and not alternative.

5.8 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the party to be notified at the address as set forth on the signature pages hereof or Exhibit A hereto or at such other address as such party may designate by ten (10) days advance written notice to the other parties hereto.

5.9 Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

5.10 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company shall issue additional shares of its Preferred Stock, any purchaser of such shares of Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement and shall be deemed an "***Investor***" and "***Holder***" hereunder without need for consent of any Investor or Founder, or an amendment hereto. In addition, if the Company issues warrants to purchase Series G Stock to financial institutions or lessors (a "***Lender***") in connection with commercial credit arrangements, equipment financings or similar transactions, the terms of which are approved by the Board of Directors, and the warrant includes registration rights, then upon execution and delivery of an additional counterpart signature page hereto by such Lender and without need for consent of any Investor or an amendment hereto, such Lender shall be provided the registration rights, and shall be subject to the obligations, set forth in Section 2 herein, and such Lender shall be deemed a "***Holder***" for purposes of Section 2.

5.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

5.12 Aggregation of Stock. All shares of Registrable Securities held or acquired by affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

5.13 Adjustments for Stock Splits, Etc. Wherever in this Agreement there is a reference to a specific number of shares of Common Stock or Preferred Stock of the Company of any class or series, then, upon the occurrence of any subdivision, combination or stock dividend of such class or series of stock, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted to reflect the affect on the outstanding shares of such class or series of stock by such subdivision, combination or stock dividend.

5.14 Costs and Attorneys' Fees. In the event that any action, suit or other proceeding is instituted concerning or arising out of this Agreement or any transaction contemplated hereunder, the prevailing party shall recover all of such party's costs and attorneys' fees incurred in each such action, suit or other proceeding, including any and all appeals or petitions therefrom.

5.15 Facsimile Signatures. This Agreement may be executed and delivered by facsimile and upon such delivery the facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

5.16 Termination of Prior Rights Agreement. Pursuant to Section 5.6 of the Prior Rights Agreement, the Company, the Founders and the Prior Investors that are signatories hereto, hereby amend and restate the Prior Rights Agreement in its entirety on behalf of all parties thereto and replace the Prior Rights Agreement on behalf of all parties thereto with this Agreement, and any party thereto who does not sign this Agreement shall be bound by the terms and conditions of this Agreement pursuant to Section 5.6 of the Prior Rights Agreement. For the avoidance of doubt, the Prior Rights Agreement is of no further force or effect.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amended and Restated Investor Rights Agreement as of the date set forth in the first paragraph hereof.

COMPANY:

PANDORA MEDIA, INC.

By: /s/ Joe Kennedy
Joe Kennedy, President

Address: 2101 Webster Street, Suite 1650
Oakland, California 94612

SIGNATURE PAGE TO PANDORA MEDIA, INC.
FIFTH AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amended and Restated Investor Rights Agreement as of the date set forth in the first paragraph hereof.

INVESTORS:

SELBY VENTURE PARTNERS II-A, L.P.

By: SVP Management II-A, LLC,
its General Partner

By: /s/ Douglas C. Barry

Name: Douglas C. Barry

Title: Managing Director

Address:

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amended and Restated Investor Rights Agreement as of the date set forth in the first paragraph hereof.

INVESTORS:

WaldenVC II, L.P.
By: WaldenVC LLC, General Partner

By: /s/ Larry Marcus
Larry Marcus, General Partner

WaldenVC SPK, L.P.
By: WaldenVC LLC, General Partner

By: /s/ Larry Marcus
Larry Marcus, General Partner

SIGNATURE PAGE TO PANDORA MEDIA, INC.
FIFTH AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

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INVESTORS:

Labrador Ventures V-B, LP

By: Labrador Management V-B, LLC
Its: General Partner

By: /s/ Larry Kubal
Name: Larry Kubal
Title: Managing Member

Address:

Phone:
Facsimile:

SIGNATURE PAGE TO PANDORA MEDIA, INC.
FIFTH AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amended and Restated Investor Rights Agreement as of the date set forth in the first paragraph hereof.

INVESTORS:

CROSSLINK VENTURES IV, L.P.

By: Crosslink Ventures IV Holdings, L.L.C., its General Partner

By: /s/ Michael J. Stark
Michael J. Stark, Managing Member

OFFSHORE CROSSLINK VENTURES IV UNIT TRUST

By: Crosslink Ventures IV Holdings, L.L.C., Investment Manager

By: /s/ Michael J. Stark
Michael J. Stark, Managing Member

CROSSLINK OMEGA VENTURES IV GmbH & Co. KG

By: Crosslink Verwaltungs GmbH, General Partner

By: /s/ Michael J. Stark
Michael J. Stark, Managing Member

OMEGA BAYVIEW IV, L.L.C.

By: /s/ Michael J. Stark
Michael J. Stark, Managing Member

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amended and Restated Investor Rights Agreement as of the date set forth in the first paragraph hereof.

INVESTORS:

CROSSLINK CROSSOVER FUND V, L.P.

By: Crossover Fund V Management, L.L.C.,
Its General Partner

By: /s/ Michael J. Stark
Michael J. Stark, Managing Member

CROSSLINK CROSSOVER FUND IV, L.P.

By: Crossover Fund IV Management, L.L.C.,
Its General Partner

By: /s/ Michael J. Stark
Michael J. Stark, Managing Member

OFFSHORE CROSSLINK OMEGA VENTURES IV (a Cayman Islands Unit Trust)

By: Crosslink Ventures IV Holdings, L.L.C.
Investment Manager

By: /s/ Michael J. Stark
Michael J. Stark, Managing Member

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amended and Restated Investor Rights Agreement as of the date set forth in the first paragraph hereof.

INVESTORS:

BAY AREA EQUITY FUND I, L.P.

By: Bay Area Equity Fund Managers I, L.L.C.,
its General Partner

By: H&Q Venture Management L.L.C.,
its Managing Member

By: /s/ Nancy Pfund
Name: Nancy Pfund
Title: Managing Member

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amended and Restated Investor Rights Agreement as of the date set forth in the first paragraph hereof.

INVESTORS:

THE HEARST CORPORATION

By: /s/ Kenneth Bronfin
Kenneth Bronfin
Vice President, Home Office Division

SIGNATURE PAGE TO PANDORA MEDIA, INC.
FIFTH AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

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INVESTORS:

LARRY KUBAL

By: /s/ Larry Kubal

SIGNATURE PAGE TO PANDORA MEDIA, INC.
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INVESTORS:

/s/ Tim Westergren
Tim Westergren

Will Glaser

/s/ Robert Kavner
Robert Kavner

/s/ Peter Gotcher
Peter Gotcher

SIGNATURE PAGE TO PANDORA MEDIA, INC.
FIFTH AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amended and Restated Investor Rights Agreement as of the date set forth in the first paragraph hereof.

INVESTORS:

/s/ John Rogers
John Rogers

John E. Rogers and Lois A. Rogers, JTWROS

By: /s/ John E. Rogers and Lois A. Rogers, JTWROS

Name: John E. Rogers and Lois A. Rogers, JTWROS

Title:

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amended and Restated Investor Rights Agreement as of the date set forth in the first paragraph hereof.

INVESTORS:

KAVNER PARTNERS, A DELAWARE MULTIPLE SERIES LIMITED PARTNERSHIP (SERIES B)

By: /s/ Robert Kavner

Name: Robert Kavner

Title: General Partner

ROBERT KAVNER

By: /s/ Robert Kavner

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amended and Restated Investor Rights Agreement as of the date set forth in the first paragraph hereof.

INVESTORS:

ALLEN & COMPANY LLC

By: /s/ Kim M. Wieland

Name: Kim M. Wieland

Title: Chief Financial Officer

SIGNATURE PAGE TO PANDORA MEDIA, INC.
FIFTH AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amended and Restated Investor Rights Agreement as of the date set forth in the first paragraph hereof.

INVESTORS:

Granite Global Ventures III L.P.
By: Granite Global Ventures III L.L.C.,
its General Partner

By: /s/ Glenn Solomon
Glenn Solomon
Managing Director

GGV III Entrepreneurs Fund L.P.
By: Granite Global Ventures III L.L.C.,
its General Partner

By: /s/ Glenn Solomon
Glenn Solomon
Managing Director

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amended and Restated Investor Rights Agreement as of the date set forth in the first paragraph hereof.

INVESTORS:

PINNACLE VENTURES II-A, L.P.
PINNACLE VENTURES II-B, L.P.
PINNACLE VENTURES II-C, L.P.
PINNACLE VENTURES II-R, L.P.
By: Pinnacle Ventures Management II, L.L.C.,
their general partner

By: /s/ Robert N. Savoie
Name: Robert N. Savoie
Title: Chief Financial Officer

PINNACLE VENTURES DEBT FUND III-A, L.P.
PINNACLE VENTURES DEBT FUND III, L.P.
By: Pinnacle Ventures Management III, L.L.C.,
their general partner

By: /s/ Robert N. Savoie
Name: Robert N. Savoie
Title: Chief Financial Officer

SIGNATURE PAGE TO PANDORA MEDIA, INC.
FIFTH AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amended and Restated Investor Rights Agreement as of the date set forth in the first paragraph hereof.

FOUNDERS:

/s/ Tim Westergren
Tim Westergren

Will Glaser

Jon Kraft

/s/ Joe Kennedy
Joe Kennedy

SIGNATURE PAGE TO PANDORA MEDIA, INC.
FIFTH AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

EXHIBIT A

SCHEDULE OF INVESTORS

WaldenVC II, L.P. Selby Venture Partners II-A, L.P.	Labrador Ventures V-B, L.P. Bob Kavner
King Street Acquisition Company, L.L.C.	Orrick Investments 2006 LLC Orrick Investments 2008 LLC
Howard L. Morgan	Martial Chaillet MediaWin & Partners
Garage Technology Ventures I, L.P.	John E. Rogers John E. Rogers & Lois A. Rogers, JTWROS
Robert A. Harris	Earle H. LeMasters
Richard Wohlstadter	Edward Schweitzer
Will Glaser	Tim Westergren c/o Pandora Media, Inc.
HEWM/VLG Investments LLC	Mitchell S. Zuklie c/o Orrick, Herrington & Sutcliffe LLP
Sharon Hendricks	Peter Gotcher
Crosslink Omega Ventures IV GmbH & Co. KG Offshore Crosslink Omega Ventures IV (a Cayman Islands Unit Trust) Omega Bayview IV, LLC Crosslink Crossover Fund V, L.P. Crosslink Crossover Fund IV, L.P. Crosslink Ventures IV, L.P. Offshore Crosslink Ventures IV Unit Trust	Drew Marcus
Jeff Amling	Piper Jaffray Direct Fund II, LP

c/o Deutsche Bank	
The Hearst Corporation	Bay Area Equity Fund I, L.P. JPMorgan
Greylock XII Limited Partnership	Larry Kubal c/o Labrador Ventures V-B, L.P.
Lysander, LLC c/o Jane Lilienthal Rockeller & Co.	W Capital Partners, L.P.
Granite Global Ventures III, L.P GGV III Entrepreneurs Fund L.P.	Allen & Company LLC
PINNACLE VENTURES II-A, L.P. PINNACLE VENTURES II-B, L.P. PINNACLE VENTURES II-C, L.P. PINNACLE VENTURES II-R, L.P. PINNACLE VENTURES DEBT FUND III-A, L.P. PINNACLE VENTURES DEBT FUND III, L.P.	

EXHIBIT 10.3

PANDORA MEDIA, INC.
(formerly Savage Beast Technologies Incorporated)

2004 STOCK PLAN

(as amended April 19, 2004)
(as amended July 14, 2004)
(as amended March 29, 2006)
(as amended September 13, 2006)
(as amended August 29, 2008)
(as amended July 7, 2009)
(as amended October 20, 2010)

1. **Purposes of the Plan.** The purposes of this 2004 Stock Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Employees and Consultants and to promote the success of the Company's business. Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options, as determined by the Administrator at the time of grant of an option and subject to the applicable provisions of Section 422 of the Code and the regulations and interpretations promulgated thereunder. Stock purchase rights may also be granted under the Plan.

2. **Definitions.** As used herein, the following definitions shall apply:

(a) **"Administrator"** means the Board or its Committee appointed pursuant to Section 4 of the Plan.

(b) **"Affiliate"** means an entity other than a Subsidiary (as defined below) which, together with the Company, is under common control of a third person or entity.

(c) **"Applicable Laws"** means the legal requirements relating to the administration of stock option and restricted stock purchase plans, including under applicable U.S. state corporate laws, U.S. federal and applicable state securities laws, other U.S. federal and state laws, the Code, any Stock Exchange rules or regulations and the applicable laws, rules and regulations of any other country or jurisdiction where Options or Stock Purchase Rights are granted under the Plan, as such laws, rules, regulations and requirements shall be in place from time to time.

(d) **"Board"** means the Board of Directors of the Company.

(e) **"Change of Control"** means (1) a sale of all or substantially all of the Company's assets, or (2) any merger, consolidation or other business combination transaction of the Company with or into another corporation, entity or person, other than a transaction in which the holders of at least a majority of the shares of voting capital stock of the Company outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding or by their being converted into shares of voting capital

stock of the surviving entity) a majority of the total voting power represented by the shares of voting capital stock of the Company (or the surviving entity) outstanding immediately after such transaction, or (3) the direct or indirect acquisition (including by way of a tender or exchange offer) by any person, or persons acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing a majority of the voting power of the then outstanding shares of capital stock of the Company.

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

(g) **"Committee"** means one or more committees or subcommittees of the Board appointed by the Board to administer the Plan in accordance with Section 4 below.

(h) **"Common Stock"** means the Common Stock of the Company.

(i) **"Company"** means Pandora Media, Inc. (formerly Savage Beast Technologies Incorporated), a Delaware corporation.

(j) **"Consultant"** means any person, including an advisor, who is engaged by the Company or any Parent, Subsidiary or Affiliate to render services and is compensated for such services, and any director of the Company whether compensated for such services or not.

(k) **"Continuous Service Status"** means the absence of any interruption or termination of service as an Employee or Consultant. Continuous Service Status as an Employee or Consultant shall not be considered interrupted in the case of: (i) sick leave; (ii) military leave; (iii) any other leave of absence approved by the Administrator, provided that such leave is for a period of not more than ninety (90) days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to Company policy adopted from time to time; or (iv) in the case of transfers between locations of the Company or between the Company, its Parents, Subsidiaries, Affiliates or their respective successors. A change in status from an Employee to a Consultant or from a Consultant to an Employee will not constitute an interruption of Continuous Service Status.

(l) **"Corporate Transaction"** means a sale of all or substantially all of the Company's assets, or a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, entity or person, or the direct or indirect acquisition (including by way of a tender or exchange offer) by any person, or persons acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing a majority of the voting power of the then outstanding shares of capital stock of the Company.

(m) **"Director"** means a member of the Board.

(n) **"Employee"** means any person employed by the Company or any Parent, Subsidiary or Affiliate, with the status of employment determined based upon such factors as are deemed appropriate by the Administrator in its discretion, subject to any requirements of the Code or the Applicable Laws. The payment by the Company of a

director's fee to a Director shall not be sufficient to constitute "employment" of such Director by the Company.

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

(p) **"Fair Market Value"** means, as of any date, the fair market value of the Common Stock, as determined by the Administrator in good faith on such basis as it deems appropriate and applied consistently with respect to Participants. Whenever possible, the determination of Fair Market Value shall be based upon the closing price for the Shares as reported in the Wall Street Journal for the applicable date.

(q) **"Incentive Stock Option"** means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code, as designated in the applicable Option Agreement.

(r) "**Listed Security**" means any security of the Company that is listed or approved for listing on a national securities exchange or designated or approved for designation as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc.

(s) **"Named Executive"** means any individual who, on the last day of the Company's fiscal year, is the chief executive officer of the Company (or is acting in such capacity) or among the four most highly compensated officers of the Company (other than the chief executive officer). Such officer status shall be determined pursuant to the executive compensation disclosure rules under the Exchange Act.

(t) **"Nonstatutory Stock Option"** means an Option not intended to qualify as an Incentive Stock Option, as designated in the applicable Option Agreement.

(u) **"Option"** means a stock option granted pursuant to the Plan.

(v) **"Option Agreement"** means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of an Option granted under the Plan and includes any documents attached to or incorporated into such Option Agreement, including, but not limited to, a notice of stock option grant and a form of exercise notice.

(w) **"Option Exchange Program"** means a program approved by the Administrator whereby outstanding Options are exchanged for Options with a lower exercise price or are amended to decrease the exercise price as a result of a decline in the Fair Market Value of the Common Stock.

(x) **"Optioned Stock"** means the Common Stock subject to an Option.

(y) **"Optionee"** means an Employee or Consultant who receives an Option.

(z) **"Parent"** means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code, or any successor provision.

(aa) **"Participant"** means any holder of one or more Options or Stock Purchase Rights, or the Shares issuable or issued upon exercise of such awards, under the Plan.

(bb) **"Plan"** means this 2004 Stock Plan.

(cc) **"Reporting Person"** means an officer, Director, or greater than ten percent shareholder of the Company within the meaning of Rule 16a-2 under the Exchange Act, who is required to file reports pursuant to Rule 16a-3 under the Exchange Act.

(dd) **"Restricted Stock"** means Shares of Common Stock acquired pursuant to a grant of a Stock Purchase Right under Section 11 below.

(ee) **"Restricted Stock Purchase Agreement"** means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of a Stock Purchase Right granted under the Plan and includes any documents attached to such agreement.

(ff) **"Rule 16b-3"** means Rule 16b-3 promulgated under the Exchange Act, as amended from time to time, or any successor provision.

(gg) **"Share"** means a share of the Common Stock, as adjusted in accordance with Section 14 of the Plan.

(hh) **"Stock Exchange"** means any stock exchange or consolidated stock price reporting system on which prices for the Common Stock are quoted at any given time.

(ii) **"Stock Purchase Right"** means the right to purchase Common Stock pursuant to Section 11 below.

(jj) **"Subsidiary"** means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code, or any successor provision.

(kk) **"Ten Percent Holder"** means a person who owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary.

3. **Stock Subject to the Plan.** Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be sold under the Plan is 50,269,674 Shares of Common Stock. The Shares may be authorized, but unissued, or reacquired Common Stock. If an award should expire or become unexercisable for any reason without having been exercised in full, or is surrendered pursuant to an Option Exchange Program, the unpurchased Shares that were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan. In addition, any Shares of Common Stock which are retained by the Company upon exercise of an award

in order to satisfy the exercise or purchase price for such award or any withholding taxes due with respect to such exercise or purchase shall be treated as not issued and shall continue to be available under the Plan. Shares issued under the Plan and later repurchased by the Company pursuant to any repurchase right which the Company may have shall be available for future grant under the Plan; provided, however, that no more than 50,269,674 shares may be granted under the Plan pursuant to Incentive Stock Options."

4. **Administration of the Plan**.

(a) **General.** The Plan shall be administered by the Board or a Committee, or a combination thereof, as determined by the Board. The Plan may be administered by different administrative bodies with respect to different classes of Participants and, if permitted by the Applicable Laws, the Board may authorize one or more officers to make awards under the Plan.

(b) **Committee Composition**. If a Committee has been appointed pursuant to this Section 4, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. From time to time the Board may increase the size of any Committee and appoint additional members thereof, remove members (with or without cause) and appoint new members in substitution therefor, fill vacancies (however caused) and remove all members of a Committee and thereafter directly administer the Plan, all to the extent permitted by the Applicable Laws and, in the case of a Committee administering the Plan in accordance with the requirements of Rule 16b-3 or Section 162(m) of the Code, to the extent permitted or required by such provisions. The Committee shall in all events conform to any requirements of the Applicable Laws.

(c) **Powers of the Administrator.** Subject to the provisions of the Plan and in the case of a Committee, the specific duties delegated by the Board to such Committee, the Administrator shall have the authority, in its discretion:

(i) to determine the Fair Market Value of the Common Stock, in accordance with Section 2(o) of the Plan, provided that such determination shall be applied consistently with respect to Participants under the Plan;

(ii) to select the Employees and Consultants to whom Plan awards may from time to time be granted;

(iii) to determine whether and to what extent Plan awards are granted;

(iv) to determine the number of Shares of Common Stock to be covered by each award granted;

(v) to approve the form(s) of agreement(s) used under the Plan;

(vi) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any award granted hereunder, which terms and conditions include but are not limited to the exercise or purchase price, the time or times when awards may be

exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, any pro rata adjustment to vesting as a result of a Participant's transitioning from full- to part-time service (or vice versa), and any restriction or limitation regarding any Option, Optioned Stock, Stock Purchase Right or Restricted Stock, based in each case on such factors as the Administrator, in its sole discretion, shall determine;

(vii) to determine whether and under what circumstances an Option may be settled in cash under Section 10(c) instead of Common Stock;

(viii) to implement an Option Exchange Program on such terms and conditions as the Administrator in its discretion deems appropriate, provided that no amendment or adjustment to an Option that would materially and adversely affect the rights of any Optionee shall be made without the prior written consent of the Optionee;

(ix) to adjust the vesting of an Option held by an Employee or Consultant as a result of a change in the terms or conditions under which such person is providing services to the Company;

(x) to construe and interpret the terms of the Plan and awards granted under the Plan, which constructions, interpretations and decisions shall be final and binding on all Participants; and

(xi) in order to fulfill the purposes of the Plan and without amending the Plan, to modify grants of Options or Stock Purchase Rights to Participants who are foreign nationals or employed outside of the United States in order to recognize differences in local law, tax policies or customs.

5. **Eligibility**.

(a) **Recipients of Grants.** Nonstatutory Stock Options and Stock Purchase Rights may be granted to Employees and Consultants. Incentive Stock Options may be granted only to Employees, provided that Employees of Affiliates shall not be eligible to receive Incentive Stock Options.

(b) **Type of Option.** Each Option shall be designated in the Option Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option.

(c) **ISO $100,000 Limitation.** Notwithstanding any designation under Section 5(b), to the extent that the aggregate Fair Market Value of Shares with respect to which Options designated as Incentive Stock Options are exercisable for the first time by any Optionee during any calendar year (under all plans of the Company or any Parent or Subsidiary) exceeds $100,000, such excess Options shall be treated as Nonstatutory Stock Options. For purposes of this Section 5(c), Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares subject to an Incentive Stock Option shall be determined as of the date of the grant of such Option.

(d) **No Employment Rights.** The Plan shall not confer upon any Participant any right with respect to continuation of an employment or consulting relationship with the Company, nor shall it interfere in any way with such Participant's right or the Company's right to terminate the employment or consulting relationship at any time for any reason.

6. **Term of Plan.** The Plan shall become effective upon its adoption by the Board of Directors. It shall continue in effect for a term of ten (10) years unless sooner terminated under Section 16 of the Plan.

7. **Term of Option.** The term of each Option shall be the term stated in the Option Agreement; provided that the term shall be no more than ten years from the date of grant thereof or such shorter term as may be provided in the Option Agreement and provided further that, in the case of an Incentive Stock Option granted to a person who at the time of such grant is a Ten Percent Holder, the term of the Option shall be five years from the date of grant thereof or such shorter term as may be provided in the Option Agreement.

8. **[Reserved.]**

9. **Option Exercise Price and Consideration.**

(a) **Exercise Price.** The per Share exercise price for the Shares to be issued pursuant to exercise of an Option shall be such price as is determined by the Administrator and set forth in the Option Agreement, but shall be subject to the following:

(i) In the case of an Incentive Stock Option

(A) granted to an Employee who at the time of grant is a Ten Percent Holder, the per Share exercise price shall be no less than 110% of the Fair Market Value per Share on the date of grant; or

(B) granted to any other Employee, the per Share exercise price shall be no less than 100% of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Nonstatutory Stock Option

(A) granted on any date on which the Common Stock is not a Listed Security to a person who is at the time of grant is a Ten Percent Holder, the per Share exercise price shall be no less than 110% of the Fair Market Value per Share on the date of grant if required by the Applicable Laws and, if not so required, shall be such price as is determined by the Administrator;

(B) granted on any date on which the Common Stock is not a Listed Security to any other eligible person, the per Share exercise price shall be no less than 85% of the Fair Market Value per Share on the date of grant if required by the Applicable Laws and, if not so required, shall be such price as is determined by the Administrator; or

(C) granted on any date on which the Common Stock is a Listed Security to any eligible person, the per share Exercise Price shall be such price as determined by the Administrator provided that if such eligible person is, at the time of the grant of such Option, a Named Executive of the Company, the per share Exercise Price shall be no less than 100% of the Fair Market Value on the date of grant if such Option is intended to qualify as performance-based compensation under Section 162(m) of the Code.

(iii) Notwithstanding the foregoing, Options may be granted with a per Share exercise price other than as required above pursuant to a merger or other corporate transaction.

(b) **Permissible Consideration.** The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option, shall be determined at the time of grant) and may consist entirely of (1) cash; (2) check; (3) subject to any requirements of the Applicable Laws (including without limitation Section 153 of the Delaware General Corporation Law), delivery of Optionee's promissory note having such recourse, interest, security and redemption provisions as the Administrator determines to be appropriate after taking into account the potential accounting consequences of permitting an Optionee to deliver a promissory note; (4) cancellation of indebtedness; (5) other Shares that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which the Option is exercised, provided that in the case of Shares acquired, directly or indirectly, from the Company, such Shares must have been owned by the Optionee for more than six months on the date of surrender (or such other period as may be required to avoid the Company's incurring an adverse accounting charge); (6) if, as of the date of exercise of an Option the Company then is permitting employees to engage in a "same-day sale" cashless brokered exercise program involving one or more brokers, through such a program that complies with the Applicable Laws (including without limitation the requirements of Regulation T and other applicable regulations promulgated by the Federal Reserve Board) and that ensures prompt delivery to the company of the amount required to pay the exercise price and any applicable withholding taxes; or (7) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator shall consider if acceptance of such consideration may be reasonably expected to benefit the Company and the Administrator may, in its sole discretion, refuse to accept a particular form of consideration at the time of any Option exercise.

10. **Exercise of Option**.

(a) **General.**

(i) **Exercisability.** Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator, consistent with the term of the Plan and reflected in the Option Agreement, including vesting requirements and/or performance criteria with respect to the Company and/or the Optionee; provided however that, if required under Applicable Laws, the Option (or Shares issued upon

exercise of the Option) shall comply with the requirements of Section 260.140.41(f) and (k) of the Rules of the California Corporations Commissioner.

(ii) **Leave of Absence.** The Administrator shall have the discretion to determine whether and to what extent the vesting of Options shall be tolled during any unpaid leave of absence; provided, however, that in the absence of such determination, vesting of Options shall be tolled during any such unpaid leave (unless otherwise required by the Applicable Laws). In the event of military leave, vesting shall toll during any unpaid portion of such leave, provided that, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Options to the same extent as would have applied had the Participant continued to provide services to the Company throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(iii) **Minimum Exercise Requirements.** An Option may not be exercised for a fraction of a Share. The Administrator may require that an Option be exercised as to a minimum number of Shares, provided that such requirement shall not prevent an Optionee from exercising the full number of Shares as to which the Option is then exercisable.

(iv) **Procedures for and Results of Exercise.** An Option shall be deemed exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Option by the person entitled to exercise the Option and the Company has received full payment for the Shares with respect to which the Option is exercised. Full payment may, as authorized by the Administrator, consist of any consideration and method of payment allowable under Section 9(b) of the Plan, provided that the Administrator may, in its sole discretion, refuse to accept any form of consideration at the time of any Option exercise.

Exercise of an Option in any manner shall result in a decrease in the number of Shares that thereafter may be available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(v) **Rights as Shareholder.** Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Optioned Stock, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 14 of the Plan.

(b) **Termination of Employment or Consulting Relationship.** Except as otherwise set forth in this Section 10(b), the Administrator shall establish and set forth in the applicable Option Agreement the terms and conditions upon which an Option shall remain exercisable, if at all, following termination of an Optionee's Continuous Service Status, which provisions may be waived or modified by the Administrator at any time.

Unless the Administrator otherwise provides in the Option Agreement, to the extent that the Optionee is not vested in Optioned Stock at the date of termination of his or her Continuous Service Status, or if the Optionee (or other person entitled to exercise the Option) does not exercise the Option to the extent so entitled within the time specified in the Option Agreement or below (as applicable), the Option shall terminate and the Optioned Stock underlying the unexercised portion of the Option shall revert to the Plan. In no event may any Option be exercised after the expiration of the Option term as set forth in the Option Agreement (and subject to Section 7).

The following provisions (1) shall apply to the extent an Option Agreement does not specify the terms and conditions upon which an Option shall terminate upon termination of an Optionee's Continuous Service Status, and (2) establish the minimum post-termination exercise periods that may be set forth in an Option Agreement:

(i) **Termination other than Upon Disability or Death.** In the event of termination of Optionee's Continuous Service Status other than under the circumstances set forth in subsections (ii) through (iii) below, such Optionee may exercise an Option for 30 days following such termination to the extent the Optionee was vested in the Optioned Stock as of the date of such termination. No termination shall be deemed to occur and this Section 10(b)(i) shall not apply if (i) the Optionee is a Consultant who becomes an Employee, or (ii) the Optionee is an Employee who becomes a Consultant.

(ii) **Disability of Optionee.** In the event of termination of an Optionee's Continuous Service Status as a result of his or her disability (including a disability within the meaning of Section 22(e)(3) of the Code), such Optionee may exercise an Option at any time within six months following such termination to the extent the Optionee was vested in the Optioned Stock as of the date of such termination.

(iii) **Death of Optionee.** In the event of the death of an Optionee during the period of Continuous Service Status since the date of grant of the Option, or within thirty days following termination of Optionee's Continuous Service Status, the Option may be exercised by Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance at any time within twelve months following the date of death, but only to the extent the Optionee was vested in the Optioned Stock as of the date of death or, if earlier, the date the Optionee's Continuous Service Status terminated.

(c) **Buyout Provisions.** The Administrator may at any time offer to buy out for a payment in cash or Shares an Option previously granted under the Plan based on such terms and conditions as the Administrator shall establish and communicate to the Optionee at the time that such offer is made.

11. **Stock Purchase Rights**.

(a) **Rights to Purchase.** When the Administrator determines that it will offer Stock Purchase Rights under the Plan, it shall advise the offeree in writing of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid, and the time within which such

person must accept such offer. In the case of a Stock Purchase Right granted prior to the date, if any, on which the Common Stock becomes a Listed Security and if required by the Applicable Laws at that time, the purchase price of Shares subject to such Stock Purchase Rights shall not be less than 85% of the Fair Market Value of the Shares as of the date of the offer, or, in the case of a Ten Percent Holder, the price shall not be less than 100% of the Fair Market Value of the Shares as of the date of the offer. If the Applicable Laws do not impose the requirements set forth in the preceding sentence and with respect to any Stock Purchase Rights granted after the date, if any, on which the Common Stock becomes a Listed Security, the purchase price of Shares subject to Stock Purchase Rights shall be as determined by the Administrator. The offer to purchase Shares subject to Stock Purchase Rights shall be accepted by execution of a Restricted Stock Purchase Agreement in the form determined by the Administrator.

(b) **Repurchase Option**.

(i) **General.** Unless the Administrator determines otherwise, the Restricted Stock Purchase Agreement shall grant the Company a repurchase option exercisable upon the voluntary or involuntary termination of the purchaser's employment with the Company for any reason (including death or disability). Subject to any requirements of the Applicable Laws (including without limitation Section 260.140.42(h) of the Rules of the California Corporations Commissioner), the terms of the Company's repurchase option (including without limitation the price at which, and the consideration for which, it may be exercised, and the events upon which it shall lapse) shall be as determined by the Administrator in its sole discretion and reflected in the Restricted Stock Purchase Agreement.

(ii) **Leave of Absence.** The Administrator shall have the discretion to determine whether and to what extent the lapsing of Company repurchase rights shall be tolled during any unpaid leave of absence; provided, however, that in the absence of such determination, such lapsing shall be tolled during any such unpaid leave (unless otherwise required by the Applicable Laws). In the event of military leave, the lapsing of Company repurchase rights shall toll during any unpaid portion of such leave, provided that, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given "vesting" credit with respect to Shares purchased pursuant to the Restricted Stock Purchase Agreement to the same extent as would have applied had the Participant continued to provide services to the Company throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(c) **Other Provisions.** The Restricted Stock Purchase Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion. In addition, the provisions of Restricted Stock Purchase Agreements need not be the same with respect to each purchaser.

(d) **Rights as a Shareholder.** Once the Stock Purchase Right is exercised, the purchaser shall have the rights equivalent to those of a shareholder, and shall be a shareholder when his or her purchase is entered upon the records of the duly authorized

transfer agent of the Company. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Stock Purchase Right is exercised, except as provided in Section 14 of the Plan.

12. **Taxes**.

(a) As a condition of the grant, vesting or exercise of an Option or Stock Purchase Right granted under the Plan, the Participant (or in the case of the Participant's death, the person exercising the Option or Stock Purchase Right) shall make such arrangements as the Administrator may require for the satisfaction of any applicable federal, state, local or foreign withholding tax obligations that may arise in connection with such grant, vesting or exercise of the Option or Stock Purchase Right or the issuance of Shares. The Company shall not be required to issue any Shares under the Plan until such obligations are satisfied. If the Administrator allows the withholding or surrender of Shares to satisfy a Participant's tax withholding obligations under this Section 12 (whether pursuant to Section 12(c), (d) or (e), or otherwise), the Administrator shall not allow Shares to be withheld in an amount that exceeds the minimum statutory withholding rates for federal and state tax purposes, including payroll taxes.

(b) In the case of an Employee and in the absence of any other arrangement, the Employee shall be deemed to have directed the Company to withhold or collect from his or her compensation an amount sufficient to satisfy such tax obligations from the next payroll payment otherwise payable after the date of an exercise of the Option or Stock Purchase Right.

(c) This Section 12(c) shall apply only after the date, if any, upon which the Common Stock becomes a Listed Security. In the case of Participant other than an Employee (or in the case of an Employee where the next payroll payment is not sufficient to satisfy such tax obligations, with respect to any remaining tax obligations), in the absence of any other arrangement and to the extent permitted under the Applicable Laws, the Participant shall be deemed to have elected to have the Company withhold from the Shares to be issued upon exercise of the Option or Stock Purchase Right that number of Shares having a Fair Market Value determined as of the applicable Tax Date (as defined below) equal to the amount required to be withheld. For purposes of this Section 12, the Fair Market Value of the Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined under the Applicable Laws (the "Tax Date").

(d) If permitted by the Administrator, in its discretion, a Participant may satisfy his or her tax withholding obligations upon exercise of an Option or Stock Purchase Right by surrendering to the Company Shares that have a Fair Market Value determined as of the applicable Tax Date equal to the amount required to be withheld. In the case of shares previously acquired from the Company that are surrendered under this Section 12(d), such Shares must have been owned by the Participant for more than six (6) months on the date of surrender (or such other period of time as is required for the Company to avoid adverse accounting charges).

(e) Any election or deemed election by a Participant to have Shares withheld to satisfy tax withholding obligations under Section 12(c) or (d) above shall be irrevocable as to the particular Shares as to which the election is made and shall be subject to the consent or disapproval of the Administrator. Any election by a Participant under Section 12(d) above must be made on or prior to the applicable Tax Date.

(f) In the event an election to have Shares withheld is made by a Participant and the Tax Date is deferred under Section 83 of the Code because no election is filed under Section 83(b) of the Code, the Participant shall receive the full number of Shares with respect to which the Option or Stock Purchase Right is exercised but such Participant shall be unconditionally obligated to tender back to the Company the proper number of Shares on the Tax Date.

13. **Non-Transferability of Options and Stock Purchase Rights.**

(a) **General.** Except as set forth in this Section 13, Options and Stock Purchase Rights may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution. The designation of a beneficiary by an Optionee will not constitute a transfer. An Option or Stock Purchase Right may be exercised, during the lifetime of the holder of an Option or Stock Purchase Right, only by such holder or a transferee permitted by this Section 13.

(b) **Limited Transferability Rights**. Notwithstanding anything else in this Section 13, the Administrator may in its discretion grant Nonstatutory Stock Options that may be transferred by instrument to an inter vivos or testamentary trust in which the Options are to be passed to beneficiaries upon the death of the trustor (settlor) or by gift or pursuant to domestic relations orders to "Immediate Family Members" (as defined below) of the Optionee. "Immediate Family" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons (or the Optionee) control the management of assets, and any other entity in which these persons (or the Optionee) own more than fifty percent of the voting interests.

14. **Adjustments Upon Changes in Capitalization, Merger or Certain Other Transactions**.

(a) **Changes in Capitalization.** Subject to any action required under Applicable Laws by the shareholders of the Company, the number of Shares of Common Stock covered by each outstanding award, and the number of Shares of Common Stock that have been authorized for issuance under the Plan but as to which no awards have yet been granted or that have been returned to the Plan upon cancellation or expiration of an award, as well as the price per Share of Common Stock covered by each such outstanding award, shall be proportionately adjusted for any increase or decrease in the number of issued Shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination, recapitalization or reclassification of the Common Stock, or any other increase or decrease in

the number of issued Shares of Common Stock effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Administrator, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares of Common Stock subject to an award.

(b) **Dissolution or Liquidation.** In the event of the dissolution or liquidation of the Company, each Option and Stock Purchase Right will terminate immediately prior to the consummation of such action, unless otherwise determined by the Administrator.

(c) **Corporate Transaction.** In the event of a Corporate Transaction (including without limitation a Change of Control), each outstanding Option or Stock Purchase Right shall be assumed or an equivalent option or right shall be substituted by such successor corporation or a parent or subsidiary of such successor corporation (the "Successor Corporation"), unless the Successor Corporation does not agree to assume the award or to substitute an equivalent option or right, in which case such Option or Stock Purchase Right shall terminate upon the consummation of the transaction.

For purposes of this Section 14(c), an Option or a Stock Purchase Right shall be considered assumed, without limitation, if, at the time of issuance of the stock or other consideration upon a Corporate Transaction or a Change of Control, as the case may be, each holder of an Option or Stock Purchase Right would be entitled to receive upon exercise of the award the same number and kind of shares of stock or the same amount of property, cash or securities as such holder would have been entitled to receive upon the occurrence of the transaction if the holder had been, immediately prior to such transaction, the holder of the number of Shares of Common Stock covered by the award at such time (after giving effect to any adjustments in the number of Shares covered by the Option or Stock Purchase Right as provided for in this Section 14); provided that if such consideration received in the transaction is not solely common stock of the Successor Corporation, the Administrator may, with the consent of the Successor Corporation, provide for the consideration to be received upon exercise of the award to be solely common stock of the Successor Corporation equal to the Fair Market Value of the per Share consideration received by holders of Common Stock in the transaction.

(d) **Certain Distributions.** In the event of any distribution to the Company's shareholders of securities of any other entity or other assets (other than dividends payable in cash or stock of the Company) without receipt of consideration by the Company, the Administrator may, in its discretion, appropriately adjust the price per Share of Common Stock covered by each outstanding Option or Stock Purchase Right to reflect the effect of such distribution.

15. **Time of Granting Options and Stock Purchase Rights.** The date of grant of an Option or Stock Purchase Right shall, for all purposes, be the date on which the

Administrator makes the determination granting such Option or Stock Purchase Right, or such other date as is determined by the Administrator, provided that in the case of any Incentive Stock Option, the grant date shall be the later of the date on which the Administrator makes the determination granting such Incentive Stock Option or the date of commencement of the Optionee's employment relationship with the Company. Notice of the determination shall be given to each Employee or Consultant to whom an Option or Stock Purchase Right is so granted within a reasonable time after the date of such grant.

16. **Amendment and Termination of the Plan**.

(a) **Authority to Amend or Terminate.** The Board may at any time amend, alter, suspend or discontinue the Plan, but no amendment, alteration, suspension or discontinuation (other than an adjustment pursuant to Section 14 above) shall be made that would materially and adversely affect the rights of any Optionee or holder of Stock Purchase Rights under any outstanding grant, without his or her consent. In addition, to the extent necessary and desirable to comply with the Applicable Laws, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required.

(b) **Effect of Amendment or Termination.** Except as to amendments which the Administrator has the authority under the Plan to make unilaterally, no amendment or termination of the Plan shall materially and adversely affect Options or Stock Purchase Rights already granted, unless mutually agreed otherwise between the Optionee or holder of the Stock Purchase Rights and the Administrator, which agreement must be in writing and signed by the Optionee or holder and the Company.

17. **Conditions Upon Issuance of Shares.** Notwithstanding any other provision of the Plan or any agreement entered into by the Company pursuant to the Plan, the Company shall not be obligated, and shall have no liability for failure, to issue or deliver any Shares under the Plan unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. As a condition to the exercise of an Option or Stock Purchase Right, the Company may require the person exercising the award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by law. Shares issued upon exercise of awards granted prior to the date on which the Common Stock becomes a Listed Security shall be subject to a right of first refusal in favor of the Company pursuant to which the Participant will be required to offer Shares to the Company before selling or transferring them to any third party on such terms and subject to such conditions as is reflected in the applicable Option Agreement or Restricted Stock Purchase Agreement.

18. **Reservation of Shares.** The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

19. **Agreements.** Options and Stock Purchase Rights shall be evidenced by Option Agreements and Restricted Stock Purchase Agreements, respectively, in such form(s) as the Administrator shall from time to time approve.

20. **Shareholder Approval.** If required by the Applicable Laws, continuance of the Plan shall be subject to approval by the shareholders of the Company within twelve (12) months before or after the date the Plan is adopted. Such shareholder approval shall be obtained in the manner and to the degree required under the Applicable Laws.

21. **Information and Documents to Optionees and Purchasers.** Prior to the date, if any, upon which the Common Stock becomes a Listed Security and if required by the Applicable Laws, the Company shall provide financial statements at least annually to each Optionee and to each individual who acquired Shares pursuant to the Plan, during the period such Optionee or purchaser has one or more Options or Stock Purchase Rights outstanding, and in the case of an individual who acquired Shares pursuant to the Plan, during the period such individual owns such Shares. The Company shall not be required to provide such information if the issuance of Options or Stock Purchase Rights under the Plan is limited to key employees whose duties in connection with the Company assure their access to equivalent information.

PANDORA MEDIA, INC.

2004 STOCK PLAN

STOCK OPTION AGREEMENT

1. **Grant of Option.** Pandora Media, Inc., a Delaware corporation (the "Company"), hereby grants to «Optionee» ("Optionee"), an option (the "Option") to purchase the total number of shares of Common Stock (the "Shares") set forth in the Notice of Stock Option Grant (the "Notice"), at the exercise price per Share set forth in the Notice (the "Exercise Price") subject to the terms, definitions and provisions of the Pandora Media, Inc. 2004 Stock Plan (the "Plan") adopted by the Company, which is incorporated in this Agreement by reference. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings defined in the Plan.

2. **Designation of Option.** This Option is intended to be an Incentive Stock Option as defined in Section 422 of the Code only to the extent so designated in the Notice, and to the extent it is not so designated or to the extent the Option does not qualify as an Incentive Stock Option, it is intended to be a Nonstatutory Stock Option.

Notwithstanding the above, if designated as an Incentive Stock Option, in the event that the Shares subject to this Option (and all other Incentive Stock Options granted to Optionee by the Company or any Parent or Subsidiary, including under other plans of the Company) that first become exercisable in any calendar year have an aggregate fair market value (determined for each Share as of the date of grant of the option covering such Share) in excess of $100,000, the Shares in excess of $100,000 shall be treated as subject to a Nonstatutory Stock Option, in accordance with Section 5(c) of the Plan.

3. **Exercise of Option.** This Option shall be exercisable during its term in accordance with the Vesting/Exercise Schedule set out in the Notice and with the provisions of Section 10 of the Plan as follows:

(a) **Right to Exercise**.

(i) This Option may not be exercised for a fraction of a share.

(ii) In the event of Optionee's death, disability or other termination of employment, the exercisability of the Option is governed by Section 5 below, subject to the limitations contained in this Section 3.

(iii) In no event may this Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(b) **Method of Exercise.**

(i) This Option shall be exercisable by execution and delivery of the Exercise Notice and Restricted Stock Purchase Agreement attached hereto as Exhibit A

(the "Exercise Agreement") or of any other form of written notice approved for such purpose by the Company which shall state Optionee's election to exercise the Option, the number of Shares in respect of which the Option is being exercised, and such other representations and agreements as to the holder's investment intent with respect to such Shares as may be required by the Company pursuant to the provisions of the Plan. Such written notice shall be signed by Optionee and shall be delivered to the Company by such means as are determined by the Plan Administrator in its discretion to constitute adequate delivery. The written notice shall be accompanied by payment of the Exercise Price. This Option shall be deemed to be exercised upon receipt by the Company of such written notice accompanied by the Exercise Price.

(ii) As a condition to the exercise of this Option and as further set forth in Section 12 of the Plan, Optionee agrees to make adequate provision for federal, state or other tax withholding obligations, if any, which arise upon the vesting or exercise of the Option, or disposition of Shares, whether by withholding, direct payment to the Company, or otherwise.

(iii) The Company is not obligated, and will have no liability for failure, to issue or deliver any Shares upon exercise of the Option unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any applicable federal or state securities or other law or regulation, including any rule under Part 221 of Title 12 of the Code of Federal Regulations as promulgated by the Federal Reserve Board. As a condition to the exercise of this Option, the Company may require Optionee to make any representation and warranty to the Company as may be required by the Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Optionee on the date on which the Option is exercised with respect to such Shares.

4. **Method of Payment.** Payment of the Exercise Price shall be by any of the following, or a combination of the following, at the election of Optionee:

(a) cash or check;

(b) cancellation of indebtedness;

(c) prior to the date, if any, upon which the Common Stock becomes a Listed Security, by surrender of other shares of Common Stock of the Company that have an aggregate Fair Market Value on the date of surrender equal to the Exercise Price of the Shares as to which the Option is being exercised. In the case of shares acquired directly or indirectly from the Company, such shares must have been owned by Optionee for more than six (6) months on the date of surrender (or such other period of time as is necessary to avoid the Company's incurring adverse accounting charges); or

(d) following the date, if any, upon which the Common Stock is a Listed Security, and if the Company is at such time permitting "same day sale" cashless brokered exercises, delivery of a properly executed exercise notice together with irrevocable instructions to a broker participating in such cashless brokered exercise program to deliver promptly to the Company the amount required to pay the exercise price (and applicable withholding taxes).

5. **Termination of Relationship.** Following the date of termination of Optionee's Continuous Service Status for any reason (the "Termination Date"), Optionee may exercise the Option only as set forth in the Notice and this Section 5. To the extent that Optionee is not entitled to exercise this Option as of the Termination Date, or if Optionee does not exercise this Option within the Termination Period set forth in the Notice or the termination periods set forth below, the Option shall terminate in its entirety. In no event, may any Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(a) **Termination.** In the event of termination of Optionee's Continuous Service Status other than as a result of Optionee's disability or death, Optionee may, to the extent Optionee is vested in the Option Shares the date of such termination (the "Termination Date"), exercise this Option during the Termination Period set forth in the Notice.

(b) **Other Terminations.** In connection with any termination other than a termination covered by Section 5(a), Optionee may exercise the Option only as described below:

(i) **Termination upon Disability of Optionee.** In the event of termination of Optionee's Continuous Service Status as a result of Optionee's disability, Optionee may, but only within six months from the Termination Date, exercise this Option to the extent Optionee was vested in the Option Shares it as of such Termination Date.

(ii) **Death of Optionee.** In the event of the death of Optionee (a) during the term of this Option and while an Employee or Consultant of the Company and having been in Continuous Service Status since the date of grant of the Option, or (b) within thirty (30) days after Optionee's Termination Date, the Option may be exercised at any time within six months following the date of death by Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent Optionee was vested in the Option as of the Termination Date.

6. **Non-Transferability of Option.** This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by him or her. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of Optionee.

7. **Tax Consequences.** Below is a brief summary as of the date of this Option of certain of the federal tax consequences of exercise of this Option and disposition of the Shares under the laws in effect as of the Date of Grant. THIS SUMMARY IS INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO

CHANGE. OPTIONEE SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THIS OPTION OR DISPOSING OF THE SHARES.

(a) **Incentive Stock Option.**

(i) **Tax Treatment upon Exercise and Sale of Shares.** If this Option qualifies as an Incentive Stock Option, there will be no regular federal income tax liability upon the exercise of the Option, although the excess, if any, of the fair market value of the Shares on the date of exercise over the Exercise Price will be treated as an adjustment to the alternative minimum tax for federal tax purposes and may subject Optionee to the alternative minimum tax in the year of exercise. If Shares issued upon exercise of an Incentive Stock Option are held for at least one year after exercise and are disposed of at least two years after the Option grant date, any gain realized on disposition of the Shares will also be treated as long-term capital gain for federal income tax purposes. If Shares issued upon exercise of an Incentive Stock Option are disposed of within such one-year period or within two years after the Option grant date, any gain realized on such disposition will be treated as compensation income (taxable at ordinary income rates) to the extent of the difference between the Exercise Price and the lesser of (i) the fair market value of the Shares on the date of exercise, or (ii) the sale price of the Shares.

(ii) **Notice of Disqualifying Dispositions.** With respect to any Shares issued upon exercise of an Incentive Stock Option, if Optionee sells or otherwise disposes of such Shares on or before the later of (i) the date two years after the Option grant date, or (ii) the date one year after the date of exercise, Optionee shall immediately notify the Company in writing of such disposition. Optionee acknowledges and agrees that he or she may be subject to income tax withholding by the Company on the compensation income recognized by Optionee from the early disposition by payment in cash or out of the current earnings paid to Optionee.

(b) **Nonstatutory Stock Option.** If this Option does not qualify as an Incentive Stock Option, there may be a regular federal (and state) income tax liability upon the exercise of the Option. Optionee will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the fair market value of the Shares on the date of exercise over the Exercise Price. If Optionee is an Employee, the Company will be required to withhold from Optionee's compensation or collect from Optionee and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of exercise. If Shares issued upon exercise of a Nonstatutory Stock Option are held for at least one year, any gain realized on disposition of the Shares will be treated as long-term capital gain for federal income tax purposes.

8. **Lock-Up Agreement.** In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Optionee hereby agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such

registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the Company's initial public offering. Notwithstanding the foregoing, if during the last 17 days of the restricted period, the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the 16-day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any FINRA rules, the restrictions imposed by this subsection shall continue to apply until the end of the third trading day following the expiration of the 15-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the restricted period extend beyond 216 days after the effective date of the registration statement.

9. **Effect of Agreement.** Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the Option terms), and hereby accepts this Option and agrees to be bound by its contractual terms as set forth herein and in the Plan. Optionee hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Plan Administrator regarding any questions relating to the Option. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of the Notice and this Agreement, the Plan terms and provisions shall prevail. The Option, including the Plan, constitutes the entire agreement between Optionee and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter.

[Signature Page Follows]

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one document.

«Optionee»

_____

Dated: _____

PANDORA MEDIA, INC.

By: _____

Name: _____

Title: _____

EXHIBIT A

PANDORA MEDIA, INC.

2004 STOCK PLAN

EXERCISE NOTICE AND RESTRICTED STOCK PURCHASE AGREEMENT

This Agreement ("Agreement") is made as of _____, by and between Pandora Media, Inc., a Delaware corporation (the "Company"), and «Optionee» ("Purchaser"). To the extent any capitalized terms used in this Agreement are not defined, they shall have the meaning ascribed to them in the 2004 Stock Plan.

1. **Exercise of Option.** Subject to the terms and conditions hereof, Purchaser hereby elects to exercise his or her option to purchase Pandora Media, Inc. shares of the Common Stock (the "Shares") of the Company under and pursuant to the Company's 2004 Stock Plan (the "Plan") and the Stock Option Agreement granted Pandora Media, Inc. (the "Option Agreement"). The purchase price for the Shares shall be $«ExercisePrice» per Share for a total purchase price of $____. The term "Shares" refers to the purchased Shares and all securities received in replacement of the Shares or as stock dividends or splits, all securities received in replacement of the Shares in a recapitalization, merger, reorganization, exchange or the like, and all new, substituted or additional securities or other properties to which Purchaser is entitled by reason of Purchaser's ownership of the Shares.

2. **Time and Place of Exercise.** The purchase and sale of the Shares under this Agreement shall occur at the principal office of the Company simultaneously with the execution and delivery of this Agreement in accordance with the provisions of Section 3(b) of the Option Agreement. On such date, the Company will deliver to Purchaser a certificate representing the Shares to be purchased by Purchaser (which shall be issued in Purchaser's name) against payment of the exercise price therefor by Purchaser by any method listed in Section 4 of the Option Agreement.

3. **Limitations on Transfer.** In addition to any other limitation on transfer created by applicable securities laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares except in compliance with the provisions below and applicable securities laws.

(a) **Right of First Refusal.** Before any Shares held by Purchaser or any transferee of Purchaser (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 3(a) (the "Right of First Refusal").

(i) **Notice of Proposed Transfer.** The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (iii) the number of Shares to be transferred to each

Proposed Transferee; and (iv) the terms and conditions of each proposed sale or transfer. The Holder shall offer the Shares at the same price (the "Offered Price") and upon the same terms (or terms as similar as reasonably possible) to the Company or its assignee(s).

(ii) **Exercise of Right of First Refusal.** At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (iii) below.

(iii) **Purchase Price.** The purchase price ("Purchase Price") for the Shares purchased by the Company or its assignee(s) under this Section 3(a) shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(iv) **Payment.** Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness, or by any combination thereof within 30 days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(v) **Holder's Right to Transfer.** If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 3(a), then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within 60 days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 3 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(vi) **Exception for Certain Family Transfers.** Anything to the contrary contained in this Section 3(a) notwithstanding, the transfer of any or all of the Shares during Purchaser's lifetime or on Purchaser's death by will or intestacy to Purchaser's Immediate Family or a trust for the benefit of Purchaser's Immediate Family shall be exempt from the provisions of this Section 3(a). "Immediate Family" as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(b) **Involuntary Transfer.**

(i) **Company's Right to Purchase upon Involuntary Transfer.** In the event, at any time after the date of this Agreement, of any transfer by operation of law or other involuntary transfer (including death or divorce, but excluding a transfer to Immediate Family as set forth in Section 3(a)(vi) above) of all or a portion of the Shares by the record holder thereof, the Company shall have an option to purchase all of the Shares transferred at the greater of the purchase price paid by Purchaser pursuant to this Agreement or the Fair Market Value of the Shares on the date of transfer. Upon such a transfer, the person acquiring the Shares shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of thirty (30) days following receipt by the Company of written notice by the person acquiring the Shares.

(ii) **Price for Involuntary Transfer.** With respect to any stock to be transferred pursuant to Section 3(b)(i), the price per Share shall be a price set by the Board of Directors of the Company that will reflect the current value of the stock in terms of present earnings and future prospects of the Company. The Company shall notify Purchaser or his or her executor of the price so determined within thirty (30) days after receipt by it of written notice of the transfer or proposed transfer of Shares. However, if the Purchaser does not agree with the valuation as determined by the Board of Directors of the Company, the Purchaser shall be entitled to have the valuation determined by an independent appraiser to be mutually agreed upon by the Company and the Purchaser and whose fees shall be borne equally by the Company and the Purchaser.

(c) **Assignment.** The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any shareholder or shareholders of the Company or other persons or organizations.

(e) **Restrictions Binding on Transferees.** All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement. Any sale or transfer of the Company's Shares shall be void unless the provisions of this Agreement are satisfied.

(f) **Termination of Rights.** The right of first refusal granted the Company by Section 3(a) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(b) above shall terminate upon the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"). Upon termination of the right of first refusal described in Section 3(a) above, a new certificate or certificates representing the Shares not repurchased shall be issued, on request, without the legend referred to in Section 5(a)(ii) herein and delivered to Purchaser.

4. **Investment and Taxation Representations.** In connection with the purchase of the Shares, Purchaser represents to the Company the following:

(a) Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Purchaser is purchasing these securities for

investment for his or her own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act or under any applicable provision of state law. Purchaser does not have any present intention to transfer the Shares to any person or entity.

(b) Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein.

(c) Purchaser further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities. Purchaser understands that the certificate(s) evidencing the securities will be imprinted with a legend which prohibits the transfer of the securities unless they are registered or such registration is not required in the opinion of counsel for the Company.

(d) Purchaser is familiar with the provisions of Rules 144 and 701, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Purchaser understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144 or Rule 701, which rules require, among other things, that the Company be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this paragraph (d), Purchaser acknowledges and agrees to the restrictions set forth in paragraph (e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 or 701 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

(f) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

5. **Restrictive Legends and Stop-Transfer Orders.**

(a) **Legends.** The certificate or certificates representing the Shares shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):

(i) THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

(ii) THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE SHAREHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

(b) **Stop-Transfer Notices.** Purchaser agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer " instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) **Refusal to Transfer.** The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

6. **No Employment Rights.** Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a parent or subsidiary of the Company, to terminate Purchaser's employment or consulting relationship, for any reason, with or without cause.

7. **Lock-Up Agreement.** In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Purchaser agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement

reflecting the foregoing as may be requested by the underwriters at the time of the public offering.

8. **Miscellaneous.**

(a) **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.

(b) **Entire Agreement; Enforcement of Rights.** This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

(c) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(d) **Construction.** This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(e) **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by telegram or fax or forty-eight (48) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

(f) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(g) **Successors and Assigns.** The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by the Company's successors and assigns. The rights and obligations of Purchaser under this Agreement may only be assigned with the prior written consent of the Company.

(h) **California Corporate Securities Law.** THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR

RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

[Signature Page Follows]

The parties have executed this Exercise Notice and Restricted Stock Purchase Agreement as of the date first set forth above.

COMPANY:

PANDORA MEDIA, INC.

By: _____

Name: _____

Title: _____

PURCHASER:

«Optionee»

_____

(Signature)

Address: _____

_____

I, _____, spouse of «Optionee», have read and hereby approve the foregoing Agreement. In consideration of the Company's granting my spouse the right to purchase the Shares as set forth in the Agreement, I hereby agree to be irrevocably bound by the Agreement and further agree that any community property or other such interest shall hereby by similarly bound by the Agreement. I hereby appoint my spouse as my attorney-in-fact with respect to any amendment or exercise of any rights under the Agreement.

_____

Spouse of «Optionee»

PANDORA MEDIA, INC.

2004 STOCK PLAN

RESTRICTED STOCK PURCHASE AGREEMENT

This Restricted Stock Purchase Agreement (the "Agreement") is made as of _____, by and between Pandora Media, Inc., a Delaware corporation (the "Company"), and _____ ("Purchaser") pursuant to the Company's 2004 Stock Plan. To the extent any capitalized terms used in this Agreement are not defined, they shall have the meaning ascribed to them in the 2004 Stock Plan.

1. **Sale of Stock.** Subject to the terms and conditions of this Agreement, on the Purchase Date (as defined below) the Company will issue and sell to Purchaser, and Purchaser agrees to purchase from the Company, _____ shares of the Company's Common Stock (the 'Shares") at a purchase price of $____ per Share for a total purchase price of $____ The term "Shares" refers to the purchased Shares and all securities received in replacement of or in connection with the Shares pursuant to stock dividends or splits, all securities received in replacement of the Shares in a recapitalization, merger, reorganization, exchange or the like, and all new, substituted or additional securities or other properties to which Purchaser is entitled by reason of Purchaser's ownership of the Shares.

2. **Purchase.** The purchase and sale of the Shares under this Agreement shall occur at the principal office of the Company simultaneously with the execution and delivery of this Agreement by the parties, or on such other date as the Company and Purchaser shall agree (the "Purchase Date"). On the Purchase Date, the Company will deliver to Purchaser a certificate representing the Shares to be purchased by Purchaser (which shall be issued in Purchaser's name) against payment of the purchase price therefor by Purchaser by (a) check made payable to the Company, (b) cancellation of indebtedness of the Company to Purchaser, or (c) by a combination of the foregoing.

3. **Limitations on Transfer.** In addition to any other limitation on transfer created by applicable securities laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares while the Shares are subject to the Company's Repurchase Option (as defined below). After any Shares have been released from such Repurchase Option, Purchaser shall not assign, encumber or dispose of any interest in such Shares except in compliance with the provisions below and applicable securities laws.

(a) **Repurchase Option.**

(i) In the event of the voluntary or involuntary termination of Purchaser's employment or consulting relationship with the Company for any reason (including death or disability), with or without cause, the Company shall upon the date of such termination (the "Termination Date") have an irrevocable, exclusive option (the " Repurchase Option") for a period of 90 days from such date to repurchase all or any portion of the Shares held by Purchaser as of the Termination Date which have not yet been released from the Company's Repurchase

Option at the original purchase price per Share specified in Section 1 (adjusted for any stock splits, stock dividends and the like).

(ii) Unless the Company notifies Purchaser within 90 days from the date of termination of Purchaser's employment or consulting relationship that it does not intend to exercise its Repurchase Option with respect to some or all of the Shares, the Repurchase Option shall be deemed automatically exercised by the Company as of the 90th day following such termination, provided that the Company may notify Purchaser that it is exercising its Repurchase Option as of a date prior to such 90th day. Unless Purchaser is otherwise notified by the Company pursuant to the preceding sentence that the Company does not intend to exercise its Repurchase Option as to some or all of the Shares to which it applies at the time of termination, execution of this Agreement by Purchaser constitutes written notice to Purchaser of the Company's intention to exercise its Repurchase Option with respect to all Shares to which such Repurchase Option applies. The Company, at its choice, may satisfy its payment obligation to Purchaser with respect to exercise of the Repurchase Option by either (A) delivering a check to Purchaser in the amount of the purchase price for the Shares being repurchased, or (B) in the event Purchaser is indebted to the Company, canceling an amount of such indebtedness equal to the purchase price for the Shares being repurchased, or (C) by a combination of (A) and (B) so that the combined payment and cancellation of indebtedness equals such purchase price. In the event of any deemed automatic exercise of the Repurchase Option pursuant to this Section 3(a)(ii) in which Purchaser is indebted to the Company, such indebtedness equal to the purchase price of the Shares being repurchased shall be deemed automatically canceled as of the 90th day following termination of Purchaser's employment or consulting relationship unless the Company otherwise satisfies its payment obligations. As a result of any repurchase of Shares pursuant to this Section 3(a), the Company shall become the legal and beneficial owner of the Shares being repurchased and shall have all rights and interest therein or related thereto, and the Company shall have the right to transfer to its own name the number of Shares being repurchased by the Company, without further action by Purchaser.

(iii) 100% of the Shares shall initially be subject to the Repurchase Option. 1/12th of the total number of shares shall be released from the Repurchase Option on the monthly anniversary of the Vesting Commencement Date (as set forth on the signature page of this Agreement) until all Shares are released from the Repurchase Option. Fractional shares shall be rounded to the nearest whole share.

(b) **Right of First Refusal.** Before any Shares held by Purchaser or any transferee of Purchaser (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 3(b) (the "Right of First Refusal ").

(i) **Notice of Proposed Transfer.** The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (A) the Holder's bona fide intention to sell or otherwise transfer such Shares; (B) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (C) the number of Shares to be transferred to each Proposed Transferee; and (D) the terms and conditions of each proposed sale or transfer. The

Holder shall offer the Shares at the same price (the "Offered Price") and upon the same terms (or terms as similar as reasonably possible) to the Company or its assignee(s).

(ii) **Exercise of Right of First Refusal.** At any time within 30 days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (iii) below.

(iii) **Purchase Price.** The purchase price ("Purchase Price") for the Shares purchased by the Company or its assignee(s) under this Section 3(b) shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(iv) **Payment.** Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness or by any combination thereof within 30 days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(v) **Holder's Right to Transfer.** If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 3(b), then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within 60 days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 3 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(vi) **Exception for Certain Family Transfers.** Anything to the contrary contained in this Section 3(b) notwithstanding, the transfer of any or all of the Shares during Purchaser's lifetime or on Purchaser's death by will or intestacy to Purchaser's Immediate Family or a trust for the benefit of Purchaser's Immediate Family shall be exempt from the provisions of this Section 3(b). "Immediate Family" as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(c) **Involuntary Transfer.**

(i) **Company's Right to Purchase upon Involuntary Transfer.** In the event, at any time after the date of this Agreement, of any transfer by operation of law or other involuntary transfer (including death or divorce, but excluding a transfer to Immediate Family as set forth in Section 3(b)(vi) above) of all or a portion of the Shares by the record holder thereof, the Company shall have an option to purchase all of the Shares transferred at the greater of the purchase price paid by Purchaser pursuant to this Agreement or the Fair Market Value of the Shares on the date of transfer. Upon such a transfer, the person acquiring the Shares shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of 30 days following receipt by the Company of written notice by the person acquiring the Shares.

(ii) **Price for Involuntary Transfer.** With respect to any stock to be transferred pursuant to Section 3(c)(i), the price per Share shall be a price set by the Board of Directors of the Company that will reflect the current value of the stock in terms of present earnings and future prospects of the Company. The Company shall notify Purchaser or his or her executor of the price so determined within 30 days after receipt by it of written notice of the transfer or proposed transfer of Shares. However, if Purchaser does not agree with the valuation as determined by the Board of Directors of the Company, Purchaser shall be entitled to have the valuation determined by an independent appraiser to be mutually agreed upon by the Company and Purchaser and whose fees shall be borne equally by the Company and Purchaser.

(d) **Assignment.** The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any shareholder or shareholders of the Company or other persons or organizations.

(e) **Restrictions Binding on Transferees.** All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement, including, insofar as applicable, the Repurchase Option. In the event of any purchase by the Company hereunder where the Shares or interest are held by a transferee, the transferee shall be obligated, if requested by the Company, to transfer the Shares or interest to the Purchaser for consideration equal to the amount to be paid by the Company hereunder. In the event the Repurchase Option is deemed exercised by the Company pursuant to Section 3(a)(ii) hereof, the Company may deem any transferee to have transferred the Shares or interest to Purchaser prior to their purchase by the Company, and payment of the purchase price by the Company to such transferee shall be deemed to satisfy Purchaser's obligation to pay such transferee for such Shares or interest, and also to satisfy the Company's obligation to pay Purchaser for such Shares or interest. Any sale or transfer of the Shares shall be void unless the provisions of this Agreement are satisfied.

(f) **Termination of Rights.** The right of first refusal granted the Company by Section 3(b) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(c) above shall terminate upon the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act").

4. **Escrow of Unvested Shares.** For purposes of facilitating the enforcement of the provisions of Section 3 above, Purchaser agrees, immediately upon receipt of the certificate(s) for the Shares subject to the Repurchase Option, to deliver such certificate(s), together with an Assignment Separate from Certificate in the form attached to this Agreement as Exhibit A executed by Purchaser and by Purchaser's spouse (if required for transfer), in blank, to the Secretary of the Company, or the Secretary's designee, to hold such certificate(s) and Assignment Separate from Certificate in escrow and to take all such actions and to effectuate all such transfers and/or releases as are in accordance with the terms of this Agreement. Purchaser hereby acknowledges that the Secretary of the Company, or the Secretary's designee, is so appointed as the escrow holder with the foregoing authorities as a material inducement to make this Agreement and that said appointment is coupled with an interest and is accordingly irrevocable. Purchaser agrees that said escrow holder shall not be liable to any party hereof (or to any other party). The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Purchaser agrees that if the Secretary of the Company, or the Secretary's designee, resigns as escrow holder for any or no reason, the Board of Directors of the Company shall have the power to appoint a successor to serve as escrow holder pursuant to the terms of this Agreement.

5. **Investment and Taxation Representations.** In connection with the purchase of the Shares, Purchaser represents to the Company the following:

(a) Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Purchaser is purchasing the Shares for investment for his or her own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act or under any applicable provision of state law. Purchaser does not have any present intention to transfer the Shares to any other person or entity.

(b) Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein.

(c) Purchaser further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities. Purchaser understands that the certificate(s) evidencing the securities will be imprinted with a legend which prohibits the transfer of the securities unless they are registered or such registration is not required in the opinion of counsel for the Company.

(d) Purchaser is familiar with the provisions of Rules 144 and 701, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Purchaser understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144 or Rule 701, which rules require,

among other things, that the Company be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this paragraph (d), Purchaser acknowledges and agrees to the restrictions set forth in paragraph (e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 or 701 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

(f) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

6. **Restrictive Legends and Stop-Transfer Orders.**

(a) **Legends.** The certificate or certificates representing the Shares shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):

(i) THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

(ii) THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE SHAREHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

(b) **Stop-Transfer Notices.** Purchaser agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) **Refusal to Transfer.** The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

7. **No Employment Rights.** Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent or Subsidiary of the Company, to terminate Purchaser's employment or consulting relationship, for any reason, with or without cause.

8. **Section 83(b) Election.** Purchaser understands that Section 83(a) of the Internal Revenue Code of 1986, as amended (the "Code"), taxes as ordinary income the difference between the amount paid for the Shares and the fair market value of the Shares as of the date any restrictions on the Shares lapse. In this context, "restriction" means the right of the Company to buy back the Shares pursuant to the Repurchase Option set forth in Section 3(a) of this Agreement. Purchaser understands that Purchaser may elect to be taxed at the time the Shares are purchased, rather than when and as the Repurchase Option expires, by filing an election under Section 83(b) (an "83(b) Election") of the Code with the Internal Revenue Service within 30 days from the date of purchase. Even if the Fair Market Value of the Shares at the time of the execution of this Agreement equals the amount paid for the Shares, the election must be made to avoid income under Section 83(a) in the future. Purchaser understands that failure to file such an election in a timely manner may result in adverse tax consequences for Purchaser. Purchaser further understands that an additional copy of such election form should be filed with his or her federal income tax return for the calendar year in which the date of this Agreement falls. Purchaser acknowledges that the foregoing is only a summary of the effect of United States federal income taxation with respect to purchase of the Shares hereunder, and does not purport to be complete. Purchaser further acknowledges that the Company has directed Purchaser to seek independent advice regarding the applicable provisions of the Code, the income tax laws of any municipality, state or foreign country in which Purchaser may reside, and the tax consequences of Purchaser's death.

Purchaser agrees that he will execute and deliver to the Company with this executed Agreement a copy of the Acknowledgment and Statement of Decision Regarding Section 83(b) Election (the "Acknowledgment"), attached hereto as Exhibit B. Purchaser further agrees that Purchaser will execute and submit with the Acknowledgment a copy of the 83(b) Election, attached hereto as Exhibit C, if Purchaser has indicated in the Acknowledgment his or her decision to make such an election.

9. **Lock-Up Agreement.** In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Purchaser agrees not to sell, make any short

sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the Company's initial public offering. Notwithstanding the foregoing, if during the last 17 days of the restricted period, the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the 16-day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any FINRA rules, the restrictions imposed by this subsection shall continue to apply until the end of the third trading day following the expiration of the 15-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the restricted period extend beyond 216 days after the effective date of the registration statement.

10. **Miscellaneous.**

(a) **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.

(b) **Entire Agreement; Enforcement of Rights.** This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

(c) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(d) **Construction.** This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(e) **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by telegram or fax or 48 hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

(f) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(g) **Successors and Assigns.** The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by the Company's successors and assigns. The rights and obligations of Purchaser under this Agreement may only be assigned with the prior written consent of the Company.

(h) **California Corporate Securities Law.** THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

[Signature Page Follows]

The parties have executed this Agreement as of the date first set forth above.

PANDORA MEDIA, INC.

By: _____

Title: _____

Address: 360 22nd Street, Suite 390
Oakland CA 94612

PURCHASER:

_____
(Signature)

Address: _____

_____

Vesting Commencement Date:

I, _____, spouse of _____, have read and hereby approve the foregoing Agreement. In consideration of the Company's granting my spouse the right to purchase the Shares as set forth in the Agreement, I hereby agree to be bound irrevocably by the Agreement and further agree that any community property or other such interest that I may have in the Shares shall hereby be similarly bound by the Agreement. I hereby appoint my spouse as my attorney-in-fact with respect to any amendment or exercise of any rights under the Agreement.

_____
Spouse of _____

EXHIBIT A

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED and pursuant to that certain Restricted Stock Purchase Agreement between the undersigned ("Purchaser") and Pandora Media, Inc. (the "Company") dated _____, ____ (the "Agreement"), Purchaser hereby sells, assigns and transfers unto the Company _____ (____) shares of the Common Stock of the Company, standing in Purchaser's name on the books of the Company and represented by Certificate No. __, and hereby irrevocably constitutes and appoints _____ to transfer said stock on the books of the Company with full power of substitution in the premises. THIS ASSIGNMENT MAY ONLY BE USED AS AUTHORIZED BY THE AGREEMENT AND THE EXHIBITS THERETO.

Dated: _____

Signature:

_____

_____

_____

Spouse of _____ (if applicable)

Instruction: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to exercise its repurchase option set forth in the Agreement without requiring additional signatures on the part of Purchaser.

EXHIBIT B

ACKNOWLEDGMENT AND STATEMENT OF DECISION REGARDING SECTION 83(b) ELECTION

The undersigned (which term includes the undersigned's spouse), a purchaser of ____ shares of Common Stock of Pandora Media, Inc., a Delaware corporation (the "Company") by exercise of stock purchase right (the "Right") granted pursuant to the Company's 2004 Stock Plan (the "Plan"), hereby states as follows:

1. The undersigned acknowledges receipt of a copy of the Plan relating to the offering of such shares. The undersigned has carefully reviewed the Plan and the stock purchase agreement pursuant to which the Right was granted.

2. The undersigned either [check and complete as applicable]:

(a) _____ has consulted, and has been fully advised by, the undersigned's own tax advisor,_____, whose business address is _____, regarding the federal, state and local tax consequences of purchasing shares under the Plan, and particularly regarding the advisability of making elections pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code") and pursuant to the corresponding provisions, if any, of applicable state law; or

(b) _____ has knowingly chosen not to consult such a tax advisor.

3. The undersigned hereby states that the undersigned has decided [check as applicable]:

(a) _____ to make an election pursuant to Section 83(b) of t he Code, and is submitting to the Company, together with the undersigned's executed Restricted Stock Purchase Agreement, an executed form entitled "Election Under Section 83(b) of the Internal Revenue Code of 1986;" or

(b) _____ not to make an election pursuant to Section 83(b) of the Code.

4. Neither the Company nor any subsidiary or representative of the Company has made any warranty or representation to the undersigned with respect to the tax consequences of the undersigned's purchase of shares under the Plan or of the making or failure to make an election pursuant to Section 83(b) of the Code or the corresponding provisions, if any, of applicable state law.

Date: _____ _____

_____

Date: _____ _____

Spouse of _____

EXHIBIT C

ELECTION UNDER SECTION 83(b)
OF THE INTERNAL REVENUE CODE OF 1986

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code, to include in taxpayer's gross income for the current taxable year, the amount of any compensation taxable to taxpayer in connection with taxpayer's receipt of the property described below:

1. The name, address, taxpayer identification number and taxable year of the undersigned are as follows:

   NAME OF TAXPAYER: _____

   NAME OF SPOUSE: _____

   ADDRESS: _____

   _____

   IDENTIFICATION NO. OF TAXPAYER: _____
   IDENTIFICATION NO. OF SPOUSE: _____
   TAXABLE YEAR: _____

2. The property with respect to which the election is made is described as follows:

   _____ shares of the Common Stock of Pandora Media, Inc., a Delaware corporation (the "Company").

3. The date on which the property was transferred is: _____

4. The property is subject to the following restrictions:

   Repurchase option at cost in favor of the Company upon termination of taxpayer's employment or consulting relationship.

5. The fair market value at the time of transfer, determined without regard to any restriction other than a restriction which by its terms will never lapse, of such property is: $____.

6. The amount (if any) paid for such property: $____

The undersigned has submitted a copy of this statement to the person for whom the services were performed in connection with the undersigned's receipt of the above-described property. The transferee of such property is the person performing the services in connection with the transfer of said property.

The undersigned understands that the foregoing election may not be revoked except with the consent of the Commissioner

Dated: _____

_____

_____

Dated: _____

_____

Spouse of _____

EXHIBIT 10.4

THESAVAGEBEAST.COM, INC.

2000 STOCK INCENTIVE PLAN

The name of this plan is TheSavageBeast.com, Inc. 2000 Stock Incentive Plan (the "Plan"). The Plan was adopted by the Board on February 2, 2000, subject to the approval of the stockholders of the Company, which approval was obtained on February 2, 2000. The purpose of the Plan is to enable the Company to attract and retain highly qualified personnel who will contribute to the Company's success by their ability, ingenuity and industry experience and to provide incentives to the participating officers, directors, employees, consultants and advisors that are linked directly to increases in shareholder value and will therefore inure to the benefit of all shareholders of the Company.

ARTICLE I

DEFINITIONS

The following terms shall have the meaning specified below, unless the context clearly indicates otherwise.

Types of Awards under the Plan

1.1 "Award" means any of the specific types of stock-based incentive awards defined below.

1.2 "Option" means an option to acquire Common Stock granted under Article III of the Plan.

1.3 "Incentive Stock Option" means an Option which conforms to the applicable provisions of Section 422 of the Code and which is designated as an Incentive Stock Option by the Administrator.

1.4 "Non-Qualified Stock Option" means an Option which is not an Incentive Stock Option, including any Option determined by the Administrator not to be an Incentive Stock Option.

1.5 "Stock Appreciation Right" means a stock appreciation right granted under Article VIII of the Plan.

1.6 "Restricted Stock" means an award of Common Stock subject to restrictions as provided in Article VI of the Plan.

1.7 "Deferred Stock" means Common Stock awarded under Article VII of the Plan.

1.8 "Performance Award" means a cash bonus, stock bonus or other performance or incentive award that is paid in cash, Common Stock or a combination of both, awarded under Article VII of the Plan.

1.9 "Stock Payment" means (i) a payment in the form of shares of Common Stock, or (ii) an option or other right to purchase shares of Common Stock, as part of a deferred compensation arrangement, made in lieu of all or any portion of the compensation, including without limitation, salary, bonuses and commissions, that would otherwise become payable to an Eligible Recipient in cash, awarded under Article VII of the Plan.

1.10 "Dividend Equivalent" means a right to receive the equivalent value (in cash or Common Stock) of dividends paid on the Common Stock, awarded under Article VII of the Plan.

Plan Participants

1.11 "Eligible Recipient" means any officer, director, Employee, Consultant or Advisor of the Company, any Subsidiary, any Parent Corporation of the Company or any majority owned subsidiary of such Parent Corporation.

1.12 "Participant" means any Eligible Recipient who has been granted an Award under the Plan.

1.13 "Employee" means any employee (as defined in accordance with Section 3401 (c) of the Code) of the Company, any Subsidiary, any Parent Corporation of the Company or any majority owned subsidiary of such Parent Corporation.

1.14 "Consultant" has the meaning set forth in Rule 701 under the Exchange Act.

1.15 "Advisor" has the meaning set forth in Rule 701 under the Exchange Act.

1.16 "Optionee" means any Participant who has been granted an Option under the Plan.

Administrative Definitions

1.17 "Administrator" means the Board, or if and to the extent the Board does not administer the Plan, the Committee in accordance with Article IX.

1.18 "Board" means the Board of Directors of the Company.

1.19 "Committee" means the Compensation Committee of the Board, or another committee of the Board appointed as provided in Section 9.1.

1.20 "Company" means TheSavageBeast.com, Inc., a California corporation.

1.21 "Subsidiary" means any corporation in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain then owns stock possessing 50 percent or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

1.22 "Parent Corporation" means any corporation in an unbroken chain of corporations ending with the Company if each of the corporations in the chain (other than the Company) then

owns stock possessing 50 percent or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

1.23 "Common Stock" means shares of the common stock, no par value per share, of the Company, and any other securities issuable in respect of or exchangeable for such shares.

1.24 "Fair Market Value" of a share of Common Stock as of a given date shall be (i) the mean between the highest and lowest selling price of a share of Common Stock on such date as reported on the principal exchange (including any Nasdaq market) on which shares of Common Stock are then trading, or if shares were not traded on such date, then on the closest preceding date on which a trade occurred; or (ii) if the Common Stock is not traded on an exchange, the mean between the closing representative bid and asked prices for the Common Stock on such date as reported on any national quotation system, as determined by the Administrator; or (iii) if the Common Stock is not publicly traded, the Fair Market Value of a share of Common Stock on such date as established by the Administrator acting in good faith.

Statutory References

1.25 "Blue Sky Laws" means the provisions of Section 25102 of the California Corporations Code, as amended from time to time, or any successor thereto, or the rules and regulations thereunder, or any other applicable state securities laws.

1.26 "Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor thereto, or the rules and regulations thereunder.

1.27 "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, or any successor thereto, or the rules and regulations thereunder.

1.28 "QDRO" means any qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act, of 1974, as amended from time to time, or any successor thereto, or the rules and regulations thereunder.

1.29 "Rule 16b-3" means that certain Rule 16b-3 under the Exchange Act, as such Rule may be amended from time to time, or any successor thereto.

ARTICLE II

SHARES SUBJECT TO PLAN; LIMITATIONS ON AWARDS; ADJUSTMENTS

2.1 Number of Shares Subject to Plan. The aggregate number of shares issuable in connection with Awards under the Plan shall not exceed One Million Five Hundred Thousand (1,500,000) shares of Common Stock, subject to adjustment as provided in Section 2.6. The shares of Common Stock issuable under the Plan may be either previously authorized but unissued shares or treasury shares.

2.2 Shares Subject to Unexercised Options or Forfeited Awards Available for Re-Grant. To the extent that an Award expires or is otherwise terminated without being exercised or vested, or is otherwise forfeited, the shares of Common Stock subject to such Award shall again

be available for issuance in connection with future Awards under the Plan. If any shares of Common Stock have been pledged as collateral for indebtedness incurred by a Participant in connection with the exercise of an Option and such shares are returned to the Company in satisfaction of such indebtedness, such shares shall again be available for issuance in connection with future Awards under the Plan.

2.3 Annual Limitation under Rule 701 of the Exchange Act. Prior to the time the Company becomes subject to the reporting requirements of Section 13(d) or 15(d) of the Exchange Act, the number of shares subject to Awards under the Plan shall be subject to the limitations and applicable disclosure requirements set forth in Rule 701 under the Exchange Act, as from time to time applicable.

2.4 Limitations under California "Blue Sky" Laws. To the extent necessary to qualify for exemption, the number of shares of Common Stock subject to Awards under the Plan shall be subject to the limitations set forth in Section 25102 of the California Corporations Code, as from time to time applicable.

2.5 Annual Limitation under Code Section 162(m). To the extent applicable under Section 162(m) of the Code, the maximum number of shares which may be subject to Awards granted under the Plan to any individual in any calendar year shall not exceed Two Hundred Thousand (200,000). To the extent required by Section 162(m) of the Code, shares subject to canceled or forfeited Awards shall continue to be counted against such limitation.

2.6 Changes in Common Stock or Assets of the Company. In the event that the outstanding shares of Common Stock are hereafter changed into or exchanged for cash or a different number or kind of shares or other securities of the Company, or of another corporation, by reason of reorganization, merger, consolidation, recapitalization, reclassification, stock splitup, stock dividend, combination of shares or other change in the Common Stock, or in the event of a "spin-off" or other distribution of assets of the Company having a material effect on the Fair Market Value of the Common Stock, appropriate adjustments shall be made by the Administrator, in its absolute discretion, in (i) the aggregate number of shares reserved for issuance under the Plan, and (ii) the number, kind and exercise or purchase price of shares issuable in respect of outstanding Awards under the Plan. In addition, as applicable, appropriate adjustments shall be made to the limitations set forth in this Article II. In connection with any event described in this paragraph, the Administrator may provide, in its absolute discretion, for the cancellation of any outstanding Awards and payment in cash, securities or other property therefor.

ARTICLE III

GRANTING OF OPTIONS

3.1 Eligibility. Any Eligible Recipient may be granted an Option, but only Employees of the Company, a Subsidiary of the Company or a Parent Corporation of the Company may be granted an Incentive Stock Option.

3.2 Granting of Options.

(a) The Administrator shall from time to time, in its absolute discretion:

(i) Select which Eligible Participants shall be granted Options;

(ii) Determine the number of shares subject to each Option and its exercise price and vesting schedule;

(iii) Determine whether the Option is to be an Incentive Stock Option or a Non-Qualified Stock Option; and

(iv) Determine the other terms and conditions of the Option, consistent with the Plan, including the effect of the termination of employment or service of a Participant and the effect, if any, of a change in control of the Company.

(b) The Administrator shall instruct the Secretary of the Company to issue such Options and may impose such conditions on the grant of such Options as it deems appropriate. Without limiting the generality of the preceding sentence, the Administrator may, in its discretion and on such terms as it deems appropriate, require as a condition on the grant of an Option that the Optionee surrender for cancellation some or all of the Awards previously granted to the Optionee under this Plan or otherwise. An Option, the grant of which is conditioned upon such surrender, may have an option price lower (or higher) than the exercise price of such surrendered Option or other Award, may cover the same (or a lesser or greater) number of shares as such surrendered Option or other Award, may contain such other terms as the Administrator deems appropriate, and shall be exercisable in accordance with its terms, without regard to the number of shares, price, exercise period or any other term or condition of such surrendered Option or other Award.

3.3 Special Rules Applicable to Incentive Stock Options.

(a) Only Employees of the Company, a Subsidiary of the Company or a Parent Corporation of the Company may be granted an Incentive Stock Option.

(b) No person may be granted an Incentive Stock Option under this Plan if such person, at the time the Incentive Stock Option is granted, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any then existing Subsidiary or Parent Corporation unless such Incentive Stock Option conforms to the applicable provisions of Section 422 of the Code.

(c) Any Incentive Stock Option granted under the Plan may be modified by the Administrator at any time and in its absolute discretion to disqualify such Option from treatment as an "incentive stock option" under Section 422 of the Code.

(d) To the extent that the aggregate Fair Market Value of stock with respect to which "incentive stock options" (within the meaning of Section 422 of the Code, but without regard to Section 422(d) of the Code) are exercisable for the first time by an Optionee during any calendar year (under the Plan and all other incentive stock option plans of the Company and any Subsidiary or Parent Corporation) exceeds $100,000, such Options shall be treated as Non-Qualified Options to the extent required by Section 422 of the Code. The rule set forth in the preceding sentence shall be applied by taking Options into account in the order in which they

were granted. For purposes of this Section 3.3(d), the Fair Market Value of such stock shall be determined as of the time the Option with respect to such stock is granted.

ARTICLE IV

TERMS AND CONDITIONS OF OPTIONS

4.1 Option Agreement. Each Option shall be evidenced by a written stock option agreement, which shall be executed by the Optionee and an authorized officer of the Company and which shall contain such terms and conditions as the Administrator shall determine, consistent with the Plan.

4.2 Option Price. The price per share of the shares subject to each Option shall be set by the Administrator; provided, however, that (i) such price shall be no less than the par value, if any, of a share of Common Stock, (ii) such price shall be no less than the minimum price, if any, required from time to time under applicable Blue Sky Laws (currently, under California law, in general, 85% of the "fair value" of the Common Stock on the date of grant, but 110% of the fair value in the case of Optionees holding 10% or more of the voting power of all classes of stock of the Company or its Subsidiaries or Parent Corporations), and (iii) in the case of Options intended to qualify as Incentive Stock Options or as performance-based compensation as described in Section 162(m)(4)(C) of the Code such price shall, to the extent required by law at the time of grant, be no less than 100% of the Fair Market Value of a share of Common Stock on the date the Option is granted (110% of the Fair Market Value of a share of Common Stock on the date an Incentive Stock Option is granted in the case of an individual then owning (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company or any Subsidiary or Parent Corporation).

4.3 Option Term. The term of an Option shall be set by the Administrator in its discretion; provided, however, that, in the case of Incentive Stock Options or any Option subject to applicable Blue Sky Laws, the term shall not be more than ten (10) years from the date the Option is granted, or five (5) years from such date if an Incentive Stock Option is granted to an individual then owning (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company or any Subsidiary or Parent Corporation.

4.4 Option Vesting and Exercisability. Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Administrator at or after grant. The Administrator may provide, in its discretion, that any Option shall be exercisable only in installments, and the Administrator may waive such installment exercise provisions at any time in whole or in part based on such factors as the Administrator may determine, in its sole discretion, including but not limited to in connection with any "change in control" of the Company, as defined in any stock option agreement. Notwithstanding the foregoing, to the extent required by applicable Blue Sky Laws, the minimum vesting schedule shall be at the rate of no less than 20% per year over five years from the date of grant (or any other prescribed rate).

4.5 Effect of Termination of Employment.. The Administrator shall determine the extent, if any, to which an Option may be exercisable following the termination of employment or service of a Participant under any circumstances.

ARTICLE V

EXERCISE OF OPTIONS

5.1 Partial Exercise. An exercisable Option may be exercised in whole or in part. However, an Option shall not be exercisable with respect to fractional shares and the Administrator may require that a partial exercise be with respect to a minimum number of shares.

5.2 Manner of Exercise. All or a portion of an exercisable Option shall be deemed exercised upon delivery of all of the following to the Secretary of the Company or the Secretary's office:

(a) A written notice complying with the applicable rules established by the Administrator stating that the Option, or a portion thereof, is to be exercised. The notice shall be signed by the Optionee or other person then entitled to exercise the Option or such portion;

(b) Such representations and documents as the Administrator, in its absolute discretion, deems necessary or advisable to effect compliance with all applicable provisions of the Securities Act of 1933, as amended, and any other federal or state securities laws or regulations. The Administrator may, in its absolute discretion, also take whatever additional actions it deems appropriate to effect such compliance including, without limitation, placing legends on share certificates and issuing stop-transfer notices to agents and registrars;

(c) In the event that the Option shall be exercised pursuant to Section 10.1 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the Option; and

(d) Full cash payment to the Secretary of the Company for the shares with respect to which the Option, or portion thereof, is exercised. However, at the discretion of the Administrator, the terms of the Option may (i) allow a delay in payment up to thirty (30) days from the date the Option, or portion thereof, is exercised; (ii) allow payment, in whole or in part, through the delivery of shares of Common Stock owned by the Optionee for at least six months prior to the date of delivery, duly endorsed for transfer to the Company, having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof; (iii) allow payment, in whole or in part, of the aggregate exercise price of the Option or exercised portion thereof through a broker or other cashless exercise procedure; (iv) allow payment, in whole or in part, through the delivery of property of any kind which constitutes good and valuable consideration; (v) allow payment, in whole or in part, to the extent permitted by law, through delivery of a promissory note payable upon such terms and conditions as may be prescribed by the Administrator in its absolute discretion; or (vi) allow payment through any combination of the foregoing. In the case of a promissory note, the Administrator shall prescribe the form of such note, the extent to which the note shall be recourse against the Optionee, the security to be given for such note (and the terms of any related pledge agreement), the rate of interest, if any, that the note shall bear, and the schedule of payments of principal and

interest on the note. Any such note or loan shall comply with all applicable laws, regulations and rules of the Board of Governors of the Federal Reserve System and any other governmental agency having jurisdiction.

5.3 Conditions to Issuance of Stock Certificate. The Company shall not be required to issue or deliver any certificate or certificates for shares of stock purchased upon the exercise of any Option or portion thereof prior to fulfillment of all of the following conditions:

(a) The admission of such shares to listing on all stock exchanges on which such class of stock is then listed;

(b) The completion of any registration or other qualification of such shares under any state or federal law, or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body which the Administrator shall, in its absolute discretion, deem necessary or advisable;

(c) The obtaining of any approval or other clearance from any state or federal governmental agency which the Administrator shall, in its absolute discretion, determine to be necessary or advisable;

(d) The lapse of such reasonable period of time following the exercise of the Option as the Administrator may establish from time to time for reasons of administrative convenience; and

(e) The receipt by the Company of full payment for such shares, including payment of any applicable withholding tax.

5.4 Rights as Stockholders. The holders of Options shall not be, nor have any of the rights or privileges of, stockholders of the Company in respect of any shares purchasable upon the exercise of an Option unless and until certificates representing such shares have been issued by the Company to such holders.

5.5 Ownership and Transfer Restrictions. The Administrator, in its absolute discretion, may impose such restrictions on the ownership and transferability of the shares purchasable upon the exercise of an Option as it deems appropriate. Any such restriction shall be set forth in the respective stock option agreement and may be referred to on the certificates evidencing such shares.

ARTICLE VI

AWARD OF RESTRICTED STOCK

6.1 Award of Restricted Stock. The Administrator shall from time to time, in its absolute discretion, select which Eligible Recipients shall be awarded Restricted Stock, and determine the purchase price, if any, and other terms and conditions applicable to such Restricted Stock, consistent with the Plan. The Administrator shall instruct the Secretary of the Company to issue such Restricted Stock and may impose such conditions on the issuance of such Restricted Stock as it deems appropriate.

6.2 Restricted Stock Agreement. Restricted Stock shall be issued only pursuant to a written restricted stock agreement, which shall be executed by the Participant and an authorized officer of the Company and which shall contain such terms and conditions as the Administrator shall determine, consistent with this Plan.

6.3 Rights as Stockholders. Upon delivery of the shares of Restricted Stock to the escrow holder pursuant to Section 6.5, the Participant shall have, unless otherwise provided by the Administrator, all the rights of a stockholder with respect to said shares, subject to the restrictions in the restricted stock agreement, including the right to receive all dividends and other distributions paid or made with respect to the shares; provided, however, that in the discretion of the Administrator, any extraordinary distributions with respect to the Common Stock shall be subject to the restrictions set forth in Section 6.4.

6.4 Restrictions. All shares of Restricted Stock issued under the Plan (including any shares received by holders thereof with respect to shares of Restricted Stock as a result of stock dividends, stock splits or any other form of recapitalization) shall be subject to such restrictions as the Administrator shall provide in the restricted stock agreement, which restrictions may include, without limitation, restrictions concerning voting rights and transferability and restrictions based on duration of employment with the Company, Company performance and individual performance; provided, however, that by a resolution adopted after the Restricted Stock is issued, the Administrator may, on such terms and conditions as it may determine to be appropriate, remove any or all of the restrictions imposed by the terms of the restricted stock agreement. Restricted Stock may not be sold or encumbered until all restrictions are terminated or expire.

6.5 Escrow. The Secretary of the Company or such other escrow holder as the Administrator may appoint shall retain physical custody of each certificate representing Restricted Stock until all of the restrictions imposed under the restricted stock agreement with respect to the shares evidenced by such certificate expire or shall have been removed.

6.6 Legend. In order to enforce the restrictions imposed upon shares of Restricted Stock hereunder, the Administrator shall cause a legend or legends to be placed on certificates representing all shares of Restricted Stock subject to restrictions under restricted stock agreements, which legend or legends shall make appropriate reference to the conditions imposed thereby.

ARTICLE VII

PERFORMANCE AWARDS, DIVIDEND EQUIVALENTS, DEFERRED STOCK, STOCK PAYMENTS

7.1 Performance Awards. Any Eligible Recipient selected by the Administrator may be granted one or more Performance Awards. The value of such Performance Awards may be linked to the market value, book value, net profits or other measure of the value of the Common Stock or other specific performance criteria determined by the Administrator.

7.2 Dividend Equivalents. Any Eligible Recipient selected by the Administrator may be granted Dividend Equivalents based on the dividends declared on the Common Stock during

the period between the date an Award is granted and the date such Award is exercised, vests or expires, as determined by the Administrator. Such Dividend Equivalents shall be converted to cash or additional shares of Common Stock by such formula and at such time and subject to such limitations as may be determined by the Administrator.

7.3 Stock Payments. Any Eligible Recipient selected by the Administrator may receive Stock Payments in the manner determined from time to time by the Administrator. The number of shares shall be determined by the Administrator and may be based upon the Fair Market Value, book value, net profits or other measure of the value of Common Stock or other specific performance criteria determined by the Administrator.

7.4 Deferred Stock. Any Eligible Recipient selected by the Administrator may be granted an award of Deferred Stock in the manner determined from time to time by the Administrator. The number of shares of Deferred Stock shall be determined by the Administrator and may be linked to the market value, book value, net profits or other measure of the value of the Common Stock or other specific performance criteria determined by the Administrator. Common Stock underlying a Deferred Stock award will not be issued until the Deferred Stock award has vested, pursuant to a vesting schedule or performance criteria set by the Administrator. Unless otherwise provided by the Administrator, a Participant shall have no rights as a Company stockholder with respect to such Deferred Stock until such time as the award has vested and the Common Stock underlying the award has been issued.

7.5 Performance Award Agreement, Dividend Equivalent Agreement, Deferred Stock Agreement, Stock Payment Agreement Each Performance Award, Dividend Equivalent, award of Deferred Stock and/or Stock Payment shall be evidenced by a written agreement, which shall be executed by the Participant and an authorized officer of the Company and contain such terms and conditions as the Administrator shall determine, consistent with the Plan.

7.6 Term. The term of a Performance Award, Dividend Equivalent, award of Deferred Stock and/or Stock Payment shall be set by the Administrator in its discretion.

7.7 Payment on Exercise. Payment of the amount determined under Section 7.1 or 7.2 above shall be in cash, in Common Stock or a combination of both, as determined by the Administrator. To the extent any payment under this Article VII is made in Common Stock, it shall be made subject to satisfaction of all provisions of Section 5.3.

ARTICLE VIII

STOCK APPRECIATION RIGHTS

8.1 Grant of Stock Appreciation Rights. Any Eligible Recipient selected by the Administrator may be granted one or more Stock Appreciation Rights. A Stock Appreciation Right may be granted (i) in connection and simultaneously with the grant of an Option, (ii) with respect to a previously granted Option, or (iii) independent of an Option. A Stock Appreciation Right shall be subject to such terms and conditions not inconsistent with the Plan as the Administrator shall impose, and shall be evidenced by a written stock appreciation right agreement, which shall be executed by the Participant and an authorized officer of the Company. Without limiting the generality of the preceding sentence, the Administrator may, in its

discretion and on such terms as it deems appropriate, require as a condition of the grant of a Stock Appreciation Right that a Participant surrender for cancellation some or all of the unexercised Awards or other rights which have been previously granted to the Participant under this Plan or otherwise. A Stock Appreciation Right, the grant of which is conditioned upon such surrender, may have an exercise price lower (or higher) than the exercise price of the surrendered Award, may cover the same (or a lesser or greater) number of shares as such surrendered Award, may contain such other terms as the Administrator deems appropriate, and shall be exercisable in accordance with its terms, without regard to the number of shares, price, exercise period or any other term or condition of such surrendered Award.

8.2 Coupled Stock Appreciation Rights.

(a) A Coupled Stock Appreciation Right ("CSAR") shall be related to a particular Option and shall be exercisable only when and to the extent the related Option is exercisable.

(b) A CSAR may be granted to a Participant for no more than the number of shares subject to the Option to which it is coupled.

(c) A CSAR shall entitle the Participant (or other person entitled to exercise the Option pursuant to this Plan) to surrender to the Company unexercised a portion of the Option to which the CSAR relates (to the extent then exercisable pursuant to its terms) and to receive from the Company in exchange therefor an amount determined by multiplying (i) the excess of the Fair Market Value of a share of Common Stock on the date of exercise of the CSAR over the Option exercise price, by (ii) the number of shares of Common Stock with respect to which the CSAR shall have been exercised, subject to any limitations the Administrator may impose.

8.3 Independent Stock Appreciation Rights.

(a) An Independent Stock Appreciation Right ("ISAR") shall be unrelated to any Option and shall have a term set by the Administrator. An ISAR shall be exercisable in such installments as the Administrator may determine. An ISAR shall cover such number of Shares of Common Stock as the Committee may determine. The exercise price per share of Common Stock subject to each ISAR shall be set by the Administrator.

(b) An ISAR shall entitle the Participant (or other person entitled to exercise the ISAR pursuant to this Plan) to exercise all or a specified portion of the ISAR (to the extent then exercisable pursuant to its terms) and to receive from the Company an amount determined by multiplying (i) the excess of the Fair Market Value of a share of Common Stock on the date of exercise of the ISAR over the exercise price of the ISAR, by (ii) the number of shares of Common Stock with respect to which the ISAR shall have been exercised, subject to any limitations the Administrator may impose.

8.4 Payment and Limitations on Exercise. Payment of the amount determined under Section 8.2(c) and 8.3(b) above shall be in cash, in Common Stock (based on its Fair Market Value as of the date the Stock Appreciation Right is exercised) or a combination of both, as

determined by the Administrator. To the extent such payment is effected in Common Stock it shall be made subject to satisfaction of all provisions of Section 5.3 hereinabove.

ARTICLE IX

ADMINISTRATION

9.1 Compensation Committee. The Compensation Committee (or a subcommittee of the Board assuming the functions of the Committee under the Plan) shall consist of two or more Directors appointed by and holding office at the pleasure of the Board. To the extent applicable, the members of the Committee shall each be a "Non-Employee Director" as defined under Rule 16b-3 and an "outside director" as defined under Section 162(m) of the Code. Appointment of Committee members shall be effective upon acceptance of appointment. Committee members may resign at any time by delivering written notice to the Board. Vacancies in the Committee may be filled by the Board.

9.2 Duties and Powers of Administrator. It shall be the duty of the Administrator to conduct the general administration of this Plan in accordance with its provisions. The Administrator shall have the power to interpret this Plan and the agreements pursuant to which Awards are made, and to adopt such rules for the administration, interpretation, and application of this Plan as are consistent therewith and to interpret, amend or revoke any such rules. The Administrator shall have the power, consistent with the terms of the Plan, to establish the terms and conditions of each Award under the Plan, including without limitation (i) the effect of the termination of employment or service of a Participant under any circumstances and (ii) the effect, if any, of a change in control of the Company on such Award. Awards under this Plan need not be the same with respect to each Participant. Any such interpretations and rules with respect to Incentive Stock Options shall be consistent with the provisions of Section 422 of the Code. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under this Plan except with respect to matters which under Rule 16b-3 or Section 162(m) of the Code, or any regulations or rules issued thereunder, are required to be determined in the sole discretion of the Committee.

9.3 Majority Rule. The Administrator shall act by a majority of its members in attendance at a meeting at which a quorum is present or by a memorandum or other written instrument signed by all members of the Administrator.

9.4 Compensation; Professional Assistance; Good Faith Actions. Members of the Board or Committee shall receive such compensation for their services as may be determined by the Board. All expenses and liabilities which Board or Committee members incur in connection with the administration of the Plan shall be borne by the Company. The Administrator may, with the approval of the Board, employ attorneys, consultants, accountants, appraisers, brokers, or other persons. The Administrator, the Company and the Company's officers and directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon all Participants, the Company and all other interested persons. No members of the Board or Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or Awards granted under the Plan, and all members

of the Board or Committee shall be fully protected and indemnified by the Company in respect of any such action, determination or interpretation.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1 Not Transferable. Except as may otherwise be authorized in writing by the Administrator in accordance with applicable law, Awards granted under the Plan may not be sold, pledged, assigned, or transferred in any manner other than by will or the laws of descent and distribution, unless and until such Awards have been exercised, or the shares underlying such Awards have been issued, and all restrictions applicable to such shares have lapsed. No Award or interest or right therein shall be liable for the debts, contracts or engagements of any Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided however, that this Section 10.1 shall not prevent (i) transfers by will or by the applicable laws of descent and distribution, (ii) the designation of a beneficiary to exercise any Option or other right or Award (or any portion thereof) granted under the Plan after the Participant's death, or (iii) transfers to a Participant's alternate payee pursuant to a QDRO.

During the lifetime of the Participant, only the Participant or an alternate payee under a QDRO may exercise an Option or other right or Award (or any portion thereof) granted under the Plan. After the death of the Participant, any exercisable portion of an Option or other right or Award may, subject to the terms of such Award, be exercised by the Participant's personal representative or by any person empowered to do so under the Participant's beneficiary designation, will or living trust or under the then applicable laws of descent and distribution.

10.2 Amendment, Suspension or Termination of the Plan. The Plan shall terminate on the tenth anniversary of the Board's adoption of the Plan. The Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator. Shareholder approval shall be required as a condition of such action only (i) to increase the limits on the number of shares that may be issued under the Plan pursuant to Section 2.1 (but only to the extent required by applicable law, regulation or rule), (ii) to amend the limitation on annual grants under Section 2.5 (excepting in each case adjustments made pursuant to Section 2.6), or (iii) as otherwise required by applicable law, regulation or rule. No amendment, suspension or termination of the Plan shall, without the consent of the holder, alter or impair any rights or obligations under any outstanding Award, unless the Plan or the Award Agreement otherwise expressly so provides. No Awards may be granted during any period of suspension or after termination of the Plan.

10.3 Approval of Plan by Stockholders. The Plan shall be submitted for the approval of the Company's stockholders within twelve months after the date of the Board's initial adoption of the Plan. Awards may be granted prior to such stockholder approval, provided that such Awards shall not be exercisable and/or vest prior to the time the Plan is approved by the

shareholders, and provided further that if such approval has not been obtained at the end of said twelve-month period, all Awards previously granted under the Plan shall thereupon be canceled and become null and void.

10.4 Tax Withholding. The Company shall be entitled to require payment in cash or deduction from other compensation payable to each Participant of any sums required by federal, state or local tax law to be withheld with respect to the issuance, vesting or exercise of any Award. The Administrator may in its discretion and in satisfaction of the foregoing requirement allow such Participant to elect to have the Company withhold shares of Common Stock (or allow the return of shares of Common Stock) having a Fair Market Value equal to the sums required to be withheld.

10.5 Loan. The Administrator may, in its discretion, extend one or more loans in connection with the exercise or receipt of an Award granted under the Plan. The terms and conditions of any such loan shall be set by the Administrator in its sole discretion.

10.6 Limitations Applicable to Section 16 Persons and Performance-Based Compensation. Except as otherwise determined by the Administrator, any Award to a Participant subject to Section 16 of the Exchange Act shall be subject to any additional requirements set forth in any applicable rule under Section 16 of the Exchange Act to the extent necessary to qualify the Award for an applicable exemption, and the Plan shall be deemed amended to the extent necessary to conform to such requirements. Furthermore, any Award intended to qualify as performance-based compensation as described in Section 162(m)(4)(C) of the Code shall be subject to any additional limitations set forth in Section 162(m) of the Code or any regulations or rulings issued thereunder that are requirements for qualification as performance-based compensation as described in Section 162(m)(4)(C) of the Code, and the Plan shall be deemed amended to the extent necessary to conform to such requirements.

10.7 Effect of Plan Upon Options and Compensation Plans. The adoption of the Plan shall not affect any other compensation or incentive plans in effect for the Company or any Subsidiary or Parent Corporation. Nothing in the Plan shall be construed to limit the right of the Company (i) to establish any other forms of incentives or compensation for employees of the Company or any Subsidiary or (ii) to grant or assume options or other rights otherwise than under this Plan in connection with any proper corporate purpose, including but not by way of limitation, the grant or assumption of options in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of any corporation, partnership, firm or association.

10.8 Compliance with Laws. The Plan, the granting and vesting of Awards under the Plan and the issuance and delivery of shares of Common Stock and the payment of money under the Plan or under Awards granted hereunder are subject to compliance with all applicable federal and state laws, rules and regulations (including but not limited to state and federal securities law and federal margin requirements) and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Any securities delivered under this Plan shall be subject to such restrictions, and the person acquiring such securities shall, if requested by the Company, provide such assurances and representations to the Company as the Company may deem

necessary or desirable to assure compliance with all applicable legal requirements. To the extent permitted by applicable law, the Plan and Awards granted hereunder shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

10.9 Blue Sky Laws. To the extent applicable, the provisions of Sections 260.140.41, 260.140.45 and 260.140.46 of Title 10 of the California Code of Regulations, as amended from time to time, or any successor provisions, are incorporated herein by reference.

10.10 Unfunded Status of the Plan. The Plan is intended to constitute an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant by the Company, nothing contained herein shall give any Participant any rights greater than those of a general creditor of the Company.

10.11 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of the Plan.

10.12 Governing Law. The Plan and any agreements hereunder shall be administered, interpreted and enforced under the internal laws of the State of California without regard to conflicts of laws thereof.

* * *

I hereby certify that the foregoing Plan was duly adopted by the Board of Directors of TheSavageBeast.com, Inc. on February 2, 2000.

SAVAGE BEAST TECHNOLOGIES INCORPORATED
INCENTIVE STOCK OPTION AGREEMENT

INCENTIVE STOCK OPTION AGREEMENT (this "Option Agreement"), dated as of the__ day of ____, __ (the "Effective Date"), by and between Savage Beast Technologies Incorporated, a California corporation (the "Company"), and _____ (the "Optionee"), an employee of the Company.

Pursuant to the Company's 2000 Stock Incentive Plan (the "Plan"), the Board of Directors of the Company (the "Committee"), as the Administrator of the Plan, has determined that the Optionee is to be granted an option (the "Option") to purchase shares of the Company's Common Stock, no par value (the "Common Stock"), on the terms and conditions set forth herein, and hereby grants such Option. It is intended that the Option constitute an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code") to the extent permitted by law, and a non-qualified stock option to the extent not so permitted.

Any capitalized terms not defined herein shall have their respective meanings set forth in the Plan.

1. Number of Shares. The Option entitles the Optionee to purchase _____ shares of the Company's Common Stock (the "Option Shares") at a price of $____ per share (the "Option Exercise Price"), which is equal to the Fair Market Value of the Common Stock as of the Effective Date.

2. Option Term. The term of the Option and of this Option Agreement (the "Option Term") shall commence on the Effective Date (the "Date of Grant") and, unless the Option is previously terminated pursuant to this Option Agreement, shall terminate upon the expiration of ten (10) years from the Date of Grant. Upon expiration of the Option Term, all rights of the Optionee hereunder shall terminate.

3. Conditions of Exercise.

(a) Subject to Section 7 below, (i) the Option shall vest and become exercisable as to **[25]**% of the Option Shares on the first anniversary of the Date of Grant, and (ii) the remaining Option Shares shall vest and become exercisable in equal installments at the end of each of the **[13]**th through **[48]**th months following the Date of Grant.

(b) Except as otherwise provided herein, the right of the Optionee to purchase Option Shares with respect to which this Option has become exercisable may be exercised in whole or in part at any time or from time to time prior to expiration of the Option Term.

4. Adjustments. In the event of any merger, reorganization, consolidation, recapitalization, stock dividend, stock split or similar change affecting the Common Stock, a substitution or proportionate adjustment shall be made in the kind, number and option price of

shares of Common Stock subject to the unexercised portion of the Option, in accordance with Section 2.6 of the Plan, as amended from time to time.

5. Nontransferability of Option and Option Shares.

(a) The Option and this Option Agreement shall not be transferable and, during the lifetime of Optionee, the Option may be exercised only by Optionee. Without limiting the generality of the foregoing, except as otherwise provided herein, the Option may not be assigned, transferred, pledged or hypothecated in any way, shall not be assignable by operation of law, and shall not be subject to execution, attachment or similar process; provided however, the Option and this Option Agreement shall be transferable pursuant to Optionee's will or the laws of descent and distribution. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Option contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Option shall be null and void and without effect.

(b) Following the issuance of Option Shares upon exercise of the Option, neither the Option Shares nor any interest therein may be transferred, sold, assigned, exchanged, pledged, hypothecated or otherwise disposed of, including by gift (collectively, "Transferred") by the Optionee prior to the closing of a firm commitment underwritten public offering of the Common Stock of the Company (the "Public Offering"). The Option Shares may be Transferred thereafter only pursuant to (i) an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws covering such Option Shares, or (ii) an opinion of legal counsel for the holder of such Option Shares to be Transferred satisfactory to the Company stating that such transaction is exempt from registration.

6. Method of Exercise of Option. The Option may be exercised by means of written notice of exercise to the Company specifying the number of Option Shares to be purchased, accompanied by payment in full of the aggregate Option Exercise Price and any applicable withholding taxes (i) in cash or by check or (ii) by any other means of exercise authorized from time to time by the Compensation Committee.

7. Effect of Termination of Employment. Upon the termination of Optionee's employment or service with the Company under any circumstances, the Option shall immediately terminate as to any Option Shares that have not previously vested as of the date of such termination (the "Termination Date"). Any portion of the Option that has vested as of the Termination Date shall be exercisable in whole or in part for a period of 90 days following the Termination Date; provided, however, that in the event of termination by reason of death or Disability or retirement (as defined in the Company's retirement policy as in effect from time to time, "Retirement"), such exercise period shall extend until the date that is six months from the Termination Date, and provided, further, that in the event of resignation by the Optionee (other than for Retirement) or termination for "cause" (as defined below), the Option shall not be exercisable in any part from and after the time written notice of such termination is provided. Upon expiration of the applicable exercise period, any unexercised portion of the Option shall

terminate in full. Cause shall mean, and be limited to, (i) the material failure by the Optionee to perform such duties as are reasonably requested by any superior officer, director, manager or supervisor of the Optionee (other than any such failure resulting from temporary absence or disability), (ii) the Optionee's failure to observe any material Company policies, (iii) gross negligence or willful misconduct by the Optionee in the performance of his or her duties, (iv) the commission by the Optionee of (A) any act of fraud or financial dishonesty with respect to the Company, (B) any act involving moral turpitude which would adversely affect the business of the Company or (C) any felony, (v) material breach by the Optionee of this Agreement or of any other agreement or contract with the Company or (vi) chronic absenteeism.

8. Investment Representation. The Optionee hereby represents and warrants to the Company that the Optionee, by reason of the Optionee's business or financial experience (or the business or financial experience of the Optionee's professional advisors who are unaffiliated with and who are not compensated by the Company or any affiliate or selling agent of the Company, directly or indirectly), has the capacity to protect the Optionee's own interests in connection with the transactions contemplated under this Option Agreement.

9. Notices. All notices and other communications under this Agreement shall be in writing and shall be given by facsimile or first class mail, certified or registered with return receipt requested, and shall be deemed to have been duly given three days after mailing or 24 hours after transmission by facsimile to the respective parties named below:

If to Company:	Savage Beast Technologies Incorporated 360 22nd Street Suite 390 Oakland, CA 94612 Attention: Chief Executive Officer Facsimile: (510) 451-4286
with a copy to:	Kaye Scholer LLP 1999 Avenue of the Stars, Suite 1700 Los Angeles, California 90067 Attention: Barry L. Dastin, Esq. Facsimile: (310) 788-1200
If to the Optionee:	_____ _____ _____ _____

Either party hereto may change such party's address for notices by notice duly given pursuant hereto.

10. Securities Laws Requirements. The Option shall not be exercisable to any extent, and the Company shall not be obligated to transfer any Option Shares to the Optionee upon exercise of the Option, if such exercise, in the opinion of counsel for the Company, would violate the Securities Act (or any other federal or state statutes having similar requirements as

may be in effect at that time). Further, the Company may require as a condition of transfer of any Option Shares pursuant to any exercise of the Option that the Optionee furnish a written representation that he or she is purchasing or acquiring the Option Shares for investment and not with a view to resale or distribution to the public. The Optionee hereby represents and warrants that he or she understands that the Option Shares are "restricted securities," as defined in Rule 144 under the Securities Act, and that any resale of the Option Shares must be in compliance with the registration requirements of the Securities Act or an exemption therefrom. Each certificate representing Option Shares shall bear the legend set forth below:

> THE SECURITIES EVIDENCED BY THIS CERTIFICATE ARE RESTRICTED SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE RULES THEREUNDER, AND MAY NOT BE SOLD, OFFERED FOR SALE OR OTHERWISE TRANSFERRED IN THE ABSENCE OF REGISTRATION OR AN EXEMPTION THEREFROM.
>
> PRIOR TO THE CLOSING OF A FIRM COMMITMENT UNDERWRITTEN PUBLIC OFFERING OF THE COMMON STOCK OF THE ISSUER OF THE SECURITIES EVIDENCED BY THIS CERTIFICATE, SUCH SECURITIES MAY NOT BE TRANSFERRED IN ANY MANNER, AS PROVIDED IN THE STOCK OPTION AGREEMENT PURSUANT TO WHICH SUCH SECURITIES HAVE BEEN ISSUED.

Further, if the Company decides, in its sole discretion, that the listing or qualification of the Option Shares under any securities or other applicable law is necessary or desirable, the Option shall not be exercisable, in whole or in part, unless and until such listing or qualification, or a consent or approval with respect thereto, shall have been effected or obtained free of any conditions not acceptable to the Company. In addition, the Optionee agrees and acknowledges that in connection with any public offering of the Company's securities, the resale or other transfer of the Option Shares shall be subject to such reasonable and customary restrictions as the underwriters may request, and the Optionee further agrees to execute any "lock-up" or other agreement evidencing such restrictions in the form provided by the underwriters.

11. No Obligation to Register Option Shares. The Company shall be under no obligation to register the Option Shares.

12. Protections Against Violations of Agreement. No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the Option Shares by any holder thereof in violation of the provisions of this Agreement or the Certificate of Incorporation or the Bylaws of the Company, will be valid, and the Company will not transfer any of said Option Shares on its books nor will any of said Option Shares be entitled to vote, nor will any dividends be paid thereon, unless and until there has been full compliance with said provisions to the satisfaction of the Company. The foregoing restrictions are in addition to and not in lieu of any other remedies, legal or equitable, available to enforce said provisions.

13. Withholding Requirements. The Company's obligations under this Option Agreement shall be subject to all applicable tax and other withholding requirements, and the Company shall, to the extent permitted by law, have the right to deduct any withholding amounts from any payment or transfer of any kind otherwise due to the Optionee.

14. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Option Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

15. Governing Law. This Option Agreement shall be governed by and construed according to the laws of the State of California without regard to its principles of conflict of laws.

16. Incorporation of Plan. The Plan is hereby incorporated by reference and made a part hereof, and the Option and this Option Agreement shall be subject to all terms and conditions of the Plan. In case of any conflict between the terms of the Plan and the terms of this Option Agreement, the terms of the Plan shall control.

17. Amendments. This Option Agreement may be amended or modified at any time only by an instrument in writing signed by each of the parties hereto.

18. Rights as a Shareholder. Neither the Optionee nor any of the Optionee's successors in interest shall have any rights as a shareholder of the Company with respect to any shares of Common Stock subject to the Option until the date of issuance of a stock certificate for such shares of Common Stock.

19. Agreement Not a Contract of Employment. Neither the Plan, the granting of the Option, this Option Agreement nor any other action taken pursuant to the Plan shall constitute or be evidence of any agreement or understanding, express or implied, that the Optionee has a right to continue as an employee of the Company or any Subsidiary or affiliate of the Company for any period of time or at any specific rate of compensation.

20. Authority of the Administrator. The Administrator shall have full authority to interpret and construe the terms of the Plan and this Option Agreement. The determination of the Administrator as to any such matter of interpretation or construction shall be final, binding and conclusive.

21. Dispute Resolution. The parties hereto will use their reasonable best efforts to resolve any dispute hereunder through good faith negotiations. A party hereto must submit a written notice to any other party to whom such dispute pertains, and any such dispute that cannot be resolved within 30 calendar days of receipt of such notice (or such other period to which the parties may agree) will be submitted to an arbitrator selected by mutual agreement of the parties. In the event that, within 50 days of the written notice referred to in the preceding sentence, a single arbitrator has not been selected by mutual agreement of the parties, a panel of arbitrators (with each party to the dispute being entitled to select one arbitrator and, if necessary to prevent the possibility of deadlock, one additional arbitrator being selected by such arbitrators selected by the parties to the dispute) shall be selected by the parties. Except as otherwise provided herein or as the parties to the dispute may otherwise agree, such arbitration will be conducted in accordance with the then existing rules of the American Arbitration Association. The decision of

the arbitrator or arbitrators, or of a majority thereof, as the case may be, made in writing will be final and binding upon the parties hereto as to the questions submitted, and the parties will abide by and comply with such decision; provided, however, the arbitrator or arbitrators, as the case may be, shall not be empowered to award punitive damages. Unless the decision of the arbitrator or arbitrators, as the case may be, provides for a different allocation of costs and expenses determined by the arbitrator(s) to be equitable under the circumstances, the prevailing party or parties in any arbitration will be entitled to recover all reasonable fees (including but not limited to attorneys' fees) and expenses incurred by it or them in connection with such arbitration from the nonprevailing party or parties.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Option Agreement on the day and year first above written.

SAVAGE BEAST TECHNOLOGIES INCORPORATED

By:
Its:

The undersigned hereby accepts and agrees to all the terms and provisions of the foregoing Option Agreement and to all the terms and provisions of the Plan, herein incorporated by reference.

_____

SAVAGE BEAST TECHNOLOGIES INCORPORATED
NON-QUALIFIED STOCK OPTION AGREEMENT

NON-QUALIFIED STOCK OPTION AGREEMENT (this "Option Agreement"), dated as of the «Day» day of «Month», 2000 (the "Effective Date"), by and between Savage Beast Technologies Incorporated, a California corporation (the "Company"), and «EmployeeFullName» (the "Optionee"), an employee of the Company.

Pursuant to the Company's 2000 Stock Incentive Plan (the "Plan"), the Board of Directors of the Company (the "Committee"), as the Administrator of the Plan, has determined that the Optionee is to be granted an option (the "Option") to purchase shares of the Company's Common Stock, no par value (the "Common Stock"), on the terms and conditions set forth herein, and hereby grants such Option. It is intended that the Option not constitute an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

Any capitalized terms not defined herein shall have their respective meanings set forth in the Plan.

1. Number of Shares. The Option entitles the Optionee to purchase «NumberofOptions» shares of the Company's Common Stock (the "Option Shares") at a price of $[ ] per share (the "Option Exercise Price"), which is equal to the Fair Market Value of the Common Stock as of the Effective Date.

2. Option Term. The term of the Option and of this Option Agreement (the "Option Term") shall commence on the Effective Date (the "Date of Grant") and, unless the Option is previously terminated pursuant to this Option Agreement, shall terminate upon the expiration of ten (10) years from the Date of Grant. Upon expiration of the Option Term, all rights of the Optionee hereunder shall terminate.

3. Conditions of Exercise.

[(a) Subject to Section 7 below, the Option shall vest as follows: (i) 25% of the Option Shares shall vest upon the first anniversary of the Date of Grant, and (ii) 1/36 of the remaining Option Shares shall vest at the end of every month thereafter until 100% of the Option Shares are vested. Any fractional Option Share shall be rounded to the nearest full Option Share.]

[(a) Subject to Section 7 below, the Option shall vest as follows: (i) 50% of the Option Shares shall vest upon the first anniversary of the Date of Grant, and (ii) 1/12 of the remaining Option Shares shall vest at the end of every month thereafter until 100% of the Option Shares are vested. Any fractional Option Share shall be rounded to the nearest full Option Share.]

(b) Except as otherwise provided herein, the right of the Optionee to purchase Option Shares with respect to which this Option has become exercisable may be exercised in whole or in part at any time or from time to time prior to expiration of the Option Term.

4. Adjustments. In the event of any merger, reorganization, consolidation, recapitalization, stock dividend, stock split or similar change affecting the Common Stock, a substitution or proportionate adjustment shall be made in the kind, number and option price of shares of Common Stock subject to the unexercised portion of the Option, in accordance with Section 2.6 of the Plan, as amended from time to time.

5. Nontransferability of Option and Option Shares.

(a) The Option and this Option Agreement shall not be transferable and, during the lifetime of Optionee, the Option may be exercised only by Optionee. Without limiting the generality of the foregoing, except as otherwise provided herein, the Option may not be assigned, transferred, pledged or hypothecated in any way, shall not be assignable by operation of law, and shall not be subject to execution, attachment or similar process; provided however, the Option and this Option Agreement shall be transferable pursuant to Optionee's will or the laws of descent and distribution. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Option contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Option shall be null and void and without effect.

(b) Following the issuance of Option Shares upon exercise of the Option, neither the Option Shares nor any interest therein may be transferred, sold, assigned, exchanged, pledged, hypothecated or otherwise disposed of, including by gift (collectively, "Transferred") by the Optionee prior to the closing of a firm commitment underwritten public offering of the Common Stock of the Company (the "Public Offering"). The Option Shares may be Transferred thereafter only pursuant to (i) an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws covering such Option Shares, or (ii) an opinion of legal counsel for the holder of such Option Shares to be Transferred satisfactory to the Company stating that such transaction is exempt from registration.

6. Method of Exercise of Option. The Option may be exercised by means of written notice of exercise to the Company specifying the number of Option Shares to be purchased, accompanied by payment in full of the aggregate Option Exercise Price and any applicable withholding taxes (i) in cash or by check or (ii) by any other means of exercise authorized from time to time by the Compensation Committee.

7. Effect of Termination of Employment. Upon the termination of Optionee's employment or service with the Company under any circumstances, the Option shall immediately terminate as to any Option Shares that have not previously vested as of the date of such termination (the "Termination Date"). Any portion of the Option that has vested as of the Termination Date shall be exercisable in whole or in part for a period of 90 days following the Termination Date; provided, however, that in the event of termination by reason of death or Disability or retirement (as defined in the Company's retirement policy as in effect from time to time, "Retirement"), such exercise period shall extend until the date that is six months from the Termination Date, and provided, further, that in the event of resignation by the Optionee (other than for Retirement) or termination for "cause" (as defined below), the Option shall not be exercisable in any part from and after the time written notice of such termination is provided. Upon expiration of the applicable exercise period, any unexercised portion of the Option shall

terminate in full. Cause shall mean, and be limited to, (i) the material failure by the Optionee to perform such duties as are reasonably requested by any superior officer, director, manager or supervisor of the Optionee (other than any such failure resulting from temporary absence or disability), (ii) the Optionee's failure to observe any material Company policies, (iii) gross negligence or willful misconduct by the Optionee in the performance of his or her duties, (iv) the commission by the Optionee of (A) any act of fraud or financial dishonesty with respect to the Company, (B) any act involving moral turpitude which would adversely affect the business of the Company or (C) any felony, (v) material breach by the Optionee of this Agreement or of any other agreement or contract with the Company or (vi) chronic absenteeism.

8. Investment Representation. The Optionee hereby represents and warrants to the Company that the Optionee, by reason of the Optionee's business or financial experience (or the business or financial experience of the Optionee's professional advisors who are unaffiliated with and who are not compensated by the Company or any affiliate or selling agent of the Company, directly or indirectly), has the capacity to protect the Optionee's own interests in connection with the transactions contemplated under this Option Agreement.

9. Notices. All notices and other communications under this Agreement shall be in writing and shall be given by facsimile or first class mail, certified or registered with return receipt requested, and shall be deemed to have been duly given three days after mailing or 24 hours after transmission by facsimile to the respective parties named below:

If to Company:	Savage Beast Technologies Incorporated 360 22nd Street, Suite 390 Oakland, CA 94612 Attention: Chief Executive Officer Facsimile: (510) 451-4286
with a copy to:	Kaye Scholer LLP 1999 Avenue of the Stars, Suite 1700 Los Angeles, California 90067 Attention: Barry L. Dastin, Esq. Facsimile: (310) 788-1200
If to the Optionee:	«EmployeeFullName» «EmployeeStreetAddress» «EmployeeCity», «EmployeeState» «EmployeeZip»

Either party hereto may change such party's address for notices by notice duly given pursuant hereto.

10. Securities Laws Requirements. The Option shall not be exercisable to any extent, and the Company shall not be obligated to transfer any Option Shares to the Optionee upon exercise of the Option, if such exercise, in the opinion of counsel for the Company, would violate the Securities Act (or any other federal or state statutes having similar requirements as may be in effect at that time). Further, the Company may require as a condition of transfer of

any Option Shares pursuant to any exercise of the Option that the Optionee furnish a written representation that he or she is purchasing or acquiring the Option Shares for investment and not with a view to resale or distribution to the public. The Optionee hereby represents and warrants that he or she understands that the Option Shares are "restricted securities," as defined in Rule 144 under the Securities Act, and that any resale of the Option Shares must be in compliance with the registration requirements of the Securities Act or an exemption therefrom. Each certificate representing Option Shares shall bear the legend set forth below:

> THE SECURITIES EVIDENCED BY THIS CERTIFICATE ARE RESTRICTED SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE RULES THEREUNDER, AND MAY NOT BE SOLD, OFFERED FOR SALE OR OTHERWISE TRANSFERRED IN THE ABSENCE OF REGISTRATION OR AN EXEMPTION THEREFROM.
>
> PRIOR TO THE CLOSING OF A FIRM COMMITMENT UNDERWRITTEN PUBLIC OFFERING OF THE COMMON STOCK OF THE ISSUER OF THE SECURITIES EVIDENCED BY THIS CERTIFICATE, SUCH SECURITIES MAY NOT BE TRANSFERRED IN ANY MANNER, AS PROVIDED IN THE STOCK OPTION AGREEMENT PURSUANT TO WHICH SUCH SECURITIES HAVE BEEN ISSUED.

Further, if the Company decides, in its sole discretion, that the listing or qualification of the Option Shares under any securities or other applicable law is necessary or desirable, the Option shall not be exercisable, in whole or in part, unless and until such listing or qualification, or a consent or approval with respect thereto, shall have been effected or obtained free of any conditions not acceptable to the Company. In addition, the Optionee agrees and acknowledges that in connection with any public offering of the Company's securities, the resale or other transfer of the Option Shares shall be subject to such reasonable and customary restrictions as the underwriters may request, and the Optionee further agrees to execute any "lock-up" or other agreement evidencing such restrictions in the form provided by the underwriters.

11. No Obligation to Register Option Shares. The Company shall be under no obligation to register the Option Shares.

12. Protections Against Violations of Agreement. No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the Option Shares by any holder thereof in violation of the provisions of this Agreement or the Certificate of Incorporation or the Bylaws of the Company, will be valid, and the Company will not transfer any of said Option Shares on its books nor will any of said Option Shares be entitled to vote, nor will any dividends be paid thereon, unless and until there has been full compliance with said provisions to the satisfaction of the Company. The foregoing restrictions are in addition to and not in lieu of any other remedies, legal or equitable, available to enforce said provisions.

13. Withholding Requirements. The Company's obligations under this Option Agreement shall be subject to all applicable tax and other withholding requirements, and the Company shall, to the extent permitted by law, have the right to deduct any withholding amounts from any payment or transfer of any kind otherwise due to the Optionee.

14. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Option Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

15. Governing Law. This Option Agreement shall be governed by and construed according to the laws of the State of California without regard to its principles of conflict of laws.

16. Incorporation of Plan. The Plan is hereby incorporated by reference and made a part hereof, and the Option and this Option Agreement shall be subject to all terms and conditions of the Plan. In case of any conflict between the terms of the Plan and the terms of this Option Agreement, the terms of the Plan shall control.

17. Amendments. This Option Agreement may be amended or modified at any time only by an instrument in writing signed by each of the parties hereto.

18. Rights as a Shareholder. Neither the Optionee nor any of the Optionee's successors in interest shall have any rights as a shareholder of the Company with respect to any shares of Common Stock subject to the Option until the date of issuance of a stock certificate for such shares of Common Stock.

19. Agreement Not a Contract of Employment. Neither the Plan, the granting of the Option, this Option Agreement nor any other action taken pursuant to the Plan shall constitute or be evidence of any agreement or understanding, express or implied, that the Optionee has a right to continue as an employee of the Company or any Subsidiary or affiliate of the Company for any period of time or at any specific rate of compensation.

20. Authority of the Administrator. The Administrator shall have full authority to interpret and construe the terms of the Plan and this Option Agreement. The determination of the Administrator as to any such matter of interpretation or construction shall be final, binding and conclusive.

21. Dispute Resolution. The parties hereto will use their reasonable best efforts to resolve any dispute hereunder through good faith negotiations. A party hereto must submit a written notice to any other party to whom such dispute pertains, and any such dispute that cannot be resolved within 30 calendar days of receipt of such notice (or such other period to which the parties may agree) will be submitted to an arbitrator selected by mutual agreement of the parties. In the event that, within 50 days of the written notice referred to in the preceding sentence, a single arbitrator has not been selected by mutual agreement of the parties, a panel of arbitrators (with each party to the dispute being entitled to select one arbitrator and, if necessary to prevent the possibility of deadlock, one additional arbitrator being selected by such arbitrators selected by the parties to the dispute) shall be selected by the parties. Except as otherwise provided herein or as the parties to the dispute may otherwise agree, such arbitration will be conducted in accordance with the then existing rules of the American Arbitration Association. The decision of

the arbitrator or arbitrators, or of a majority thereof, as the case may be, made in writing will be final and binding upon the parties hereto as to the questions submitted, and the parties will abide by and comply with such decision; provided, however, the arbitrator or arbitrators, as the case may be, shall not be empowered to award punitive damages. Unless the decision of the arbitrator or arbitrators, as the case may be, provides for a different allocation of costs and expenses determined by the arbitrator(s) to be equitable under the circumstances, the prevailing party or parties in any arbitration will be entitled to recover all reasonable fees (including but not limited to attorneys' fees) and expenses incurred by it or them in connection with such arbitration from the nonprevailing party or parties.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Option Agreement on the day and year first above written.

SAVAGE BEAST TECHNOLOGIES INCORPORATED

By:
Its:

The undersigned hereby accepts and agrees to all the terms and provisions of the foregoing Option Agreement and to all the terms and provisions of the Plan, herein incorporated by reference.

«EmployeeFullName»

EXHIBIT 10.5

FORM OF INDEMNIFICATION AGREEMENT

(Delaware corporation)

This Indemnification Agreement (this "**Agreement**"), made and entered into as of the__ day of ____, 2010, by and between Pandora Media, Inc., a Delaware corporation (the "**Company**") and _____ ("**Indemnitee**").

W I T N E S S E T H:

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors, officers or other key employees unless they are provided with adequate protection through insurance or adequate indemnification against risks of claims and actions against them arising out of their service to and activities on behalf of the corporation.

WHEREAS, the Board of Directors of the Company (the "**Board**") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself.

WHEREAS, the Certificate of Incorporation of the Company provides that the Company shall indemnify and advance expenses to all directors and officers of the Company in the manner set forth therein and to the fullest extent permitted by applicable law, and the Company's Certificate of Incorporation provides for limitation of liability for directors. In addition, Indemnitee may be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("**DGCL**") . The Certificate of Incorporation and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification.

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons.

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future.

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified.

WHEREAS, this Agreement is a supplement to and in furtherance of the charter and by-laws of the Company and any resolutions adopted pursuant thereto and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

WHEREAS, Indemnitee does not regard the protection available under the Company's charter and by-laws and insurance as adequate in the present circumstances, and may not be willing to serve as an officer, director or key employee of the Company without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

ARTICLE 1
CERTAIN DEFINITIONS

(a) As used in this Agreement:

"**Change of Control**" means any one of the following circumstances occurring after the date hereof: (i) there shall have occurred an event required to be reported with respect to the Company in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item or any similar schedule or form) under the Exchange Act, regardless of whether the Company is then subject to such reporting requirement; (ii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) shall have become, without prior approval of the Company's Board by approval of at least two-thirds of the Continuing Directors, the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 15% or more of the combined voting power of the Company's then outstanding voting securities (provided that, for purposes of this clause (ii), the term "person" shall exclude (x) the Company, (y) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (z) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company); (iii) there occurs a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 51% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity; (iv) all or substantially all the assets of the Company are sold or disposed of in a transaction or series of related transactions; (v) the approval by the stockholders of the

Company of a complete liquidation of the Company; or (vi) the Continuing Directors cease for any reason to constitute at least a majority of the members of the Board.

"**Continuing Director**" means (i) each director on the Board on the date hereof or (ii) any new director whose election or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors on the date hereof or whose election or nomination was so approved.

"**Corporate Status**" means the status of a person who is or was a director, officer, trustee, general partner, managing member, fiduciary, board of directors' committee member, employee or agent of the Company or of any other Enterprise.

"**Disinterested Director**" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

"**Enterprise**" means the Company and any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, board of directors' committee member, employee or agent.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

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

"**Expenses**" means all direct and indirect costs (including attorneys' fees, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses) reasonably incurred in connection with (i) prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or (ii) establishing or enforcing a right to indemnification under this Agreement, the Company's Certificate of Incorporation, applicable law or otherwise. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding, including the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent. For the avoidance of doubt, Expenses, however, shall not include any Liabilities.

"**Independent Counsel**" means a law firm, or a member of a law firm, that is experienced in matters of corporate law and neither currently is, nor in the five years previous to its selection or appointment has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement or of other indemnitees under similar indemnification agreements) or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

"**Liabilities**" means any losses or liabilities, including any judgments, fines, ERISA excise taxes and penalties, penalties and amounts paid in settlement, arising out of or in connection with any Proceeding (including all interest, assessments and other charges paid or payable in connection with or in respect of any such judgments, fines, ERISA excise taxes and penalties, penalties or amounts paid in settlement).

"**Proceeding**" means any threatened, pending or completed action, derivative action, suit, claim, counterclaim, cross claim, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether civil (including intentional and unintentional tort claims), criminal, administrative or investigative, including any appeal therefrom, and whether instituted by or on behalf of the Company or any other party, or any inquiry or investigation that Indemnitee in good faith believes might lead to the institution of any such action, suit or other proceeding hereinabove listed in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of any Corporate Status of Indemnitee, or by reason of any action taken (or failure to act) by him or her or of any action (or failure to act) on his or her part while serving in any Corporate Status.

(b) For the purposes of this Agreement:

References to "Company" shall include, in addition to the resulting or surviving corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that if Indemnitee is or was a director, officer, employee, or agent of such constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, then Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

Reference to "other enterprise" shall include employee benefit plans; references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

Reference to "including" shall mean "including, without limitation," regardless of whether the words "without limitation" actually appear, references to the words "herein," "hereof" and "hereunder" and other words of similar import shall refer to this Agreement as a whole and not to any particular paragraph, subparagraph, section, subsection or other subdivision.

ARTICLE 2
SERVICES BY INDEMNITEE

Section 2.01. *Services By Indemnitee.* Indemnitee hereby agrees to serve or continue to serve as a director, officer or key employee of the Company, for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is removed.

ARTICLE 3
INDEMNIFICATION

Section 3.01. *General.* (a) The Company hereby agrees to and shall indemnify Indemnitee and hold Indemnitee harmless from and against any and all Expenses and Liabilities, in either case, actually and reasonably incurred by Indemnitee or on Indemnitee's behalf by reason of Indemnitee's Corporate Status, to the fullest extent permitted by applicable law. The Company's indemnification obligations set forth in this Section 3.01 shall apply (i) in respect of Indemnitee's past, present and future service in any Corporate Status and (ii) regardless of whether Indemnitee is serving in any Corporate Status at the time any such Expense or Liability is incurred.

For purposes of this Agreement, the meaning of the phrase "to the fullest extent permitted by applicable law" shall include, but not be limited to:

(i) to the fullest extent permitted by any provision of the DGCL, or the corresponding provision of any successor statute, and

(ii) to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

(b) *Witness Expenses.* Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his or her Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection therewith.

(c) *Expenses as a Party Where Wholly or Partly Successful.* Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law, to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding, but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall, to the fullest extent permitted by applicable law, indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in

such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 3.02. *Exclusions.* Notwithstanding any provision of this Agreement and unless Indemnitee ultimately is successful on the merits with respect to any such claim, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law or (ii) any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act); or

(b) except as otherwise provided in Sections 6.01(e), prior to a Change of Control, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

ARTICLE 4
ADVANCEMENT OF EXPENSES; DEFENSE OF CLAIMS

Section 4.01. *Advances.* Notwithstanding any provision of this Agreement to the contrary, the Company shall advance any Expenses actually and reasonably incurred by Indemnitee in connection with any Proceeding within thirty (30) days after the receipt by the Company of each statement requesting such advance from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay such amounts and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed.

Section 4.02. *Repayment of Advances or Other Expenses.* Indemnitee agrees that Indemnitee shall reimburse the Company for all Expenses advanced by the Company pursuant to Section 4.01, in the event and only to the extent that it shall be determined by final judgment or

other final adjudication under the provisions of any applicable law (as to which all rights of appeal therefrom have been exhausted or lapsed) that Indemnitee is not entitled to be indemnified by the Company for such Expenses.

Section 4.03. *Defense of Claims.* The Company will be entitled to participate in the Proceeding at its own expense. The Company shall be entitled to assume the defense of any Proceeding with counsel consented to by Indemnitee (such consent not to be unreasonably withheld) upon the delivery by the Company to Indemnitee of written notice of the Company's election to do so. After delivery of such notice, consent to such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of counsel subsequently incurred by Indemnitee with respect to such Proceeding; *provided* that (i) Indemnitee shall have the right to employ separate counsel in respect of any Proceeding at Indemnitee's expense and (ii) if (A) the employment of counsel by Indemnitee has been previously authorized in writing by the Company or (B) Indemnitee shall have reasonably concluded upon the advice of counsel that there is a conflict of interest between the Company and Indemnitee in the conduct of the defense of such Proceeding, then in each such case the fees and expenses of Indemnitee's counsel shall be at the Company's expense. The Company shall not settle any action, claim or Proceeding (in whole or in part) which would impose any Expense, judgment, fine, penalty or limitation on Indemnitee without Indemnitee's prior written consent, such consent not to be unreasonably withheld. Indemnitee shall not settle any action, claim or Proceeding (in whole or in part) which would impose any Expense, judgment, fine, penalty or limitation on the Company without the Company's prior written consent, such consent not to be unreasonably withheld.

ARTICLE 5
PROCEDURES FOR NOTIFICATION OF AND DETERMINATION OF ENTITLEMENT TO INDEMNIFICATION

Section 5.01. *Notification; Request For Indemnification.* (a) As soon as reasonably practicable after receipt by Indemnitee of written notice that he is a party to or a participant (as a witness or otherwise) in any Proceeding or of any other matter in respect of which Indemnitee intends to seek indemnification or advancement of Expenses hereunder, Indemnitee shall provide to the Company written notice thereof, including the nature of and the facts underlying the Proceeding. The omission by Indemnitee to so notify the Company will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise.

(b) To obtain indemnification under this Agreement, Indemnitee shall deliver to the Company a written request for indemnification, including therewith such information as is reasonably available to Indemnitee and reasonably necessary to determine Indemnitee's entitlement to indemnification hereunder. Such request(s) may be delivered from time to time and at such time(s) as Indemnitee deems appropriate in his or her sole discretion. Indemnitee's entitlement to indemnification shall be determined according to Section 5.02 of this Agreement and applicable law.

Section 5.02. *Determination of Entitlement.* (a) Where there has been a written request by Indemnitee for indemnification pursuant to Section 5.01(b), then as soon as is reasonably practicable (but in any event not later than 60 days) after final disposition of the relevant

Proceeding, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (i) if a Change of Control shall not have occurred, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change of Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee. If it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall reasonably cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification).

(b) If entitlement to indemnification is to be determined by Independent Counsel pursuant to Section 5.02(a)(ii), such Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. If entitlement to indemnification is to be determined by Independent Counsel pursuant to Section 5.02(a)(i)(C) (or if Indemnitee requests that such selection be made by the Board), such Independent Counsel shall be selected by the Company in which case the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within 10 days after such written notice of selection shall have been received, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection is without merit. If, within 20 days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 5.01(b) hereof and the final disposition of the Proceeding, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 5.02(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 6.01(a) of this Agreement, the Independent Counsel shall be

discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) The Company agrees to pay the reasonable fees and expenses of any Independent Counsel serving under this Agreement.

Section 5.03. *Presumptions and Burdens of Proof; Effect of Certain Proceedings*. (a) In making any determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 5.01(b) of this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of any person, persons or entity to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by any person, persons or entity that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) If the person, persons or entity empowered or selected under Section 5.02 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within the sixty (60) day period referred to in Section 5.02(a), the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; *provided*, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is in good faith reliance on the records or books of account of any Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of such Enterprise in the course of their duties, or on the advice of legal counsel for such Enterprise or on information or records given or reports made to such Enterprise by an independent certified public accountant or by an appraiser or other expert

selected by such Enterprise. The provisions of this Section 5.03(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any other director, trustee, partner, managing member, fiduciary, officer, agent or employee of any Enterprise shall not be imputed to Indemnitee for purposes of determining any right to indemnification under this Agreement.

ARTICLE 6
REMEDIES OF INDEMNITEE

Section 6.01. *Adjudication or Arbitration.* (a) In the event of any dispute between Indemnitee and the Company hereunder as to entitlement to indemnification or advancement of Expenses (including where (i) a determination is made pursuant to Section 5.02 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 4.01 of this Agreement, (iii) payment of indemnification pursuant to Section 3.01 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, (iv) no determination as to entitlement to indemnification is timely made pursuant to Section 5.02 of this Agreement and no payment of indemnification is made within ten (10) days after entitlement is deemed to have been determined pursuant to Section 5.03(b)) or (v) a contribution payment is not made in a timely manner pursuant to Section 8.04 of this Agreement, then Indemnitee shall be entitled to an adjudication by a court of his or her entitlement to such indemnification, contribution or advancement. Alternatively, in such case, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 5.02(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 6.01 shall be conducted in all respects as a *de novo* trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 6.01 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 5.02(a) of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 6.01, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 4.02 until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed).

(c) If a determination shall have been made pursuant to Section 5.02(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 6.01,

absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 6.01 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against all Expenses and, if requested by Indemnitee, shall (within ten (10) days after the Company's receipt of such written request) advance such Expenses to Indemnitee, which are reasonably incurred by Indemnitee in connection with any judicial proceeding or arbitration brought by Indemnitee for (i) indemnification or advances of Expenses by the Company (or otherwise for the enforcement, interpretation or defense of his or her rights) under this Agreement or any other agreement, including any other indemnification, contribution or advancement agreement, or any provision of the Company's Certificate of Incorporation or By-laws now or hereafter in effect or (ii) recovery or advances under any directors' and officers' liability insurance policy maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, contribution, advancement or insurance recovery, as the case may be.

ARTICLE 7
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Section 7.01. *D&O Liability Insurance.* To the extent that the Company maintains a policy or policies of insurance providing liability insurance for directors and officers of the Company ("**D&O Liability Insurance**") in their capacities as such (and for any capacity in which any director or officer of the Company serves any other Enterprise at the request of the Company), in respect of acts or omissions occurring while serving in such capacity, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any other director or officer under such policy or policies.

Section 7.02. *Evidence of Coverage.* Upon request by Indemnitee, the Company shall provide to Indemnitee copies of the D&O Liability Insurance policies as in effect from time to time. The Company shall promptly notify Indemnitee of any material changes in such insurance coverage.

ARTICLE 8
MISCELLANEOUS

Section 8.01. *Nonexclusivity of Rights.* The rights of indemnification, contribution and advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled to under applicable law, the Company's Certificate of Incorporation, any agreement, a vote of stockholders or a resolution of

directors, or otherwise. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

Section 8.02. *Insurance and Subrogation.* (a) If, at the time the Company receives notice of a claim hereunder, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies. The failure or refusal of any such insurer to pay any such amount shall not affect or impair the obligations of the Company under this Agreement.

(b) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(c) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided) hereunder if and to the extent that Indemnitee has actually received such payment under any insurance policy or other indemnity provision.

Section 8.03. The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, board of directors' committee member, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such Enterprise.

Section 8.04. *Contribution.* To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

Section 8.05. *Amendment.* This Agreement may not be modified or amended except by a written instrument executed by or on behalf of each of the parties hereto. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit, restrict or reduce any right of Indemnitee under this Agreement in respect of any act or omission, or any event

occurring, prior to such amendment, alteration or repeal. To the extent that a change in applicable law, whether by statute or judicial decision, (i) permits greater indemnification, contribution or advancement of Expenses than would be afforded currently under the Company's Certificate of Incorporation and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change or (ii) limits rights with respect to indemnification, contribution or advancement of Expenses, it is the intent of the parties hereto that the rights with respect to indemnification, contribution or advancement of Expenses in effect prior to such change shall remain in full force and effect to the extent permitted by applicable law.

Section 8.06. *Waivers.* The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce such term only by a writing signed by the party against which such waiver is to be asserted. Unless otherwise expressly provided herein, no delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

Section 8.07. *Entire Agreement.* This Agreement and the documents referred to herein constitute the entire agreement between the parties hereto with respect to the matters covered hereby, and any other prior or contemporaneous oral or written understandings or agreements with respect to the matters covered hereby are superseded by this Agreement, provided that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation and By-laws of the Company and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 8.08. *Severability.* If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 8.09. *Notices.* All notices, requests, demands and other communications under this Agreement shall be in writing (which may be by facsimile transmission). All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a business day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding business day in the place of receipt.

The address for notice to a party is as shown on the signature page of this Agreement, or such other address as any party shall have given by written notice to the other party as provided above.

Section 8.10. *Binding Effect.* (a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director, officer or key employee of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director, officer or key employee of the Company.

(b) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company, spouses, heirs, and executors, administrators, personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all, or a substantial part of the business or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(c) The indemnification, contribution and advancement of Expenses provided by, or granted pursuant to this Agreement shall continue as to a person who has ceased to be a director, officer or key employee and shall inure to the benefit of the heirs, executors, administrators, legatees and assigns of such a person.

Section 8.11. *Governing Law.* This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules.

Section 8.12. *Consent To Jurisdiction.* Except with respect to any arbitration commenced by Indemnitee pursuant to Section 6.01(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "**Delaware Court**"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 8.13. *Headings.* The Article and Section headings in this Agreement are for convenience of reference only, and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

Section 8.14. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 8.15. *Use of Certain Terms.* As used in this Agreement, the words "herein," "hereof," and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular paragraph, subparagraph, section, subsection, or other subdivision. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered to be effective as of the date first above written.

PANDORA MEDIA, INC.

By: _____

Name: Joseph Kennedy
Title: Chief Executive Officer and President

Address: 2101 Webster Street, Suite 1650
Oakland, CA 94612
Facsimile: (510) 842-6917

With a copy to: Delida Costin

Address: 2101 Webster Street, Suite 1650
Oakland, CA 94612
Facsimile: (510) 842-7939

INDEMNITEE

Address:
Facsimile:

With a copy to:

Address:
Facsimile:
Attention:

EXHIBIT 10.5A

FORM OF INDEMNIFICATION AGREEMENT

(Delaware corporation)

This Indemnification Agreement (this "**Agreement**"), made and entered into as of the__ day of _____, 2010, by and between Pandora Media, Inc., a Delaware corporation (the "**Company**") and _____ ("**Indemnitee**").

W I T N E S S E T H:

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors, officers or other key employees unless they are provided with adequate protection through insurance or adequate indemnification against risks of claims and actions against them arising out of their service to and activities on behalf of the corporation.

WHEREAS, the Board of Directors of the Company (the "**Board**") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself.

WHEREAS, the Certificate of Incorporation of the Company provides that the Company shall indemnify and advance expenses to all directors and officers of the Company in the manner set forth therein and to the fullest extent permitted by applicable law, and the Company's Certificate of Incorporation provides for limitation of liability for directors. In addition, Indemnitee may be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("**DGCL**") . The Certificate of Incorporation and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification.

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons.

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future.

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified.

WHEREAS, this Agreement is a supplement to and in furtherance of the charter and by-laws of the Company and any resolutions adopted pursuant thereto and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

WHEREAS, Indemnitee does not regard the protection available under the Company's charter and by-laws and insurance as adequate in the present circumstances, and may not be willing to serve as an officer, director or key employee of the Company without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

ARTICLE 1
CERTAIN DEFINITIONS

(a) As used in this Agreement:

"**Change of Control**" means any one of the following circumstances occurring after the date hereof: (i) there shall have occurred an event required to be reported with respect to the Company in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item or any similar schedule or form) under the Exchange Act, regardless of whether the Company is then subject to such reporting requirement; (ii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) shall have become, without prior approval of the Company's Board by approval of at least two-thirds of the Continuing Directors, the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 15% or more of the combined voting power of the Company's then outstanding voting securities (provided that, for purposes of this clause (ii), the term "person" shall exclude (x) the Company, (y) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (z) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company); (iii) there occurs a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 51% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity; (iv) all or substantially all the assets of the Company are sold or disposed of in a transaction or series of related transactions; (v) the approval by the stockholders of the

Company of a complete liquidation of the Company; or (vi) the Continuing Directors cease for any reason to constitute at least a majority of the members of the Board.

"**Continuing Director**" means (i) each director on the Board on the date hereof or (ii) any new director whose election or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors on the date hereof or whose election or nomination was so approved.

"**Corporate Status**" means the status of a person who is or was a director, officer, trustee, general partner, managing member, fiduciary, board of directors' committee member, employee or agent of the Company or of any other Enterprise.

"**Disinterested Director**" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

"**Enterprise**" means the Company and any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, board of directors' committee member, employee or agent.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

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

"**Expenses**" means all direct and indirect costs (including attorneys' fees, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses) reasonably incurred in connection with (i) prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or (ii) establishing or enforcing a right to indemnification under this Agreement, the Company's Certificate of Incorporation, applicable law or otherwise. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding, including the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent. For the avoidance of doubt, Expenses, however, shall not include any Liabilities.

"**Independent Counsel**" means a law firm, or a member of a law firm, that is experienced in matters of corporate law and neither currently is, nor in the five years previous to its selection or appointment has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement or of other indemnitees under similar indemnification agreements) or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

"**Liabilities**" means any losses or liabilities, including any judgments, fines, ERISA excise taxes and penalties, penalties and amounts paid in settlement, arising out of or in connection with any Proceeding (including all interest, assessments and other charges paid or payable in connection with or in respect of any such judgments, fines, ERISA excise taxes and penalties, penalties or amounts paid in settlement).

"**Proceeding**" means any threatened, pending or completed action, derivative action, suit, claim, counterclaim, cross claim, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether civil (including intentional and unintentional tort claims), criminal, administrative or investigative, including any appeal therefrom, and whether instituted by or on behalf of the Company or any other party, or any inquiry or investigation that Indemnitee in good faith believes might lead to the institution of any such action, suit or other proceeding hereinabove listed in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of any Corporate Status of Indemnitee, or by reason of any action taken (or failure to act) by him or her or of any action (or failure to act) on his or her part while serving in any Corporate Status.

(b) For the purposes of this Agreement:

References to "Company" shall include, in addition to the resulting or surviving corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that if Indemnitee is or was a director, officer, employee, or agent of such constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, then Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

Reference to "other enterprise" shall include employee benefit plans; references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

Reference to "including" shall mean "including, without limitation," regardless of whether the words "without limitation" actually appear, references to the words "herein," "hereof" and "hereunder" and other words of similar import shall refer to this Agreement as a whole and not to any particular paragraph, subparagraph, section, subsection or other subdivision.

ARTICLE 2
SERVICES BY INDEMNITEE

Section 2.01. *Services By Indemnitee.* Indemnitee hereby agrees to serve or continue to serve as a director, officer or key employee of the Company, for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is removed.

ARTICLE 3
INDEMNIFICATION

Section 3.01. *General.* (a) The Company hereby agrees to and shall indemnify Indemnitee and hold Indemnitee harmless from and against any and all Expenses and Liabilities, in either case, actually and reasonably incurred by Indemnitee or on Indemnitee's behalf by reason of Indemnitee's Corporate Status, to the fullest extent permitted by applicable law. The Company's indemnification obligations set forth in this Section 3.01 shall apply (i) in respect of Indemnitee's past, present and future service in any Corporate Status and (ii) regardless of whether Indemnitee is serving in any Corporate Status at the time any such Expense or Liability is incurred.

For purposes of this Agreement, the meaning of the phrase "to the fullest extent permitted by applicable law" shall include, but not be limited to:

(i) to the fullest extent permitted by any provision of the DGCL, or the corresponding provision of any successor statute, and

(ii) to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

(b) *Witness Expenses.* Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his or her Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection therewith.

(c) *Expenses as a Party Where Wholly or Partly Successful.* Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law, to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding, but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall, to the fullest extent permitted by applicable law, indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in

such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 3.02. *Exclusions.* Notwithstanding any provision of this Agreement and unless Indemnitee ultimately is successful on the merits with respect to any such claim, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law or (ii) any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act); or

(b) except as otherwise provided in Sections 6.01(e), prior to a Change of Control, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

ARTICLE 4
ADVANCEMENT OF EXPENSES; DEFENSE OF CLAIMS

Section 4.01. *Advances.* Notwithstanding any provision of this Agreement to the contrary, the Company shall advance any Expenses actually and reasonably incurred by Indemnitee in connection with any Proceeding within thirty (30) days after the receipt by the Company of each statement requesting such advance from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay such amounts and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed.

Section 4.02. *Repayment of Advances or Other Expenses.* Indemnitee agrees that Indemnitee shall reimburse the Company for all Expenses advanced by the Company pursuant to Section 4.01, in the event and only to the extent that it shall be determined by final judgment or

other final adjudication under the provisions of any applicable law (as to which all rights of appeal therefrom have been exhausted or lapsed) that Indemnitee is not entitled to be indemnified by the Company for such Expenses.

Section 4.03. *Defense of Claims.* The Company will be entitled to participate in the Proceeding at its own expense. The Company shall be entitled to assume the defense of any Proceeding with counsel consented to by Indemnitee (such consent not to be unreasonably withheld) upon the delivery by the Company to Indemnitee of written notice of the Company's election to do so. After delivery of such notice, consent to such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of counsel subsequently incurred by Indemnitee with respect to such Proceeding; *provided* that (i) Indemnitee shall have the right to employ separate counsel in respect of any Proceeding at Indemnitee's expense and (ii) if (A) the employment of counsel by Indemnitee has been previously authorized in writing by the Company or (B) Indemnitee shall have reasonably concluded upon the advice of counsel that there is a conflict of interest between the Company and Indemnitee in the conduct of the defense of such Proceeding, then in each such case the fees and expenses of Indemnitee's counsel shall be at the Company's expense. The Company shall not settle any action, claim or Proceeding (in whole or in part) which would impose any Expense, judgment, fine, penalty or limitation on Indemnitee without Indemnitee's prior written consent, such consent not to be unreasonably withheld. Indemnitee shall not settle any action, claim or Proceeding (in whole or in part) which would impose any Expense, judgment, fine, penalty or limitation on the Company without the Company's prior written consent, such consent not to be unreasonably withheld.

ARTICLE 5
PROCEDURES FOR NOTIFICATION OF AND DETERMINATION OF ENTITLEMENT TO INDEMNIFICATION

Section 5.01. *Notification; Request For Indemnification.* (a) As soon as reasonably practicable after receipt by Indemnitee of written notice that he is a party to or a participant (as a witness or otherwise) in any Proceeding or of any other matter in respect of which Indemnitee intends to seek indemnification or advancement of Expenses hereunder, Indemnitee shall provide to the Company written notice thereof, including the nature of and the facts underlying the Proceeding. The omission by Indemnitee to so notify the Company will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise.

(b) To obtain indemnification under this Agreement, Indemnitee shall deliver to the Company a written request for indemnification, including therewith such information as is reasonably available to Indemnitee and reasonably necessary to determine Indemnitee's entitlement to indemnification hereunder. Such request(s) may be delivered from time to time and at such time(s) as Indemnitee deems appropriate in his or her sole discretion. Indemnitee's entitlement to indemnification shall be determined according to Section 5.02 of this Agreement and applicable law.

Section 5.02. *Determination of Entitlement.* (a) Where there has been a written request by Indemnitee for indemnification pursuant to Section 5.01(b), then as soon as is reasonably practicable (but in any event not later than 60 days) after final disposition of the relevant

Proceeding, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (i) if a Change of Control shall not have occurred, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change of Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee. If it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall reasonably cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification).

(b) If entitlement to indemnification is to be determined by Independent Counsel pursuant to Section 5.02(a)(ii), such Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. If entitlement to indemnification is to be determined by Independent Counsel pursuant to Section 5.02(a)(i)(C) (or if Indemnitee requests that such selection be made by the Board), such Independent Counsel shall be selected by the Company in which case the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within 10 days after such written notice of selection shall have been received, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection is without merit. If, within 20 days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 5.01(b) hereof and the final disposition of the Proceeding, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 5.02(a) hereof. Upon the due commencement of any judicial proceeding or

arbitration pursuant to Section 6.01(a) of this Agreement, the Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) The Company agrees to pay the reasonable fees and expenses of any Independent Counsel serving under this Agreement.

Section 5.03. *Presumptions and Burdens of Proof; Effect of Certain Proceedings.* (a) In making any determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 5.01(b) of this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of any person, persons or entity to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by any person, persons or entity that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) If the person, persons or entity empowered or selected under Section 5.02 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within the sixty (60) day period referred to in Section 5.02(a), the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; *provided*, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is in good faith reliance on the records or books of account of any Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of such Enterprise in the course of their duties, or on the advice of legal counsel for such Enterprise or on information or records given or reports made to such

Enterprise by an independent certified public accountant or by an appraiser or other expert selected by such Enterprise. The provisions of this Section 5.03(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any other director, trustee, partner, managing member, fiduciary, officer, agent or employee of any Enterprise shall not be imputed to Indemnitee for purposes of determining any right to indemnification under this Agreement.

ARTICLE 6
REMEDIES OF INDEMNITEE

Section 6.01. *Adjudication or Arbitration.* (a) In the event of any dispute between Indemnitee and the Company hereunder as to entitlement to indemnification or advancement of Expenses (including where (i) a determination is made pursuant to Section 5.02 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 4.01 of this Agreement, (iii) payment of indemnification pursuant to Section 3.01 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, (iv) no determination as to entitlement to indemnification is timely made pursuant to Section 5.02 of this Agreement and no payment of indemnification is made within ten (10) days after entitlement is deemed to have been determined pursuant to Section 5.03(b)) or (v) a contribution payment is not made in a timely manner pursuant to Section 8.04 of this Agreement, then Indemnitee shall be entitled to an adjudication by a court of his or her entitlement to such indemnification, contribution or advancement. Alternatively, in such case, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 5.02(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 6.01 shall be conducted in all respects as a *de novo* trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 6.01 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 5.02(a) of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 6.01, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 4.02 until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed).

(c) If a determination shall have been made pursuant to Section 5.02(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such

determination in any judicial proceeding or arbitration commenced pursuant to this Section 6.01, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 6.01 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against all Expenses and, if requested by Indemnitee, shall (within ten (10) days after the Company's receipt of such written request) advance such Expenses to Indemnitee, which are reasonably incurred by Indemnitee in connection with any judicial proceeding or arbitration brought by Indemnitee for (i) indemnification or advances of Expenses by the Company (or otherwise for the enforcement, interpretation or defense of his or her rights) under this Agreement or any other agreement, including any other indemnification, contribution or advancement agreement, or any provision of the Company's Certificate of Incorporation or By-laws now or hereafter in effect or (ii) recovery or advances under any directors' and officers' liability insurance policy maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, contribution, advancement or insurance recovery, as the case may be.

ARTICLE 7
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Section 7.01. *D&O Liability Insurance.* To the extent that the Company maintains a policy or policies of insurance providing liability insurance for directors and officers of the Company ("**D&O Liability Insurance**") in their capacities as such (and for any capacity in which any director or officer of the Company serves any other Enterprise at the request of the Company), in respect of acts or omissions occurring while serving in such capacity, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any other director or officer under such policy or policies.

Section 7.02. *Evidence of Coverage.* Upon request by Indemnitee, the Company shall provide to Indemnitee copies of the D&O Liability Insurance policies as in effect from time to time. The Company shall promptly notify Indemnitee of any material changes in such insurance coverage.

ARTICLE 8
MISCELLANEOUS

Section 8.01. *Nonexclusivity of Rights.* The rights of indemnification, contribution and advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any

other rights to which Indemnitee may at any time be entitled to under applicable law, the Company's Certificate of Incorporation, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

Section 8.02. *Insurance and Subrogation.* (a) If, at the time the Company receives notice of a claim hereunder, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies. The failure or refusal of any such insurer to pay any such amount shall not affect or impair the obligations of the Company under this Agreement.

(b) The Company hereby acknowledges that Indemnitee has or may from time to time obtain certain rights to indemnification, advancement of expenses and/or insurance provided by one or more third parties (collectively, the "Third-Party Indemnitors"). The Company hereby agrees that, with respect to the matters covered by the balance of this Agreement, it is the indemnitor of first resort (*i.e.,* its obligations to Indemnitee are primary and any obligation of the Third-Party Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), and that the Company will not assert that the Indemnitee must seek expense advancement or reimbursement, or indemnification, from any Third-Party Indemnitor before the Company must perform its expense advancement and reimbursement, and indemnification obligations, under this Agreement. No advancement or payment by the Third-Party Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company under this Agreement shall affect the foregoing. The Third-Party Indemnitors shall be subrogated to the extent of such advancement or payment to all of the rights of recovery which Indemnitee would have had against the Company under this Agreement if the Third-Party Indemnitors had not advanced or paid any amount to or on behalf of Indemnitee. If for any reason a court of competent jurisdiction determines that the Third-Party Indemnitors are not entitled to the subrogation rights described in the preceding sentence, the Third-Party Indemnitors shall have a right of contribution by the Company to the Third-Party Indemnitors with respect to any advance or payment by the Third-Party Indemnitors to or on behalf of the Indemnitee.

(c) Subject to Section 8.02(b), in the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) Subject to Section 8.02(b), the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided)

hereunder if and to the extent that Indemnitee has actually received such payment under any insurance policy or other indemnity provision.

Section 8.03. Subject to Section 8.02(b), the Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, board of directors' committee member, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such Enterprise.

Section 8.04. *Contribution.* To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

Section 8.05. *Amendment.* This Agreement may not be modified or amended except by a written instrument executed by or on behalf of each of the parties hereto. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit, restrict or reduce any right of Indemnitee under this Agreement in respect of any act or omission, or any event occurring, prior to such amendment, alteration or repeal. To the extent that a change in applicable law, whether by statute or judicial decision, (i) permits greater indemnification, contribution or advancement of Expenses than would be afforded currently under the Company's Certificate of Incorporation and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change or (ii) limits rights with respect to indemnification, contribution or advancement of Expenses, it is the intent of the parties hereto that the rights with respect to indemnification, contribution or advancement of Expenses in effect prior to such change shall remain in full force and effect to the extent permitted by applicable law.

Section 8.06. *Waivers.* The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce such term only by a writing signed by the party against which such waiver is to be asserted. Unless otherwise expressly provided herein, no delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

Section 8.07. *Entire Agreement.* This Agreement and the documents referred to herein constitute the entire agreement between the parties hereto with respect to the matters covered

hereby, and any other prior or contemporaneous oral or written understandings or agreements with respect to the matters covered hereby are superseded by this Agreement, provided that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation and By-laws of the Company and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 8.08. *Severability*. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 8.09. *Notices*. All notices, requests, demands and other communications under this Agreement shall be in writing (which may be by facsimile transmission). All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a business day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding business day in the place of receipt. The address for notice to a party is as shown on the signature page of this Agreement, or such other address as any party shall have given by written notice to the other party as provided above.

Section 8.10. *Binding Effect.* (a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director, officer or key employee of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director, officer or key employee of the Company.

(b) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company, spouses, heirs, and executors, administrators, personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all, or a substantial part of the business or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(c) The indemnification, contribution and advancement of Expenses provided by, or granted pursuant to this Agreement shall continue as to a person who has ceased to be a director, officer or key employee and shall inure to the benefit of the heirs, executors, administrators, legatees and assigns of such a person.

Section 8.11. *Governing Law.* This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules.

Section 8.12. *Consent To Jurisdiction.* Except with respect to any arbitration commenced by Indemnitee pursuant to Section 6.01(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "**Delaware Court**"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 8.13. *Headings.* The Article and Section headings in this Agreement are for convenience of reference only, and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

Section 8.14. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 8.15. *Use of Certain Terms.* As used in this Agreement, the words "herein," "hereof," and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular paragraph, subparagraph, section, subsection, or other subdivision. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered to be effective as of the date first above written.

PANDORA MEDIA, INC.

By: _____

Name: Joseph Kennedy
Title: Chief Executive Officer and President

Address: 2101 Webster Street, Suite 1650
Oakland, CA 94612
Facsimile: (510) 842-6917

With a copy to: Delida Costin

Address: 2101 Webster Street, Suite 1650
Oakland, CA 94612
Facsimile: (510) 842-7939

INDEMNITEE

_____

Address:
Facsimile:

With a copy to:

Address:
Facsimile:
Attention:

EXHIBIT 10.6

July 7, 2004

Joe Kennedy

Dear Joe:

We arc pleased to confirm our offer to you to join Savage Beast Technologies (the "Company") as Chief Executive Officer and President reporting to the Company's Board or Directors (the "Board"), in accordance with the terms of this letter (the "Agreement"). Speaking for myself and the Board, as well as the members of the Company' s management team, we look forward to your future success in these positions. Subject to fulfillment of any conditions imposed by this Agreement, you will commence as Chief Executive Officer and President with the Company effective July 19, 2004 (the "Start Date").

The terms and conditions of your new position with the Company are set forth below:

Chief Executive Officer and President Positions

You agree that you will devote all of your business time and efforts to the Chief Executive Officer and President positions, and apply your skill and experience to the performance of your duties. You shall comply with the Company's policies and rules, as they may be in effect from time to time during the term of your employment. While employed by the Company, except with the written approval of the Board, you will not actively engage in any other employment, occupation or consulting activity; provided, however, that you may serve as an outside board member on other companies' Board of Directors. You agree to complete any existing activities that would be in conflict with this paragraph no later than four weeks after you commence duties as the CEO and President of Savage Beast Technologies.

Board-Related Matters

The Board shall elect you a Director, effective immediately, and (provided that you remain Chief Executive Officer of the Company) its Chairman, effective August 1, 2005 (the "Effective Date"). During the interim between your Start Date and the Effective Date, Larry Marcus will continue to act as the Board's nonemployee Chairman/lead outside director.

Compensation and Benefits

1. Base Salary. Your annual base salary effective upon the Start Date will be $250,000 (which amount, and any increases that may occur from time to time, shall be referred

to herein as the "Base Salary"), less applicable withholdings and deductions, and payable in accordance with the Company's standard payroll procedures.

2. Stock Options and Restricted Stock. On your Start Date you will be granted an option (the "Option") to purchase such number of shares of Company Common Stock (the "Option Shares") equal to seven and one-eighth (7.125%) of the Company's total Outstanding Stock (as defined below), with a per share exercise price equal to $0.037 (the "Exercise Price"). The term of the Option shall be ten (10)years; provided that you shall have thirty (30) days to exercise such Option following the termination of your employment (subject to an extension pursuant to Section 7 below). The Option Shares shall be exercisable from time to time during the term of the Option, pursuant to the vesting schedule specified in a Stock Option Agreement, which vesting schedule shall specify that the Option Shares will vest in a series of thirty-six (36) successive equal monthly installments upon your completion of each month of service to the Company ("Service") beginning after the one (1) year anniversary of the Start Date. In no event shall any additional Option Shares vest after your cessation of Service, except as otherwise provided herein. The Option will be an ISO to the maximum extent permitted by applicable law.

On your start date you will be granted such number of restricted shares of Company Common Stock (the "Restricted Stock") equal to two and three-eighths (2.375%) of the Company's total Outstanding Stock (as defined below), with a per share value equal to $0.037. The Restricted Stock shall vest on the one (1) year anniversary of the Start Dale. The Company will cooperate with you in connection with timely filing of an election with the Internal Revenue Service under Section 83(b) of the Code.

As used in this Agreement, the calculation of the Company's total "Outstanding Stock" will include, in addition to all shares of common stock, all then-outstanding shares of preferred stock on an as-converted basis, all then-outstanding options on an as-exercised basis and all then-outstanding warrants on an as-exercised (and, if applicable, as-converted) basis at the time of your Start Date (assuming the closing of the Series R Preferred Stock financing before such Start Date), and any authorized but unissued option shares in the Company's employee stock option pool.

3. Change of Control.

a. Definition. As used in this Agreement, "Change of Control" shall mean the sale, conveyance, or other disposal of all or substantially all of the Company's property or business, or the merger with or into or consolidation with any other Company, limited liability company or other entity (other than a wholly-owned subsidiary of the Company); provided that none of the following shall be considered a Change of Control: (i) a merger effected exclusively for the purpose of changing the domicile of the Company, (ii) an equity financing in which the Company is the surviving entity, or (iii) a transaction in which the shareholders of the Company immediately prior to the transaction own 45% or more of the voting power of the surviving entity following the transaction.

b. Acceleration upon Change of Control. In the event of a Change or Control, fifty percent (50%) of the total number or Option Shares and Restricted Stock will vest immediately, with priority given first to the Restricted Stock, then to the Option Shares. You may choose to exercise the Options in conjunction with the Change of Control, or to leave them unexercised and fairly adjusted or converted in accordance with the acquiring company's requirements. In the event that your remaining unvested Options are not assumed or substituted for by the acquiring company on terms consistent with the overall Change of Control transaction, then 100% of your unvested Option Shares shall vest in full.

c. Involuntary Termination/Constructive Termination. In the event that you are involuntarily terminated without Cause or experience a Constructive Termination of your employment (each an "Involuntary Termination") within two (2) months prior to or twelve (12) months after a Change in Control, 100% of your then unvested Option Shares and Restricted Stock shall vest in full. You may choose to exercise the Options in conjunction with the Change of Control, or to leave them unexercised and fairly adjusted or converted in accordance with the acquiring company's requirements for up to twelve (12) months after the termination date. In addition, you shall receive the benefits set forth in Section 7 of this letter.

For all purposes under this Agreement, "Constructive Termination" of your employment means: resignation from your employment with the Company within twelve (12) months after any of the following:

(a) any reduction of Executive's base salary which is not part of a broad cross-company cost cutting effort.

(b) any requirement that Executive engage in any illegal or unethical conduct, after Executive has given the Company 30 days' notice and opportunity to cure;

(c) the Company's failure to fully cure within thirty (30) days any material breach by the Company of this Agreement, or any other agreement between Executive and the Company, of which Executive has notified the Board in writing;

(d) a relocation of Executive's principal place of employment by more than fifty (50) miles.

Executive shall be deemed to be disabled if a majority of the Board (excluding Executive) determines in good faith that Executive is unable to perform the essential functions of his position with Company, even with reasonable accommodation, for a period of not less than ninety (90) consecutive days, due to a mental or physical illness or incapacity (hereafter "***Disability***").

"Cause" for termination of your employment means: (a) gross misconduct, personal dishonesty, fraud or material misrepresentation in the performance of your duties or responsibilities to the Company under this Agreement that results from a willful act or omission by you; (b) conviction of (or entry of a plea of guilty to) a felony, or a misdemeanor involving moral turpitude; or (c) willful and material failure to perform your job duties to the Company; or (d) willful refusal to carry out a lawful directive of the Board that is consistent with your position and responsibilities, except where such failure or refusal results from your death, Disability (as defined in herein) or Constructive Termination (as defined herein); provided, however, that the conduct, event or condition specified in subsections (c) or (d) of this paragraph shall only

constitute “Cause” if a majority of the Board (excluding Executive) determines in good faith that Executive has not cured the conduct, event or condition within a reasonable period of not less than 30 days after receipt of written notice from the Company. No act or failure to act shall be considered “willful” unless it is done, or omitted to be done, intentionally, in bad faith, and without reasonable belief that the action or omission was in the best interest of the Company.

4. Employee Benefits.

a. You will be eligible to participate in the employee benefit plans maintained by the Company that are applicable to other senior management to the full extent provided for under those plans. These plans shall provide a level of medical and dental health insurance coverage for your and your dependents that is not materially different from that you now have.

b. In addition, the Company agrees to reimburse you, for so long as your remain an employee of the Company, in an amount not to exceed $5,000 per year for any life insurance and long-term disability coverage that you may obtain personally.

c. The Company shall provide parking for you in the immediate vicinity of its office at its expense.

d. You will be eligible for 4 weeks vacation each year of employment and for such holidays as are customary for senior executives of the Company.

5. Indemnification. To the maximum extent permitted by law, the Company shall indemnify and defend you from all costs, expenses and losses whether direct or indirect, including consequential damages and attorneys’ fees, actually and necessarily incurred or sustained by you during or after the term of your service to the Company by reason of any claim or cause of action arising from or relating to the discharge of your duties made in good faith while performing services for the Company. To the extent you are eligible under the terms of such policies, you shall be covered by any and all insurance policies of the Company for indemnification of its directors and officers. The Company will advance any expenses for which indemnification is available to the extent allowed by applicable law.

6. General Release. Any other provision of this Agreement notwithstanding, you shall not be entitled to the severance benefits set forth below unless you entered into mutual agreements with the Company (i) to release all known and unknown claims that you may then have against the Company or persons affiliated with the Company, provided, however, that you will not be required to release any claims with respect to any then-unpaid deferred compensation earned under the terms of the Arrangement; and (ii) not to prosecute any legal action or other proceeding based upon any of such claims.

7. Involuntary Termination Benefits. In the event you experience an Involuntary Termination at any time during your employment with the Company (or any successor to the Company) within one (1) year from your Start Date, and provided you execute the mutual general release described above, you will be entitled to receive a severance benefit comprising i) twelve months' Base Salary, ii) the immediate vesting of one additional year of unvested Options and Restricted Stock, iii) extension of the exercise period for all options to at least twelve (12) months after the termination date, and iv) the Company will pay the applicable COBRA premiums to maintain the level of medical and dental health insurance benefits for you and your dependents in effect on your last day of employment for twelve (12) months after the termination date.

In the event you experience an Involuntary Termination more than one (1) year from your Start Date, and within one year following a Change of Control, provided you execute the mutual general release described above, you will be entitled to receive a severance benefit comprising i) twelve months' Base Salary, and ii) the Company will pay the applicable COBRA premiums to maintain the level of medical and dental health insurance benefits for you and your dependents in effect on your last day of employment for twelve (12) months after the termination date.

In the event you experience an Involuntary Termination at any lime during your employment with the Company (or any successor to the Company) that is more than one (1) year from your Start Date and neither 2 months prior to nor within one year following a Change of Control, and provided you execute the mutual general release described above, you will be entitled to receive a severance benefit comprising i) six months' Base Salary, ii) the immediate vesting of one additional year of unvested Options and Restricted Stock, iii) extension of the exercise period for all options to at least twelve (12) months after the termination date, and iv) the Company will pay the applicable COBRA premiums to maintain the level of medical and dental health insurance benefits for you and your dependents in effect on your last day of employment for twelve (12) months alter the termination date.

"At-Will" Employment

Subject to the terms of this Agreement, your employment with the Company shall be for no specified period or term and shall constitute "at-will" employment, which means that either you or the Company may terminate your employment at any time, for any or no reason, with or without cause (but subject to the obligations set forth in this Agreement). Any contrary representations that may have been made to you shall be superseded by this Agreement. This Agreement shall constitute the full and complete agreement between you and the Company on the "at-will" nature of your employment, which may only be changed in an express written agreement signed by you and another authorized officer of the Company.

No Inconsistent Obligations

By accepting this offer of employment, you represent and warrant to the Company that you arc under no obligations or commitments, whether contractual or otherwise, that are inconsistent with your obligations set forth in this Agreement. You also represent and warrant that you will not use or disclose, in connection with your employment by the Company, any trade secrets or other proprietary information or intellectual property in which you or any other person has any right, title or interest, and that your employment by the Company as contemplated by this Agreement will not infringe upon or violate the rights of any other person or entity. You represent and warrant to the Company that you have returned all property and confidential information relating to any prior employers.

Conditions of Employment

This entire agreement will be in effect, and will be treated as having been in effect as of the Start Date upon: (a) signing and delivering to me the Company's standard form of Proprietary Information and Inventions Agreement; and (b) you providing the Company with legally-required proof of your identity and authorization to work in the United States.

Applicable Law; Severability

This Agreement shall be governed by the laws of the State of California, without reference to rules relating to conflicts of law. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

Successors and Assigns

This Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; provided, however, that you may not assign, transfer or delegate your rights or obligations under this Agreement and any attempt to do so shall be void.

Entire Agreement

This Agreement sets forth our entire agreement and understanding regarding the terms and conditions of your employment with the Company, and supersedes any prior representations or agreements, whether written or oral. This Agreement may not be modified in any way except in writing signed by a nonemployee member of the Board on behalf of the Company and you, and approved by the Board of Directors of the Company. To the extent any provision of this agreement conflicts with that of any other legal agreement (e.g., Stock Option Plan, Stock Option Agreement, etc.) that affects your employment or compensation, the provision that is most beneficial to you shall apply.

If the foregoing terms and conditions arc acceptable to you, please indicate your acceptance of this offer of employment by signing in the space provided below, and delivering

the executed original to me along with your executed originals of the Proprietary Information and Inventions Agreement. We look forward to you accepting our offer and becoming the Company's Chief Executive Officer and President.

Sincerely,

Savage Beast Technologies Incorporated

By: /s/ Larry Marcus

7/13/04

Larry Marcus, Member of the Board of Directors

I have read and accept this employment offer. This Agreement sets forth the complete agreement between me and the Company regarding the subject matter hereof and supersedes any and all prior representations between me and the Company, whether written or oral.

/s/ Joe Kennedy	7/12/2004
Joe Kennedy	Date

EXHIBIT 10.7

EMPLOYMENT AGREEMENT

This Employment Agreement ("***Agreement***") is made and entered into effective as of April 28, 2004 ("***Effective Date***"), by and between Tim Westergren ("***Executive***") and Savage Beast Technologies Incorporated, a California corporation (the "***Company***") (collectively the "***Parties***").

In consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Position and Duties.** Executive shall serve as the President of the Company, working primarily out the Company's offices in Oakland, California. Executive shall have the duties, responsibilities and authority customarily associated with his title and office.

2. **Compensation and Benefits.**

(a) **Base Salary.** The Company shall pay Executive a salary of $7,291.66 per semi-monthly pay period ($175,000 annualized), less applicable withholdings and deductions ("***Base Salary***")**.** Executive's Base Salary shall be reviewed by the Board at least annually.

(b) **Discretionary Founder Payment.** Executive will also be eligible for an annual discretionary cash bonus of up to $50,000 based on Executive's individual contribution and MBO plan to the Company during each calendar year of Executive's employment. The amount of any discretionary payment shall be determined by the Board and, where awarded, shall be paid in full by the Company within 30 days after calendar year-end.

(c) **Stock Options.**

(i) **Initial Grant**. As of the Effective Date, the Company shall grant to Executive a stock option to purchase such number of shares of the Company's common stock as equals nine and sixty seven hundredths percent (9.67%) of the Company's total **"Outstanding Stock"** (defined below) as calculated immediately following the final closing of the Company's next round of financing (currently anticipated to be in the form of Series B Preferred Stock) in which the Company raises, through all closings thereof, aggregate gross proceeds of at least $5 million which number of shares will be reduced by 164,000 shares (such number has been adjusted for the Reverse Split (as defined under the Company's Second Amended and Restated Articles of Incorporation), but is subject to adjustment for any subsequent stock splits, stock dividends, combinations, reorganizations or like transactions) ("***Initial Grant***"). The exercise price of the Initial Grant shall be equal to the fair market value per share of the Company's common stock as of the Effective Date, currently expected to be no greater than one and one quarter ($.0125) per share. As used in this

Agreement, the calculation of the Company's total "Outstanding Stock" will include, in addition to all shares of common stock, all then-outstanding shares of preferred stock on an as-converted basis, all then-outstanding options on an as-exercised basis and all then-outstanding warrants on an as-exercised (and, if applicable, as-converted) basis, and any authorized but unissued option shares in the Company's employee stock option pool. Thirty-eight percent (38%) of the Initial Grant shall be fully vested upon grant. The remaining sixty-two percent (62%) of the Initial Grant will vest in equal monthly installments over the four year period commencing on March 18, 2004.

(ii) **Nature of Options**. The Initial Grant and any other stock option grants made to Executive as specified in this Agreement will be incentive stock options to the maximum extent allowed by law and will be subject to the terms of the Company's 2003 Stock Plan and a Stock Option Agreement between Executive and the Company (including any related notice of stock option grant), which shall be consistent with the provisions in this Agreement. A full recourse five-year promissory note (**"Promissory Note"**) will be deemed an acceptable form of payment by Executive. The Promissory Note will be secured by the shares that it is used to purchase and shall become due and payable on the earlier of (a) the Company's filing for an initial public stock offering, (b) the Company's agreement to be acquired by a publicly traded company, (c) an event that would trigger an adverse accounting charge relating to the Note, and (d) five (5) years from execution of the Promissory Note. Any Stock Option Agreements shall also permit up to 15% transfer of any of the shares to a trust for the benefit of Executive or any of Executive's family members unless otherwise specified by the Board; provided that such transferred options shall retain the same vesting terms and conditions. In addition, the Stock Option Agreements shall provide that following Executive's termination date, Executive may exercise the stock options at any time until the end of the term of the stock options; provided that such period of exercisability will terminate upon the closing of a Change of Control (as defined herein) unless the acquirer of the Company in such Change of Control specifically agrees to permit continued exercisability. In the event that such period of exercisability would terminate upon the closing of a Change of Control, the Company agrees, upon the request of Executive, to amend the Stock Option Agreements effective not later than five days prior to the closing of such Change of Control to add a "net exercise" feature to the Stock Option Agreements; provided that if the board of directors of the Company determines in its discretion that such amendment would trigger adverse accounting consequences for the Company or the acquirer, then no such net exercise feature shall be added. The Initial Grant and any subsequent stock or stock options that may be granted to Executive by the Company are in addition to any stock (common or preferred) owned by Executive as of the closing of the financing round described in paragraph 2(c)(i) ("***Founder's Shares***") and nothing in this Agreement will affect Executive's rights to such Founder's Shares. The Promissory Note can only be used to purchase vested shares.

(iii) **Subsequent Option Grants**. In addition, for calendar years 2004 and 2005, at the discretion of the Board, Executive may be eligible to receive additional grants of stock options or stock purchase rights of up to 1/2% of the Company's total Outstanding Stock as of the final closing of Series B based on Executive's individual contribution and MBO plan to the Company during each such calendar year. The amount of any discretionary grant shall be determined by the Board and, where awarded, shall be awarded in full by the Company within 30 days after calendar year-end.

(d) **Additional Benefits**. Executive shall be eligible for such employee benefits and holidays as are customary for senior executives of the Company. The Company acknowledges that Executive is covered by the indemnification provisions of the Company's Certificate of Incorporation. The Company will also use its best efforts to obtain and maintain, at its sole expense, director and officer liability insurance, for the period of Executive's service as an officer and/or director and for so long thereafter as Executive may be subject to a claim, covering any acts or omissions by Executive in Executive's capacity as a director or officer of the Company or any parents, subsidiaries, affiliates predecessors or successors in interest or any other service by Executive at the request of the Company unless such coverage has a commercially unreasonable price or burden on the company.

(e) **Business Expenses.** Executive is authorized to incur any reasonable travel, entertainment or other business expenses in connection with his employment hereunder and the Company shall promptly reimburse Executive for all such expenses upon his submission of appropriate supporting documentation.

(f) **Tax and Legal Advice.** Within fourteen (14) days of Executive submitting a request for reimbursement to the Company, the Company will reimburse Executive in full for any and all reasonable costs and fees Executive incurs for services of an attorney and/or tax advisor to assist in the review and/or negotiation of this Agreement, not to exceed $5,000.

3. **At-Will Employment.** Subject to the Termination and Severance provisions herein, Executive's employment with the Company is "at will," which means that either Executive or the Company may terminate Executive's employment at any time, for any or no reason, with or without Cause. Any contrary representations that may have been made or may be made to Executive at any time shall be superseded and governed by this Section 3.

4. **Termination and Severance**.

(a) **Definitions.** For purposes of this Agreement,

(i) "***Cause***" means Executive's: (a) gross misconduct, personal dishonesty, fraud or material misrepresentation in the performance of Executive's duties or responsibilities to the Company under this Agreement that results from a willful act or omission by Executive; (b) conviction of (or entry of a plea of guilty to) a felony, or a misdemeanor involving moral turpitude; or (c)

willful and material failure to perform Executive's job duties to the Company; or (d) willful refusal to carry out a lawful directive of the Board that is consistent with Executive's position and responsibilities, except where such failure or refusal results from Executive's death, Disability (as defined in herein) or Constructive Termination (as defined herein); provided, however, that the conduct, event or condition specified in subsections (c) or (d) of this paragraph shall only constitute "Cause" if a majority of the Board (excluding Executive) determines in good faith that Executive has not cured the conduct, event or condition within a reasonable period of not less than 30 days after receipt of written notice from the Company. No act or failure to act shall be considered "willful" unless it is done, or omitted to be done, intentionally, in bad faith, and without reasonable belief that the action or omission was in the best interest of the Company.

(ii) "***Constructive Termination***" means Executive's resignation from Executive's employment with the Company within twelve (12) months after any of the following:

(A) any reduction of Executive's base salary which is not part of a broad cross-company cost cutting effort.

(B) any requirement that Executive engage in any illegal or unethical conduct, after Executive has given the Company 30 days' notice and opportunity to cure;

(C) the Company's failure to fully cure within thirty (30) days any material breach by the Company of this Agreement, or any other agreement between Executive and the Company, of which Executive has notified the Board in writing;

(D) a relocation of Executive's principal place of employment by more than fifty (50) miles.

(iii) Executive shall be deemed to be disabled if a majority of the Board (excluding Executive) determines in good faith that Executive is unable to perform the essential functions of his position with Company, even with reasonable accommodation, for a period of not less than ninety (90) consecutive days, due to a mental or physical illness or incapacity (hereafter "**Disability**").

(b) **Termination for Cause, Voluntary Termination.** If the Company terminates Executive's employment for Cause or if Executive voluntarily resigns from his employment with the Company (other than pursuant to a Constructive Termination), then Executive shall not be entitled to receive payment of, and the Company shall have no obligation to pay, any severance other than: (i) the portion of the Base Salary then earned but unpaid; (ii) a pro rata share of any Annual Founder payment for the calendar year in which Executive's employment terminates; (iii) vested benefits under any applicable employee benefit plan or as otherwise specified herein (including without

limitation any accrued but unused paid time off); and (iv) any unreimbursed business expenses incurred by Executive as of the date of such termination.

(c) **Termination Without Cause, Constructive Termination**. In the event Executive's employment with the Company is terminated by the Company without Cause, or as a result of Executive's Constructive Termination:

(i) Executive will receive from the Company, within fourteen (14) days after Executive's termination date, a lump sum cash payment equal to three (3) months of Executive's most recent Base Salary, less applicable withholdings and deductions;

(ii) The Company will pay the applicable COBRA premiums to maintain the level of health insurance benefits for Executive and his dependents in effect on Executive's last day of employment for twelve (12) months after the termination date; and

(iii) Executive will be entitled to an additional twelve (12) months of vesting on his options and/or restricted stock as of Executive's termination date.

(d) **Death or Disability**. In the event of Executive's death or Disability while employed by the Company, Executive (or, as appropriate, his heirs) be entitled to an additional twelve (12) months of vesting on his options and/or restricted stock.

(e) **Additional Conditions.** Executive's receipt of the severance benefits described in paragraphs 4(c) and 4(d) herein will be conditioned on: (i) execution by Executive (or, if applicable, the executor of his estate) of a mutual general release of claims, in the form attached hereto as Exhibit A; and (ii) Executive's resignation from any position on the Board.

5. **Nonsolicit**. Executive agrees not to solicit the Company's employees or customers for a period of twelve (12) months after termination of employment with the Company.

6. **Change of Control**.

(a) **Definition.** As used in this Agreement, "***Change of Control***" shall mean the sale, conveyance, or other disposal of all or substantially all of the Company's property or business, or the merger with or into or consolidation with any other Company, limited liability company or other entity (other than a wholly-owned subsidiary of the Company); provided that none of the following shall be considered a Change of Control: (i) a merger effected exclusively for the purpose of changing the domicile of the Company, (ii) an equity financing in which the Company is the surviving entity, or (iii) a transaction in which the shareholders of the Company immediately prior to the transaction own 45% or more of the voting power of the surviving entity following the transaction.

(b) **Partial Acceleration upon Change of Control.** In the event of a Change of Control, 33% of Executive's unvested stock options and/or restricted stock will vest immediately. In the event of a Change of Control, if Executive is subsequently terminated without Cause or through Constructive Termination within one year of the consummation of the Change of Control, Executive's stock options and/or restricted stock will immediately vest in full.

7. **Confidential Information and Invention Assignment Agreement.** Executive will sign a Confidential Information and Invention Assignment Agreement in the form attached hereto as Exhibit B.

8. **Miscellaneous Provisions**.

(a) **No Duty to Mitigate.** Executive shall not be required to mitigate the amount of any payment contemplated by this Agreement (whether by seeking new employment or in any other manner), nor, except as otherwise provided in this Agreement, shall any such payment be reduced by any earnings that Executive may receive from any other source.

(b) **Amendments and Waivers.** Any term of this Agreement may be amended or waived only with the written consent of the parties. This Agreement may only be modified, or any specific requirements waived, in writing signed by Executive and a duly authorized representative of the Company. No waiver by any party hereto of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion.

(c) **Successors.** This Agreement will inure to the benefit of and be binding upon the heirs, representatives, successors and assigns of each of the parties to it.

(d) **Entire Agreement.** This Agreement, including any Exhibits hereto, constitutes the sole and entire agreement of the parties pertaining to its subject matter and supersedes any prior or contemporaneous negotiations, representations, promises, agreements, or understandings of the parties with respect to the subject matter hereof, whether written or oral. The parties acknowledge that they have not relied on any promise, representation or warranty, express or implied, that is not contained in this Agreement. Parol evidence will be inadmissible to show agreement by and among the parties to any term or condition contrary to or in addition to the terms and conditions contained in the Agreement.

(e) **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon receipt, when delivered personally or by a nationally-recognized delivery service (such as Federal Express or UPS), or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, if such notice is addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

(f) **Choice of Law.** This Agreement will in all respects be interpreted, enforced and governed by and under the laws of the State of California, without regard to the conflicts of laws rules thereof. In interpreting the language of the Agreement all parties to the Agreement shall he treated as having drafted the Agreement after meaningful negotiations.

(g) **Attorney's Fees.** In the event of any litigation arising from or relating to this Agreement, the prevailing party in such litigation proceedings shall be entitled to recover, from the non-prevailing party, the prevailing party's reasonable costs and attorneys' fees, in addition to all other legal or equitable remedies to which the prevailing party may otherwise be entitled. All remedies, either under this Agreement or by law or otherwise afforded, will be cumulative and not alternative.

(h) **Severability.** If one or more provisions of this Agreement are held to be void or unenforceable under applicable law, the parties agree to renegotiate such provision in good faith and the remaining provisions shall remain in full force and effect as set forth herein. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for any provision held to be unenforceable under applicable law, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(i) **Headings.** The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

(j) **Counterparts.** This Agreement may be executed in counterparts and by facsimile, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

The parties have executed this Agreement the date first written above.

SAVAGE BEAST TECHNOLOGIES INCORPORATED

By: /s/ Will Glaser
Name: Will Glaser
Title: COO

Address: 360 22nd Street, Suite 390
Oakland, CA 94612

EXECUTIVE

/s/ Tim Westergen
Tim Westergen

EXHIBIT 10.8

February 23, 2010

Steve Cakebread

Re: Employment Terms

Dear Steve:

On behalf of Pandora Media, Inc. (the "Company"), we are pleased to offer you the position of Chief Financial Officer, reporting to Joe Kennedy, Chief Executive Officer. This letter agreement sets forth the terms and conditions of your employment with the Company ("Agreement"). Please understand that this offer, if not accepted, will expire on March 2, 2010.

1. Responsibilities; Duties. You are expected to begin work on March 15. 2010 (the 'Start Date"). Your primary responsibilities include management of all areas related to finance and accounting, a lead role in Investor Relations representing the company externally to a wide range of constituents, along with those duties and responsibilities normally associated with the position of Chief Financial Officer, as well as such other duties as the Company may from time to time assign to you. You are required to faithfully and conscientiously perform your assigned duties and to diligently observe all your obligations to the Company. You agree to devote your full business time and efforts, energy and skill to your employment at the Company, and you agree to apply all your skill and experience to the performance of your duties and advancing Company's interests. During your employment with the Company. you may not perform services as an employee or consultant of any other organization and you will not assist any other person or organization in competing with the Company or in preparing to engage in competition with the business or proposed business of the Company. You shall comply with and be bound by Company's operating policies, procedures, and practices from time to time in effect during your employment.

2. Compensation. In consideration for rendering services to the Company during the term of your employment and fulfilling your obligations under this Agreement, you will be eligible to receive the benefits set forth in this Agreement.

(a) Base Salary. In this exempt full-time position, you will earn an annual base salary of $300,000.00 (prorated for any partial pay period that occurs during the term of your employment), subject to applicable tax withholdings. Your salary will be payable pursuant to the Company's regular payroll policy.

(b) Business Expenses. The Company shall, upon submission and approval of written statements and bills in accordance with the then regular procedures of the Company, pay or reimburse you for any and all necessary, customary and usual expenses incurred by you while traveling for or on behalf of the Company, and any and all other necessary. customary or usual expenses (including entertainment) incurred by you for or on behalf of the Company in the

normal course of business, as determined to be appropriate by the Company. It is your responsibility to review and comply with the Company's business expense reimbursement policies.

(c) Bonus. At the sole and absolute discretion of the Company's Board of Directors, you may be considered, from time to time, to receive certain discretionary bonuses, subject to the terms and conditions of any bonus or incentive compensation plan that the Company adopts at a later time. Nothing hereunder shall be construed or interpreted as a guarantee for you to receive any bonuses or incentive compensation.

3. Employee Benefits. You will be eligible to participate in any employee benefit plans or programs maintained or established by the Company including, but not limited to, paid time off, group health benefits, life insurance, dental plan, and other benefits made available generally to employees, subject to eligibility requirements and the applicable terms and conditions of the plan or program in question and the determination of any committee administering such plan or program.

4. Stock Option; Change of Control. In connection with the commencement of your employment, the Company will recommend that the Board of Directors grant you a stock option (the "Option") to purchase 2,000,000 shares of the Company's Common Stock with an exercise price equal to the fair market value on the date of the grant. Twenty-five percent (25%) of the Option shares will vest and become exercisable on the twelve (12) month anniversary of your Vesting Commencement Date (as defined in the Stock Option Agreement to be executed between you and the Company), and the remaining Option shares will vest monthly thereafter in increments of one forty-eighth (1/48th) per month following the first anniversary of your Vesting Commencement Date, subject to the acceleration provision set forth in this Section. Vesting will, of course, depend on your continued employment with the Company. The Option will be an incentive stock option to the maximum extent allowed by applicable tax codes and regulations, and will be subject to the terms of the Company's 2004 Incentive Plan (the "Plan") and the Stock Option Agreement between you and the Company, including but not limit to a "lock-up" provision, repurchase rights and a right of first refusal in favor of the Company. You understand that issuing the Option is expressly contingent on the Board's approval and receipt of a fully executed Stock Option Agreement and any related documents, as may be requested by the Company.

In the event that you are involuntarily terminated by the Company without Cause (as defined below under Section 6) or if there is a Constructive Termination (as defined below in this Section 4), which in either case occurs within the twelve (12) month period immediately following a Change of Control (as defined below in this Section 4), then 50% of your then unvested Option shares shall vest. Before any acceleration of vesting shall occur under this Agreement you shall execute and deliver to the Company, without revoking the same, a general release in the form prescribed by the Company (or the surviving entity), which release shall include, without limitation, an agreement by you (i) to release all known and unknown claims that you may then have against the Company, its successors, and persons affiliated with the Company; and (ii) not to prosecute any legal action or other proceeding based upon any of such claims.

For all purposes under this Agreement, "Constructive Termination" shall mean your resignation from the Company after the occurrence of any of the following events which take place within the twelve (12) month period immediately following a Change of Control, absent your consent:

(a) a material reduction in your base salary, which is not part of a broader cost-cutting measure affecting some other executives of the Company; or

(b) a relocation of your principal place of employment by more than fifty (50) miles; or

(c) failure to appoint you as the surviving entity's Chief Financial Officer; provided that, you remain with the Company (or its successor) and you serve, without interruption, in any capacity so selected by the Company (or its successor) for at least a period of six (6) months following a Change of Control ("Transitional Period") (during which time you will continue your regular monthly vesting without acceleration at such time). It being expressly understood and agreed that you must serve the Company (or its successor) in any such capacity during the Transitional Period as described under this subsection (c) in order to be eligible to accelerate vesting of your Options, pursuant to the remaining terms of this Section 4. For avoidance of doubt, it is understood that the foregoing triggers under subsections (a) or (b) or (c) above will each provide you an independent basis for a Constructive Termination.

You understand and agree that within thirty (30) days after the initial existence of any of the foregoing events under (a), (b) or (c) above, you shall promptly provide notice to the Company with an opportunity, of not less than thirty (30) days in the case of (a) and (b) or six (6) months in the case of (c), to effectuate a cure for such asserted claim of "Constructive Termination". If the Company effectuates a cure within the applicable time period then you will not be able to resign based on a Constructive Termination.

For purposes of this Agreement, "**Change of Control**" shall mean:

i. the consummation of a merger, reorganization or consolidation of Company with any other corporation in which the Company or the shareholders of the Company receive cash or securities or other property, other than a merger, reorganization, or consolidation which would result in the voting securities of Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of Company or such surviving entity outstanding immediately after such merger or consolidation; or

ii. the consummation of the sale or disposition of all or substantially all of the Company's assets, in exchange for which the Company or the shareholders of the Company receive cash or securities or other property.

5. At-Will Employment. Your employment with the Company will be on an "at will" basis, meaning that either you or the Company may terminate your employment at any time without notice and for any reason or no reason, without further obligation or liability. Further, your continued employment as well as your participation in any benefit programs does not assure you of continuing employment with the Company. The Company also reserves the right to modify or amend the terms of your employment, compensation and benefit plans at any time for any reason. This policy of at-will employment is the entire agreement as to the duration of your employment and may only be modified in an express written agreement signed by the Chief Executive Officer of the Company.

6. Severance on Termination.

If your employment with the Company is terminated by the Company without "Cause" (as hereinafter defined), you will be eligible to receive a severance payment equal to three (3) months of your then current base salary excluding bonuses and other compensations ("Severance Amount"). The foregoing severance package shall be conditioned on you executing and not revoking a valid release of claims and separation agreement, in a form prescribed by the Company. The Severance Amount shall be paid in three (3) equal installments after Company's receipt of a signed release/separation Agreement from you, with the first installment to begin within fifteen (15) days of such date; provided that, all your severance benefits are and shall remain subject to Section 7 below, notwithstanding any terms to the contrary.

For purposes of this agreement, "**Cause**" shall mean (i) a failure or a refusal to comply in any material respect with the reasonable policies, standards or regulations of Company; (ii) determination by Company's Chief Executive Officer that your performance is unsatisfactory, provided that, the Company provides you a fifteen (15) day cure period to remedy your nonperformance; (iii) unprofessional, unethical or fraudulent conduct or conduct that materially discredits Company or is materially detrimental to the reputation, character or standing of Company; (iv) dishonest conduct or a deliberate attempt to do an injury to Company; (v) your material breach of this Agreement or any breach of confidentiality or proprietary information agreements with the Company, including, without limitation, theft of Company's proprietary information; (vi) an unlawful or criminal act which would reflect badly on Company in Company's reasonable judgment; (vii) adverse economic circumstances of Company; (viii) absence from work without an approved leave; or (ix) death or disability (whether due to illness, disability or otherwise; provided however, that you shall be entitled to any benefits or reasonable accommodation required by law).

7. Section 409A of the Code. The following rules shall apply with respect to distribution of the payments and benefits, if any, to be provided to you upon termination of your employment:

(a) Prohibition on Acceleration or Deferral of Payments. Neither you nor the Company shall have the right to accelerate or defer the delivery of any payments or benefits that constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") (together with the Department of Treasury regulations and other guidance promulgated thereunder, "Section 409A"), except to the extent specifically permitted or required by Section 409A.

(b) Separation from Service. Any payments or benefits that constitute "nonqualified deferred compensation" within the meaning of Section 409A under the Agreement which are designated as payable upon your termination of employment (other than accrued obligations which must be paid upon such termination under applicable law) ("Severance") shall, subject to Section 7(c) below, be payable only upon your "separation from service" with the Company within the meaning of Section 409A (a "Separation from Service"). Severance shall be payable at such objectively determinable time or times as are specified in this Agreement.

(c) Specified Employee. If, as of the date of your Separation from Service, the Company determines, in its sole judgment that you are not a "specified employee" (within the meaning of Section 409A), then the payments and benefits shall be made on the dates and terms set forth in Section 6 above or otherwise specified in the Company's benefit plans. If, however, as of the date of your Separation from Service, the Company determines, in its sole judgment, that you are a "specified employee" for purposes of Section 409A, then:

(i) Any payments and benefits that constitute "nonqualified deferred compensation" within the meaning of Section 409A that are payable to you in connection with your Separation from Service and due under your Agreement or the Company benefit plans that, in accordance with the dates and terms set forth therein, will in all circumstances, regardless of when the Separation from Service occurs, be paid within the Short-Term Deferral Period (as hereinafter defined) shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible under Section 409A. For purposes of this Amendment, the "Short-Term Deferral Period" means the period ending on the later of the 15th day of the third month following the end of your tax year in which the Separation from Service occurs and the 15th day of the third month following the end of the Company's tax year in which the Separation from Service occurs; and

(ii) Any payments and benefits that constitute "nonqualified deferred compensation" within the meaning of Section 409A that are payable to you in connection with your Separation from Service and due under your Agreement or the Company's benefit plans that is not paid within the Short-Term Deferral Period and that would, absent this subsection, be paid within the six-month period following your Separation from Service from the Company shall not be paid until the date that six months and one day after such Separation from Service (or, if earlier, your death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following your Separation from Service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth in your Agreement or the Company's benefit plans; provided, however, that the preceding provisions of this sentence shall not apply to any payments and benefits if and to the maximum extent that that such payments and benefits are deemed to be paid under a separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation 1.409A-1(b)(9)(iii) (relating to separation pay upon an involuntary Separation from Service) or Treasury Regulation 1.409A-1(b)(9)(v) (relating to reimbursements and certain other separation payments). Any payments or benefits that qualify for the exception under Treasury Regulation Section 1.409A-1(b)(9)(iii) must be paid no later than the last day of the second taxable year following the taxable year in which the Separation from Service occurs.

(d) Installments. Your right to receive any installment payments under this Agreement, including without limitation any continuation salary payments that are payable on Company payroll dates, shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Treasury Regulation Section 1.409A-2(b)(2)(iii).

(e) Release. Notwithstanding any provision to the contrary in the Agreement, if payment of any amounts or the provision of any benefits upon the your Separation from Service are conditioned upon your execution of a release of claims or similar instrument or agreement (a "Release"), then any such payments or benefits shall be paid or shall commence payment, as applicable, subject to Section 7(c) above, no later than sixty (60) days after the date you incur a Separation from Service from the Company with the exact date of payment or commencement within the sixty (60) day period to be determined in the sole discretion of the Company. The Company shall have no obligation to pay any such amounts or provide any such benefits unless you execute and do not revoke the Release. Notwithstanding the foregoing, the Company shall have the obligation to pay such amounts and provide such benefits if you execute and do not revoke the Release after sixty (60) days following the date you incur a Separation from Service from the Company to the extent permitted under Treas. Reg. Section 1.409A-3(g) relating to disputed payments.

(f) Construction. To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A. Notwithstanding any provision of this Agreement to the contrary, in the event that, notwithstanding this Amendment, the Company determines in good faith that any compensation or benefits payable under this Agreement may not be either exempt from or compliant with Section 409A, the Company may adopt such amendments to the Agreement or adopt other policies or procedures (including amendments, policies and procedures with retroactive effective), or take any other commercially reasonable actions necessary or appropriate (i) to preserve the intended tax treatment of the compensation and benefits payable hereunder and/or preserve the economic benefits of such compensation and benefits, and/or (ii) to exempt the compensation and benefits payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder; *provided*, *however*, that this Section 7(f) does not, and shall not be construed so as to, create any obligation on the part of the Company to adopt any such amendments, policies or procedures or to take any other such actions. Nothing contained herein will allow the Company, without your consent. to adopt amendments to the Agreement or adopt other policies and procedures which would prevent you from receiving your severance payments as soon as possible under Section 409A (subject to your execution and non-revocation of a Release); provided, however, in no event shall such severance payments take place earlier than as required under the Agreement.

(g) Obligations for Taxes. You expressly agree and acknowledge that if, notwithstanding this Agreement, any taxes are imposed under Section 409A in respect of any compensation or benefits payable to you, whether in connection with the Agreement or otherwise, then (i) the payment of such taxes shall be solely your responsibility and (ii) neither the Company, its affiliated entities nor any of their respective past or present directors, officers, shareholders, employees or agents shall have any liability for any such taxes.

8. Pre-employment Conditions.

(a) **Confidentiality Agreement**. Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's Confidential Information and Invention Assignment Agreement, a copy of which is enclosed for your review and execution (the "Confidentiality Agreement"), prior to or on your Start Date.

(b) **Right to Work**. For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us no later than your Start Date, or our employment relationship with you may be terminated.

(c) **Verification of Information**. This offer of employment is also contingent upon the successful verification of the information you provided to the Company during your application process, as well as a general background check performed by the Company to confirm your suitability for employment. By accepting this offer of employment, you warrant that all information provided by you is true and correct to the best of your knowledge, and you expressly release all parties from any and all liability for damages that may result from obtaining, furnishing, collecting or verifying such information, as well as from the use of or disclosure of such information by the Company or its agents. You have a right to review copies of any public records obtained by the Company in conducting this verification process unless you check the box below.

_____ I hereby waive my right to receive any public records as described above.

9. No Conflicting Obligations. You understand and agree that by accepting this offer of employment, you represent to the Company that performance of your duties to the Company and the terms of this Agreement and the Confidentiality Agreement will not breach any other agreement (written or oral) to which you are a party (including without limitation, current or past employers) and that you have not, and will not during the term of your employment with the Company, enter into any oral or written agreement which may result in a conflict of interest or may otherwise be in conflict with any of the provisions of this Agreement, the Confidentiality Agreement or the Company's policies. You are not to bring with you to the Company, or use or disclose to any person associated with the Company, any confidential or proprietary information belonging to any former employer or other person or entity with respect to which you owe an obligation of confidentiality under any agreement or otherwise. The Company does not need and will not use such information. Also, we expect you to abide by any obligations to refrain from soliciting any person employed by or otherwise associated with any former employer and suggest that you refrain from having any contact with such persons until such time as any non-solicitation obligation expires. To the extent that you are bound by any such obligations, you must inform the Company immediately prior to accepting this Agreement.

10. General Obligations. As an employee, you will be expected to adhere to the Company's standards of professionalism, loyalty, integrity, honesty, reliability and respect for all. Please note that the Company is an equal opportunity employer. The Company does not permit, and will not tolerate, the unlawful discrimination or harassment of any employees, consultants,

or related third parties on the basis of sex, race, color, religion, age, national origin or ancestry, marital status, veteran status, mental or physical disability or medical condition, sexual orientation, pregnancy, childbirth or related medical condition, or any other status protected by applicable law. Any questions regarding this EEO statement should be directed to Human Resources.

11. Termination Obligations.

(a) You agree that all property, including, without limitation, all equipment, proprietary information, documents, books, records, reports, notes, contracts, lists, computer disks (and other computer-generated files and data), and copies thereof, created on any medium and furnished to, obtained by, or prepared by you in the course of or incident to your employment, belongs to the Company and shall be returned to the Company promptly upon any termination of your employment, or sooner if so requested by the Company.

(b) Upon your termination for any reason, and as a condition of your receipt of any severance benefits hereunder, you will promptly resign in writing from all offices and directorships then held with the Company or any affiliate of the Company.

(c) Following the termination of your employment with the Company for any reason, you shall fully cooperate with the Company in all matters relating to the winding up of pending work on behalf of the Company and the orderly transfer of work to other employees of the Company. You shall also cooperate in the defense of any action brought by any third party against the Company. If necessary, the Company shall pay you for your time incurred to comply with this provision at a reasonable per diem or per hour rate as to be determined by the Company.

(d) Following the termination of your employment with the Company for any reason, you agree that you will not at any time make any statements or comments (written or oral) to any third party or take any action disparaging the integrity or reputation of the Company or any of its subsidiaries, employees, officers, directors, stockholders or affiliates. You also agree that you will not do or say anything that could disrupt the good morale of the employees of any of the companies listed above or harm their respective businesses or reputations of the companies and persons listed above.

12. Misc. Terms.

(a) Entire Agreement. This Agreement, together with its Attachment A (the Confidentiality Agreement), set forth the entire terms of your employment with the Company and supersede any prior representations or agreements, whether written or oral.

(b) Governing Law. This Agreement will be governed by the laws of California, without regard to its conflict of laws provisions. This Agreement may not be modified or amended except by a written agreement, signed by the CEO of the Company.

(c) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same instrument.

(d) Severability. Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to law, and wherever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event, any provision of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, paragraph or clause of this Agreement shall be held to be indefinite or invalid, the entire Agreement shall not fail on account thereof, and the balance of the Agreement shall continue in full force and effect.

(e) Waiver. Failure or delay of either party to insist upon compliance with any provision hereof will not operate as, and is not to be construed as, a waiver or amendment of such provision or the right of the aggrieved party to insist upon compliance with such provision or to take remedial steps to recover damages or other relief for noncompliance. Any express waiver of any provision of this Agreement will not operate and is not to be construed as a waiver of any subsequent breach, whether occurring under similar or dissimilar circumstances.

We are all delighted to be able to extend you this offer and look forward to working with you. To indicate your acceptance of the Company's offer, please sign and date this Agreement in the space provided below and return it to me, along with a signed and dated original copy of the Confidentiality Agreement, prior to the expiration date specified in the opening paragraph of this Agreement.

Very truly yours,

By: /s/ Joe Kennedy
Joe Kennedy
Chief Executive Officer
PANDORA MEDIA, INC.

ACCEPTED AND AGREED:

I have read this offer and agree to accept employment with Company under the terms set forth in this Agreement.

Steve Cakebread

/s/ Steve Cakebread

2/20/2010

EXHIBIT 10.9

November 12, 2004

Tom Conrad

Dear Tom:

On behalf of Savage Beast Technologies Incorporated (the "Company"), I am pleased to offer you continued employment as Vice President of Engineering of the Company on the terms set forth herein. This agreement amends and restates, in its entirety, your offer letter dated June 18, 2004.

You will be working out of the Company's headquarters office, in Oakland, California, under the guidance of the Company's Chief Operating Officer. You will be responsible for managing the engineering team.

1. **Compensation.**

a. **Base Wage.** In this exempt position, effective January 1, 2005 you will earn a starting salary of $14,583.33 per month, which is equivalent to $175,000.00 on an annualized basis, subject to applicable tax withholding. Your salary will be payable pursuant to the Company's regular payroll policy.

b. **Incentive Compensation.** You will be awarded a one time payment of $10,000.00 on December 31, 2004 as partial bonus for the year ended 2004.

2. **Employee Benefits.**

a. **Paid Time Off.** You will be eligible to accrue up to 15 days of paid PTO per calendar year, pro-rated for the remainder of this calendar year.

b. **Group Plans.** The Company will provide you with the opportunity to participate in the standard benefits plans currently available to other similarly situated employees, including medical and dental insurance, subject to any eligibility requirements imposed by such plans.

3. **Equity Award.**

a. **Stock Option.** In connection with your continued employment, the Company will recommend that the Board of Directors grant you a stock option (the "Option") to purchase 412,141 shares (as adjusted for stock splits, stock dividends, combinations and like transactions) of the Company's Common Stock (the "Option Shares"), with a per share exercise price equal to the fair market value of such shares on the date of grant. The term of the Option shall be ten (10) years; provided that you shall have thirty (30) days to exercise such Option following the termination of your employment. The Option Shares will vest and become exercisable at the rate of 25% of the total number of shares on the twelve (12) month anniversary

of your Vesting Commencement Date (which Vesting Commencement Date shall be December 1, 2004, and 1/48th of the total number of Option Shares each month thereafter. In no event shall any additional Option Shares vest after the termination of your employment or consulting relationship with the Company, except as otherwise provided herein. The Option will be an ISO to the maximum extent permitted by applicable law.

4. **Change of Control.**

a. **Definition.** As used in this Agreement, "***Change of Control***" shall mean the sale, conveyance, or other disposal of all or substantially all of the Company's property or business, or the merger with or into or consolidation with any other Company, limited liability company or other entity (other than a wholly-owned subsidiary of the Company); provided that none of the following shall be considered a Change of Control: (i) a merger effected exclusively for the purpose of changing the domicile of the Company, (ii) an equity financing in which the Company is the surviving entity, or (iii) a transaction in which the shareholders of the Company immediately prior to the transaction own 45% or more of the voting power of the surviving entity following the transaction.

b. **Acceleration upon Change of Control.** In the event of a Change of Control, thirty-three percent (33%) of your then unvested stock options will vest immediately. You may choose to exercise the Options in conjunction with the Change of Control, or to leave them unexercised and fairly adjusted or converted in accordance with the acquiring company's requirements. In the event that your remaining unvested Options are not assumed or substituted for by the acquiring company on terms consistent with the overall Change of Control transaction, then 100% of your unvested Option Shares shall vest in full.

c. **Involuntary Termination/Constructive Termination.** In the event that you are involuntarily terminated without Cause or experience a Constructive Termination of your employment (each an "Involuntary Termination") within twelve (12) months after a Change in Control, 100% of your then unvested Option Shares shall vest in full, provided that you execute and deliver to the Company an executed general release in a form acceptable to the Company (or the surviving entity), which release shall include, without limitation, an agreement by you (i) to release all known and unknown claims that you may then have against the Company or persons affiliated with the Company, provided, however, that you will not be required to release any claims with respect to any then-unpaid deferred compensation earned under the terms of the Arrangement; and (ii) not to prosecute any legal action or other proceeding based upon any of such claims.

For all purposes under this Agreement, "Constructive Termination" of your employment means: resignation from your employment with the Company within twelve (12) months after any of the following:

(a) any reduction of Executive's base salary which is not part of a broad cross-company cost cutting effort.

(b) any requirement that Executive engage in any illegal or unethical conduct, after Executive has given the Company 30 days' notice and opportunity to cure;

(c) the Company's failure to fully cure within thirty (30) days any material breach by the Company of this Agreement, or any other agreement between Executive and the Company, in each case which Executive has notified the Board in writing;

(d) a relocation of Executive's principal place of employment by more than fifty (50) miles.

Executive shall be deemed to be disabled if a majority of the Board determines in good faith that Executive is unable to perform the essential functions of his position with Company, even with reasonable accommodation, for a period of not less than ninety (90) consecutive days, due to a mental or physical illness or incapacity (hereafter "***Disability***").

"Cause" for termination of your employment means: (a) gross misconduct, personal dishonesty, fraud or material misrepresentation in the performance of your duties or responsibilities to the Company under this Agreement that results from a willful act or omission by you; (b) conviction of (or entry of a plea of guilty to) a felony, or a misdemeanor involving moral turpitude; or (c) willful and material failure to perform your job duties to the Company; or (d) willful refusal to carry out a lawful directive of the Board that is consistent with your position and responsibilities, except where such failure or refusal results from your death, Disability (as defined in herein) or Constructive Termination (as defined herein); provided, however, that the conduct, event or condition specified in subsections (c) or (d) of this paragraph shall only constitute "Cause" if a majority of the Board determines in good faith that Executive has not cured the conduct, event or condition within a reasonable period of not less than 30 days after receipt of written notice from the Company. No act or failure to act shall be considered "willful" unless it is done, or omitted to be done, intentionally, in bad faith, and without reasonable belief that the action or omission was in the best interest of the Company.

5. **General Obligations.** You acknowledge and agree that you have abided by, and remain subject to and will continue to abide by, the Confidential Information and Invention Assignment Agreement you previously entered into with the Company in connection with your employment with the Company, a form of which is attached hereto as Exhibit A (the "Confidentiality Agreement"). You represent and warrant to the Company that you are under no obligations or commitments, whether contractual or otherwise, that are inconsistent with your obligations set forth in this Agreement or the Confidentiality Agreement. As an employee, you will be expected to adhere to the Company's standards of professionalism, loyalty, integrity, honesty, reliability and respect for all. Please note that the Company is an equal opportunity employer. The Company does not permit, and will not tolerate, the unlawful discrimination or harassment of any employees, consultants, or related third parties on the basis of sex, race, color, religion, age, national origin or ancestry, marital status, veteran status, mental or physical disability or medical condition, sexual orientation, pregnancy, childbirth or related medical

condition, or any other status protected by applicable law. Any questions regarding this EEO statement should be directed to Human Resources.

6. **At-Will Employment.** Your employment with the Company will be on an "at will" basis, meaning that either you or the Company may terminate your employment at any time for any reason or no reason, without further obligation or liability. The Company also reserves the right to modify or amend the terms of your employment at any time for any reason. This policy of at-will employment is the entire agreement as to the duration of your employment and may only be modified in an express written agreement signed by the Chief Executive Officer of the Company.

We are all delighted to be able to extend you this offer and look forward to continue to work together. To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me. This letter, together with the Confidentiality Agreement, set forth the terms of your employment with the Company and supersede any prior representations or agreements, whether written or oral. This letter shall be binding on, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; however, you may not assign, transfer or delegate your rights or obligations under this letter and any attempt to do so shall be void. This letter will be governed by the laws of California, without regard to its conflict of laws provisions. This letter may not be modified or amended except by a written agreement, signed by an officer of the Company.

Very truly yours,

SAVAGE BEAST TECHNOLOGIES, INC.

By: /s/ Joseph Kennedy
Joseph J. Kennedy, CEO & President

ACCEPTED AND AGREED:

TOM CONRAD

/s/ Tom Conrad
Signature

6/20/04
Date

_X_ I hereby waive my right to receive any public records as described above.

EXHIBIT 10.10

February 18, 2009

John Trimble

Re: Employment Terms

Dear John:

On behalf of Pandora Media, Inc. (the "Company"), we are pleased to offer you the position of Chief Revenue Officer, reporting to Joe Kennedy, Chief Executive Officer. This letter agreement sets forth the terms and conditions of your employment with the Company ("Agreement"). Please understand that this offer, if not accepted, will expire on February 27, 2009.

1. Responsibilities: Duties. You are expected to begin work on March 16, 2009 (the 'Start Date"). Your primary responsibilities will be strategic planning, budgeting and forecasting; organizational design, development, recruiting, training, compensation, and performance management; process development and management; ad operations and support, ad sales marketing and analysis, and regional offices, along with those duties and responsibilities normally associated with the position of Chief Revenue Officer, as well as such other duties as the Company may from time to time assign to you. You are required to faithfully and conscientiously perform your assigned duties and to diligently observe all your obligations to the Company. You agree to devote your full business time and efforts, energy and skill to your employment at the Company, and you agree to apply all your skill and experience to the performance of your duties and advancing Company's interests. During your employment with the Company, you may not perform services as an employee or consultant of any other organization and you will not assist any other person or organization in competing with the Company or in preparing to engage in competition with the business or proposed business of the Company. You shall comply with and be bound by Company's operating policies, procedures, and practices from time to time in effect during your employment.

At Company's option, it will be entitled to use of your name in promotional, advertising and other materials used in the ordinary course of its business without additional compensation unless prohibited by law.

2. Compensation. In consideration for rendering services to the Company during the term of your employment and fulfilling your obligations under this Agreement, you will be eligible to receive the benefits set forth in this Agreement.

a. Base Salary. In this exempt full-time position, you will earn an annual base salary of $350,000.00 (prorated for any partial pay period that occurs during the term of your employment), subject to applicable tax withholdings. Your salary will be payable pursuant to the Company's regular payroll policy.

b. Signing Bonus. To the extent that you commence employment on the Start Date, you will be eligible to receive a one-time signing bonus in the gross amount of $45,000.00, subject to applicable tax withholdings. This bonus shall be paid no later than 30 days following your start date at the Company. This bonus is offered as an incentive for you to stay with the Company. Therefore, if you terminate your employment with the Company within 12 months of your Start Date or if you are terminated by the Company for "Cause" (as defined under Section 6 below) within 12 months of your Start Date, you shall be required to pay back to the Company the entire sum of this signing bonus. The Company is authorized to deduct and offset repayment of this bonus against any sums which are then due to you at the time of your termination, to the extent permitted by applicable laws.

c. Performance Bonus. In addition to your base salary, you will be eligible to earn a bonus for each full calendar quarter that you are an employee of the Company and in good standing at all times up to and including the date of a bonus payment, subject to the terms of this Agreement and the terms and conditions of any Company bonus policy. The target amount shall be $87,500.00 quarterly, subject to the satisfactory attainment of all individual performance objectives established at the beginning of each quarter by Company's CEO. Any such bonus earned for a given quarter will be payable during the next payroll period following the date upon which the bonus is calculated. At the Company's sole and absolute discretion, additional bonus may be earned if targeted quarterly revenues and performance objectives are exceeded, subject to the terms and conditions of any bonus plan structure that is offered to you.

Your ability to earn bonuses terminates on your last date of employment with the Company, regardless of the reasons for termination of your employment. On termination of employment, bonuses and any other incentive compensations are not pro-rated (e.g. quotas and bonuses are not reduced to reflect the actual time that you were at the Company and eligible to receive such amounts), and you will not receive any credits or other payments for any pipeline deals or other pending transactions. Upon termination of you employment for any reason, you will only be entitled to receive payment for earned wages as required by applicable law (namely, your base salary incurred through the date of termination and any earned but unused vacation).

d. Business Expenses. The Company shall, upon submission and approval of written statements and bills in accordance with the then regular procedures of the Company, pay or reimburse you for any and all necessary, customary and usual expenses incurred by you while traveling for or on behalf of the Company, and any and all other necessary, customary or usual expenses (including entertainment) incurred by you for or on behalf of the Company in the normal course of business, as determined to be appropriate by the Company. It is your responsibility to review and comply with the Company's business expense reimbursement policies.

3. Employee Benefits. You will be eligible to participate in any employee benefit plans or programs maintained or established by the Company including, but not limited to, paid time off, group health benefits, life insurance, dental plan, and other benefits made available generally to employees, subject to eligibility requirements and the applicable terms and conditions of the plan or program in question and the determination of any committee administering such plan or program.

4. Stock Option. In connection with the commencement of your employment, the Company will recommend that the Board of Directors grant you a stock option (the "Option") to

purchase 1,100,000 shares of the Company's Common Stock with an exercise price equal to the fair market value on the date of the grant. Twenty-five percent (25%) of the Option shares will vest and become exercisable on the twelve (12) month anniversary of your Vesting Commencement Date (as defined in the Stock Option Agreement to be executed between you and the Company), and the remaining Option shares will vest monthly thereafter in increments of one forty-eighth (1/48th) per month following the first anniversary of your Vesting Commencement Date, subject to the acceleration provision set forth in this Section and Section 6 below. Vesting will, of course, depend on your continued employment with the Company. The Option will be an incentive stock option to the maximum extent allowed by applicable tax codes and regulations, and will be subject to the terms of the Company's 2004 Incentive Plan (the "Plan") and the Stock Option Agreement between you and the Company, including but not limited to a "lock-up" provision, repurchase rights and a right of first refusal in favor of the Company. You understand that issuing the Option is expressly contingent on the Board's approval and receipt of a fully executed Stock Option Agreement and any related documents, as may be requested by the Company.

In the event of a Change of Control (as defined below), if your remaining unvested Options at such time are not assumed or in any way substituted or replaced by the acquiring company on terms consistent with the overall Change of Control transaction, then 50% of your then unvested Option Shares shall vest in full following the Change of Control.

For purposes of this Agreement, "Change of Control" shall mean:

(a) the consummation of a merger, reorganization or consolidation of Company with any other corporation in which the Company or the shareholders of the Company receive cash or securities or other property, other than a merger, reorganization, or consolidation which would result in the voting securities of Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of Company of such surviving entity outstanding immediately after such merger or consolidation; or

(b) the consummation of the sale or disposition of Company of all or substantially all Company's assets in which the Company or the shareholders of the Company receive cash or securities or other property.

5. At-Will Employment. Your employment with the Company will be on an "at will" basis, meaning that either you or the Company may terminate your employment at any time without notice and for any reason or no reason, without further obligation or liability. Further, your continued employment as well as your participation in any benefit programs does not assure you of continuing employment with the Company. The Company also reserves the right to modify or amend the terms of your employment, compensation and benefit plans at any time for any reason. This policy of at-will employment is the entire agreement as to the duration of your employment and may only be modified in an express written agreement signed by the Chief Executive Officer of the Company.

6. Severance and Acceleration of Vesting on Termination.

If your employment with the Company is terminated by the Company without "Cause" (as hereinafter defined), (i) you will be eligible to receive a severance payment equal to three (3) months of your then current base salary excluding bonuses and other compensations ("Severance Amount"), and (ii) the vesting schedule for your then unvested Option shares shall accelerate by twelve (12) months, such that your then unvested Option shares shall vest 12 months sooner than they would have vested under the original vesting schedule specified in Section 4 above. The foregoing severance package shall be conditioned on you executing and not revoking a valid release of claims and separation agreement, in a form prescribed by the Company. The Severance Amount shall be paid in three (3) equal installments after Company's receipt of a signed release/separation Agreement from you, with the first installment to begin within fifteen (15) days of such date; provided that, all your severance benefits are and shall remain subject to Section 7 below, notwithstanding any terms to the contrary.

For purposes of this agreement, "**Cause**" shall mean (i) a failure or a refusal to comply in any material respect with the reasonable policies, standards or regulations of Company; (ii) determination by Company's Chief Executive Officer that your performance is unsatisfactory, provided that, the Company provides you a fifteen (15) day cure period to remedy your nonperformance; (iii) unprofessional, unethical or fraudulent conduct or conduct that materially discredits Company or is materially detrimental to the reputation, character or standing of Company; (iv) dishonest conduct or a deliberate attempt to do an injury to Company; (v) your material breach of this Agreement or any breach of confidentiality or proprietary information agreements with the Company, including, without limitation, theft of Company's proprietary information; (vi) an unlawful or criminal act which would reflect badly on Company in Company's reasonable judgment; (vii) adverse economic circumstances of Company; (viii) absence from work without an approved leave; or (ix) death or disability (whether due to illness, disability or otherwise; provided however, that you shall be entitled to any benefits or reasonable accommodation required by law).

7. Section 409A of the Code. The following rules shall apply with respect to distribution of the payments and benefits, if any, to be provided to you upon termination of your employment:

a. Prohibition on Acceleration or Deferral of Payments. Neither you nor the Company shall have the right to accelerate or defer the delivery of any payments or benefits that constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") (together with the Department of Treasury regulations and other guidance promulgated thereunder, "Section 409A"), except to the extent specifically permitted or required by Section 409A.

b. Separation from Service. Any payments or benefits that constitute "nonqualified deferred compensation" within the meaning of Section 409A under the Agreement which are designated as payable upon your termination of employment (other than accrued obligations which must be paid upon such termination under applicable law) ("Severance") shall, subject to Section 7(c) below, be payable only upon your "separation from service" with the Company within the meaning of Section 409A (a "Separation from Service"). Severance shall be payable at such objectively determinable time or times as are specified in this Agreement.

c. Specified Employee. If, as of the date of your Separation from Service, the Company determines, in its sole judgment that you are not a "specified employee" (within the meaning of Section 409A), then the payments and benefits shall be made on the dates and terms set forth in Section 6 above or otherwise specified in the Company's benefit plans. If, however, as of the date of your Separation from Service, the Company determines, in its sole judgment, that you are a "specified employee" for purposes of Section 409A, then:

(i) Any payments and benefits that constitute "nonqualified deferred compensation" within the meaning of Section 409A that are payable to you in connection with your Separation from Service and due under your Agreement or the Company benefit plans that, in accordance with the dates and terms set forth therein, will in all circumstances, regardless of when the Separation from Service occurs, be paid within the Short-Term Deferral Period (as hereinafter defined) shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible under Section 409A. For purposes of this Amendment, the "Short-Term Deferral Period" means the period ending on the later of the 15th day of the third month following the end of your tax year in which the Separation from Service occurs and the 15th day of the third month following the end of the Company's tax year in which the Separation from Service occurs; and

(ii) Any payments and benefits that constitute "nonqualified deferred compensation" within the meaning of Section 409A that are payable to you in connection with your Separation from Service and due under your Agreement or the Company's benefit plans that is not paid within the Short-Term Deferral Period and that would, absent this subsection, be paid within the six-month period following your Separation from Service from the Company shall not be paid until the date that is six months and one day after such Separation from Service (or, if earlier, your death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following your Separation from Service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth in your Agreement or the Company's benefit plans; provided, however, that the preceding provisions of this sentence shall not apply to any payments and benefits if and to the maximum extent that that such payments and benefits are deemed to be paid under a separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation 1.409A-1(b)(9)(iii) (relating to separation pay upon an involuntary Separation from Service) or Treasury Regulation 1.409A-1(b)(9)(v) (relating to reimbursements and certain other separation payments). Any payments or benefits that qualify for the exception under Treasury Regulation Section 1.409A-1(b)(9)(iii) must be paid no later than the last day of the second taxable year following the taxable year in which the Separation from Service occurs.

d. Installments. Your right to receive any installment payments under this Agreement, including without limitation any continuation salary payments that are payable on Company payroll dates, shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Treasury Regulation Section 1.409A-2(b)(2)(iii).

e. Release. Notwithstanding any provision to the contrary in the Agreement, if payment of any amounts or the provision of any benefits upon the your Separation from Service are

conditioned upon your execution of a release of claims or similar instrument or agreement (a "Release"), then any such payments or benefits shall be paid or shall commence payment, as applicable, subject to Section 7(c) above, no later than sixty (60) days after the date you incur a Separation from Service from the Company, with the exact date of payment or commencement within the sixty (60) day period to be determined in the sole discretion of the Company. The Company shall have no obligation to pay any such amounts or provide any such benefits unless you execute and do not revoke the Release. Notwithstanding the foregoing, the Company shall have the obligation to pay such amounts and provide such benefits if you execute and do not revoke the Release after sixty (60) days following the date you incur a Separation from Service from the Company to the extent permitted under Treas. Reg. Section 1.409A-3(g) relating to disputed payments.

f. Construction. To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A. Notwithstanding any provision of this Agreement to the contrary, in the event that, notwithstanding this Amendment, the Company determines in good faith that any compensation or benefits payable under this Agreement may not be either exempt from or compliant with Section 409A, the Company may adopt such amendments to the Agreement or adopt other policies or procedures (including amendments, policies and procedures with retroactive effective), or take any other commercially reasonable actions necessary or appropriate (i) to preserve the intended tax treatment of the compensation and benefits payable hereunder and/or preserve the economic benefits of such compensation and benefits, and/or (ii) to exempt the compensation and benefits payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder; provided, however, that this Section 7(f) does not, and shall not be construed so as to, create any obligation on the part of the Company to adopt any such amendments, policies or procedures or to take any other such actions. Nothing contained herein will allow the Company, without your consent, to adopt amendments to the Agreement or adopt other policies and procedures which would prevent you from receiving your severance payments as soon as possible under Section 409A (subject to your execution and non-revocation of a Release); provided, however, in no event shall such severance payments take place earlier than as required under the Agreement.

g. Obligations for Taxes. You expressly agree and acknowledge that if, notwithstanding this Agreement, any taxes are imposed under Section 409A in respect of any compensation or benefits payable to you, whether in connection with the Agreement or otherwise, then (i) the payment of such taxes shall be solely your responsibility and (ii) neither the Company, its affiliated entities nor any of their respective past or present directors, officers, shareholders, employees or agents shall have any liability for any such taxes.

8. Pre-employment Conditions.

a. Confidentiality Agreement. Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's Confidential Information and Invention Assignment Agreement, a copy of which is enclosed for your review and execution (the "Confidentiality Agreement"), prior to or on your Start Date.

b. Right to Work. For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us no later than your Start Date, or our employment relationship with you may be terminated.

c. Verification of Information. This offer of employment is also contingent upon the successful verification of the information you provided to the Company during your application process, as well as a general background check performed by the Company to confirm your suitability for employment. By accepting this offer of employment, you warrant that all information provided by you is true and correct to the best of your knowledge, and you expressly release all parties from any and all liability for damages that may result from obtaining, furnishing, collecting or verifying such information, as well as from the use of or disclosure of such information by the Company or its agents. You have a right to review copies of any public records obtained by the Company in conducting this verification process unless you check the box below.

I hereby waive my right to receive any public records as described above.

9. No Conflicting Obligations. You understand and agree that by accepting this offer of employment, you represent to the Company that performance of your duties to the Company and the terms of this Agreement and the Confidentiality Agreement will not breach any other agreement (written or oral) to which you are a party (including without limitation, current or past employers) and that you have not, and will not during the term of your employment with the Company, enter into any oral or written agreement which may result in a conflict of interest or may otherwise be in conflict with any of the provisions of this Agreement, the Confidentiality Agreement or the Company's policies. You are not to bring with you to the Company, or use or disclose to any person associated with the Company, any confidential or proprietary information belonging to any former employer or other person or entity with respect to which you owe an obligation of confidentiality under any agreement or otherwise. The Company does not need and will not use such information. Also, we expect you to abide by any obligations to refrain from soliciting any person employed by or otherwise associated with any former employer and suggest that you refrain from having any contact with such persons until such time as any non-solicitation obligation expires. To the extent that you are bound by any such obligations, you must inform the Company immediately prior to accepting this Agreement.

10. General Obligations. As an employee, you will be expected to adhere to the Company's standards of professionalism, loyalty, integrity, honesty, reliability and respect for all. Please note that the Company is an equal opportunity employer. The Company does not permit, and will not tolerate, the unlawful discrimination or harassment of any employees, consultants, or related third parties on the basis of sex, race, color, religion, age, national origin or ancestry, marital status, veteran status, mental or physical disability or medical condition, sexual orientation, pregnancy, childbirth or related medical condition, or any other status protected by applicable law. Any questions regarding this EEO statement should be directed to Human Resources.

11. Termination Obligations.

a. You agree that all property, including, without limitation, all equipment, proprietary information, documents, books, records, reports, notes, contracts, lists, computer disks (and other computer-generated files and data), and copies thereof, created on any medium and furnished to, obtained by, or prepared by you in the course of or incident to your employment, belongs to the Company and shall be returned to the Company promptly upon any termination of your employment, or sooner if so requested by the Company.

b. Upon your termination for any reason, and as a condition of your receipt of any severance benefits hereunder, you will promptly resign in writing from all offices and directorships then held with the Company or any affiliate of the Company.

c. Following the termination of your employment with the Company for any reason, you shall fully cooperate with the Company in all matters relating to the winding up of pending work on behalf of the Company and the orderly transfer of work to other employees of the Company. You shall also cooperate in the defense of any action brought by any third party against the Company. If necessary, the Company shall pay you for your time incurred to comply with this provision at a reasonable per diem or per hour rate as to be determined by the Company.

d. Following the termination of your employment with the Company for any reason, you agree that you will not at any time make any statements or comments (written or oral) to any third party or take any action disparaging the integrity or reputation of the Company or any of its subsidiaries, employees, officers, directors, stockholders or affiliates. You also agree that you will not do or say anything that could disrupt the good morale of the employees of any of the companies listed above or harm their respective businesses or reputations of the companies and persons listed above.

12. Misc. Terms.

a. Entire Agreement. This Agreement, together with its Attachment A (the Confidentiality Agreement), set forth the entire terms of your employment with the Company and supersede any prior representations or agreements, whether written or oral.

b. Governing Law. This Agreement will be governed by the laws of California, without regard to its conflict of laws provisions. This Agreement may not be modified or amended except by a written agreement, signed by the CEO of the Company.

c. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same instrument.

d. Severability. Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to law, and wherever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event, any provision of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it

within the requirements of the law. In the event that any part, article, paragraph or clause of this Agreement shall be held to be indefinite or invalid, the entire Agreement shall not fail on account thereof, and the balance of the Agreement shall continue in full force and effect.

e. Waiver. Failure or delay of either party to insist upon compliance with any provision hereof will not operate as, and is not to be construed as, a waiver or amendment of such provision or the right of the aggrieved party to insist upon compliance with such provision or to take remedial steps to recover damages or other relief for noncompliance. Any express waiver of any provision of this Agreement will not operate and is not to be construed as a waiver of any subsequent breach, whether occurring under similar or dissimilar circumstances.

We are all delighted to be able to extend you this offer and look forward to working with you. To indicate your acceptance of the Company's offer, please sign and date this Agreement in the space provided below and return it to me, along with a signed and dated original copy of the Confidentiality Agreement, prior to the expiration date specified in the opening paragraph of this Agreement.

Very truly yours,

/s/ Joe Kennedy

By: Joe Kennedy
Joe Kennedy
Chief Executive Officer
PANDORA MEDIA, INC.

ACCEPTED AND AGREED:

I have read this offer and agree to accept employment with Company under the terms set forth in this Agreement.

John Trimble

/s/ John Trimble
Signature

3/18/09
Date

EXHIBIT 10.11

February 19, 2010

Delida Costin

Dear Delida:

On behalf of Pandora Media, Inc. (the "Company"), we are pleased to offer you the position of Vice President and General Counsel, reporting to Joe Kennedy. This letter agreement sets forth the terms and conditions of your employment with the Company ("Agreement"). Please understand that this offer, if not accepted, will expire on February 25, 2010.

1. **Compensation**

(a) **Base Wage.** In this exempt full-time position, you will earn a starting salary of $17,500 per month, which is equivalent to $210,000 on an annualized basis (prorated for any partial pay period that occurs during the term of your employment), subject to applicable tax withholding. Your salary will be payable pursuant to the Company's regular payroll policy (15th and last day of each month).

2. **Employee Benefits.**

(a) **Paid Time Off.** You will be eligible to accrue up to 15 days of paid PTO per calendar year, accruing at the rate of 1.25 days for every full month that you are performing services for the Company. Your PTO is pro-rated for the remainder of this calendar year. All absences must be approved (in advance) by your supervisor, unless there are extenuating circumstances which make it impossible, in which case you must contact your supervisor as soon as possible.

(b) **Group Plans.** The Company will provide you with the opportunity to participate in the standard benefits plans currently available to other similarly situated employees, including medical and dental insurance, subject to any eligibility requirements imposed by such plans. Eligibility starts on the 1st day of the month following your date of hire.

(c) **Stock Option.** In connection with the commencement of your employment, the Company will recommend that the Board of Directors grant you a stock option (the "Option") to purchase 250,000 shares of the Company's Common Stock with an exercise price equal to the fair market value on the date of the grant. The Option shares will vest and become exercisable at the rate of 25% of the total number of shares on the twelve (12) month anniversary of your Vesting Commencement Date (as defined in the Stock Option Agreement to be executed between you and the Company, which date will be your Start Date, as defined below) and 1/48th of the total number of shares each month thereafter on the monthly anniversary of the Vesting Commencement Date. Vesting will, of course, depend on your continued employment with the Company. The Option will be an incentive stock option to the maximum extent allowed by the tax code and will be subject to the terms of the Company's 2004 Incentive Plan (the "Plan") and the Stock Option Agreement between you and the Company, including but not limited to a "lock-up" provision, repurchase rights and a right of first refusal in favor of the Company. You understand that issuing the Option is expressly contingent on the Board's approval and receipt of a fully executed Stock Option Agreement and any related documents, as may be requested by the Company.

3. **Severance on Termination.**

(a) If your employment with the Company is terminated by the Company without "Cause" (as defined below), you will be eligible to receive a severance payment equal to three (3)

months of your then current base salary excluding bonuses and other compensations ("Severance Amount"). The foregoing severance package shall be conditioned on you executing and not revoking a valid release of claims and separation agreement, in a form prescribed by the Company. The Severance Amount shall be paid in equal monthly installments after Company's receipt of a signed release/separation Agreement from you, with the first installment to begin within fifteen (15) days of such date.

(b) For purposes of this agreement, "**Cause**" shall mean (i) a failure or a refusal to comply in any material respect with the reasonable policies, standards or regulations of Company; (ii) reasonable determination by Company's Chief Executive Officer that your performance is unsatisfactory, provided that, the Company provides you a fifteen (15) day cure period to remedy your nonperformance; (iii) unprofessional, unethical or fraudulent conduct or conduct that materially discredits Company or is materially detrimental to the reputation, character or standing of Company; (iv) dishonest conduct or a deliberate attempt to do an injury to Company; (v) your material breach of this Agreement or any breach of confidentiality or proprietary information agreements with the Company, including, without limitation, theft of Company's proprietary information; (vi) an unlawful or criminal act which would reflect badly on Company in Company's reasonable judgment; (vii) adverse economic circumstances of Company; (viii) absence from work without an approved leave; or (ix) death or disability (whether due to illness, disability or otherwise; provided however, that you shall be entitled to any benefits or reasonable accommodation required by law).

4. **Change in Control**.

Termination/Constructive Termination. In the event that you are involuntarily terminated without Cause or experience a Constructive Termination of your employment (each an "Involuntary Termination") within twelve (12) months after a Change in Control (as defined below), 50% of your then unvested Option Shares shall vest in full, provided that you execute and deliver to the Company an executed general release in a form acceptable to the Company (or the surviving entity), which release shall include, without limitation, an agreement by you (i) to release all known and unknown claims that you may then have against the Company or persons affiliated with the Company, provided, however, that you will not be required to release any claims with respect to any then-unpaid deferred compensation earned under the terms of this Agreement; and (ii) not to prosecute any legal action or other proceeding based upon any of such claims.

For all purposes under this Agreement, "Constructive Termination" of your employment means: resignation from your employment with the Company within twelve (12) months after any of the following:

(a) any reduction of Executive's base salary which is not part of a broad cross-company cost cutting effort.

(b) any requirement that Executive engage in any illegal or unethical conduct, after Executive has given the Company 30 days' notice and opportunity to cure;

(c) the Company's failure to fully cure within thirty (30) days any material breach by the Company of this Agreement, or any other agreement between Executive and the Company, in each case which Executive has notified the Board in writing;

(d) a relocation of Executive's principal place of employment by more than fifty (50) miles.

For purposes of this Agreement, "**Change in Control**" shall mean:

a. the consummation of a merger, reorganization or consolidation of Company with any other corporation in which the Company or the shareholders of the Company receive cash or securities or other property, other than a merger, reorganization, or consolidation which would result in the voting securities of Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of Company of such surviving entity outstanding immediately after such merger or consolidation; or

b. the consummation of the sale or disposition of Company of all or substantially all Company's assets in which the Company or the shareholders of the Company receive cash or securities or other property.

5. **Pre-employment Conditions.**

(a) **Confidentiality Agreement.** Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's Confidential Information and Invention Assignment Agreement, a copy of which is enclosed for your review and execution (the "**Confidentiality Agreement**"), prior to or on your Start Date.

(b) **Right to Work.** For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your Start Date, or our employment relationship with you may be terminated.

(c) **Verification of Information.** This offer of employment is also contingent upon the successful verification of the information you provided to the Company during your application process, as well as a general background check performed by the Company to confirm your suitability for employment. By accepting this offer of employment, you warrant that all information provided by you is true and correct to the best of your knowledge, and you expressly release all parties from any and all liability for damages that may result from obtaining, furnishing, collecting or verifying such information, as well as from the use of or disclosure of such information by the Company or its agents.

You have a right to review copies of any public records obtained by the Company in conducting this verification process unless you check the box below.

(d) **No Conflicting Obligations.** You understand and agree that by accepting this offer of employment, you represent to the Company that performance of your duties to the Company and the terms of this offer letter and the Confidentiality Agreement will not breach any other agreement (written or oral) to which you are a party and that you have not, and will not during the term of your employment with the Company, enter into any oral or written agreement which may result in a conflict of interest or may otherwise be in conflict with any of the provisions of this letter, the Confidentiality Agreement or the Company's policies. You are not to bring with you to the Company, or use or disclose to any person associated with the Company, any confidential or proprietary information belonging to any former employer or other person or entity with respect to which you owe an obligation of confidentiality under any agreement or otherwise. The Company does not need and will not use such information. Also, we expect you to abide by any obligations to refrain from soliciting any person employed by or otherwise associated with any former employer and suggest that you refrain from having any contact with such persons until such time as any non-solicitation obligation expires. To the extent that you are bound by

any such obligations, you must inform the Company immediately prior to accepting this offer letter.

At all times during your employment, you agree to faithfully perform those job responsibilities consistent with your title, as well as such other duties as shall be specified and designated from time to time by the Company. You agree to devote as much of your business time and effort as necessary in order to successfully perform and discharge your duties to the Company.

During the period that you render services to the Company, you agree to not engage in any employment, business or activity that is in any way competitive with the business or proposed business of the Company. You will disclose to the Company in writing any other gainful employment, business or activity that you are currently associated with or participate in that competes with the Company. You will not assist any other person or organization in competing with the Company or in preparing to engage in competition with the business or proposed business of the Company.

6. **General Obligations.** As an employee, you will be expected to adhere to the Company's standards of professionalism, loyalty, integrity, honesty, reliability and respect for all. Please note that the Company is an equal opportunity employer. The Company does not permit, and will not tolerate, the unlawful discrimination or harassment of any employees, consultants, or related third parties on the basis of sex, race, color, religion, age, national origin or ancestry, marital status, veteran status, mental or physical disability or medical condition, sexual orientation, pregnancy, childbirth or related medical condition, or any other status protected by applicable law. Any questions regarding this EEO statement should be directed to Human Resources.

7. **At-Will Employment; Termination.** Your employment with the Company will be on an "at will" basis, meaning that either you or the Company may terminate your employment at any time without notice and for any reason or no reason, without further obligation or liability. Further, your continued employment as well as your participation in any benefit programs does not assure you of continuing employment with the Company. Subject to the terms of this Agreement, the Company also reserves the right to modify or amend the terms of your employment, compensation and benefit plans at any time for any reason. This policy of at-will employment is the entire agreement as to the duration of your employment and may only be modified in an express written agreement signed by the Chief Executive Officer of the Company.

8. **Arbitration.** Any dispute or controversy arising out of, relating to, or concerning an employee's employment with the company shall be settled by arbitration to be held in Alameda County, CA in accordance with the employment dispute resolution rules then in effect of the American Arbitration Association. The arbitrator may grant injunctions or other relief in said dispute or controversy. The decision of the arbitrator shall be final, conclusive & binding on the parties to the arbitration. Judgment may be entered on the arbitrator's decision in any court having jurisdiction. The Company & the employee(s) involved shall each pay their pro-rata share of the costs & expenses of such arbitration, & each shall separately pay for their own counsel fees & expenses.

   This arbitration clause constitutes a waiver of all employees' right to a jury trial & relates to the resolution of all disputes relating to all aspects of the employer/employee relationship, including, but not limited to, the following claims: (1) Any & all claims for wrongful discharge of employment; breach of contract, both express & implied; breach of the covenant of good faith & fair dealing, both express & implied; negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; & defamation; (2) Any & all claims for violation of any federal, state or municipal statute, including, but not limited to: Title VII/Civil Rights Act of 1964, Civil Rights Act of 1991, ADEA of 1967, ADA of 1990, the FLSA, the CA FE&H Act, & labor code section 201, et seq. (3) Any & all claims arising out of any other laws & regulations relating to employment or employment discrimination

Employees understand they are offered employment in consideration of a promise to arbitrate claims

By accepting or continuing in employment with the Company, the employee agrees that arbitration is the exclusive remedy for all disputes arising out of or related to the employee's employment with the Company & waives all rights to a civil court action regarding the employee's employment & termination of the employee's employment with the Company; only the arbitrator, not a judge or jury, will decide the dispute.

If an employee decides to dispute his/her termination, or separation by any other means, or any alleged incident during a employee's employment, including, but not limited to, unlawful discrimination or harassment, the employee must deliver a written request for arbitration to the Company within one year from the date of termination, or other separation, or within one year from the date on which the alleged incidents or conduct occurred, & respond within 14 calendar days to each communication regarding the selection of an arbitrator & the scheduling of a hearing. If the Company does not receive a written request for arbitration from the employee within one year, or if the employee does not respond to any communication from the Company about the arbitration proceedings within 14 calendar days, the employee will have waived any right to raise any claims arising out of the employee's employment or the termination of employment with the Company, or involving claims of unlawful discrimination or harassment, in arbitration & in any court or other forum.

{Signature page follows}

We are all delighted to be able to extend you this offer and look forward to working with you. To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me, along with a signed and dated original copy of the Confidentiality Agreement, within one week of the date at the top of this agreement. The Company requests that you begin work in this new position as soon as possible. Please indicate the date on which you expect to begin work in the space provided below, which shall in no event be later than **April 5, 2010** (the "Start Date"). This letter, together with its Attachment A (the Confidentiality Agreement) and Attachment B, set forth the entire terms of your employment with the Company and supersede any prior representations or agreements, whether written or oral. This letter will be governed by the laws of California, without regard to its conflict of laws provisions. This letter may not be modified or amended except by a written agreement, signed by an officer of the Company.

Very truly yours,

Peter Ekman
VP, Human Resources
PANDORA MEDIA, INC.

By: /s/ Peter Ekman

I have read this offer and agree to accept Employment with Company under the terms set forth in this letter.

ACCEPTED AND AGREED:
Delida Costin

/s/ Delida Costin
Signature

(02 /24/2010)
Date

_____ I hereby waive my right to receive any public records as described above.

Anticipated Start Date: _____

Attachment B

Job Title & Description

Title: Vice President and General Counsel

Description:

The General Counsel will provide legal expertise to a wide range of business and regulatory issues, as well as strategic legal direction to senior management. Candidate will offer counsel and assist in making decisions on legal matters, disputes, and appeals affecting the business.

RESPONSIBILTIES

- Ensure the quality and timeliness of legal advice to senior management
- Provide legal advice in complex and specialized matters
- Manage, oversee and participate in drafting and negotiating a wide range of legal and commercial documents
- Provide counsel regarding corporate transactions, regulatory matters, contracts, litigation
- Coordinate and liaise with outside counsel as necessary
- Prepare and review various legal contracts, documents, analysis, memorandum, and correspondence
- Remain current with legislation and regulations affecting company, business unit operations and corporate governance
- Be a role model for the company culture.

EXHIBIT 10.12

CENTER 21 OFFICE LEASE

THIS OFFICE LEASE (this "***Lease***") is made as of July 23, 2009 (the "***Effective Date***"), by and between Landlord and Tenant, upon the following terms and conditions:

SECTION 1: BASIC LEASE PROVISIONS.

These Basic Lease Provisions set forth the basic terms of this Lease. In the event of any inconsistency between the terms set forth in these Provisions and any other provision of this Lease, the Basic Lease Provisions shall prevail.

1.1	**Tenant:**	Name:	**PANDORA MEDIA, INC.,** a California corporation
		Address for Notices:	2101 Webster Street Oakland, California 94612 Attention: Etienne Handman, Chief Operating Officer Telephone (510) 451-4100 x441 Fax: (510) 451-4286
1.2	**Landlord:**	Name:	**CIM/OAKLAND CENTER 21, LP,** a Delaware limited partnership
		Address for Notices:	6922 Hollywood Boulevard, Suite 900 Los Angeles, California 90028 Attention: Avi Shemesh Telephone: (323) 860-4900 Fax: (323) 860-4901
1.3	**Premises:**	Suite 1650 on the sixteenth (16th) floor of the 2101 Webster Building, as shown on ***Exhibit "A"*** attached hereto (the "***Premises***"). The Premises contain 14,644 rentable square feet of area.	
1.4	**Project:**	That certain office project in the City of Oakland, California known as "Center 21" and comprised of (i) a 20 story building located at 2101 Webster Street, Oakland California (the "***2101 Webster Building***"), and (ii) a nine story building located at 2100 Franklin Street (the "***2100 Franklin Building***", and together with the 2101 Webster Building, collectively, the "***Buildings***"), (iii) a subterranean parking garage underneath the Buildings (the "***Underground Parking Garage***") and (iv) a multi-story parking structure located at 2353 Webster Street (the "***Parking Structure***"). The Buildings are constructed such that they join each other along the north wall of the 2101 Webster Building and the south wall of the 2100 Franklin Building, and are capable of sharing floor plates across the span of both Buildings, although on some floors it is possible that a separate wall will remain in place between the Buildings if the floors in question will be occupied by multiple tenants.	

1.5 **Tenant's Proportionate Share:** The percentage that the rentable square footage of the Premises bears to the entire rentable square footage of the Project.

1.6 **Term:** Five (5) Lease Years, measured from the Commencement Date.

Commencement Date: The earlier of: (i) Tenant's commencement of business operations in the Premises; and (ii) October 1, 2009.

Expiration Date: The last day of the month in which the fifth (5th) anniversary of the Commencement Date occurs.

1.7 **Base Rent:**

Annual Rent	Monthly Rent	Monthly PSF Rent
$465,679.20	$38,806.60	$2.65
$474,465.60	$39,538,80	$2.70
$485,009.28	$40,417.44	$2.76
$493.795.68	$41,149.64	$2.81
$507,853.92	$42,321.16	$2.89

1.8 **Security Deposit:** $317,500. See Section 3.4.

1.9 **Base Year:** 2009.

1.10 **Permitted Use:** General office use associated with the use as a streaming music radio service, in compliance with all Project rules and subject to applicable Laws. ***See*** Addendum Paragraph 1.10

1.11 **Brokers:** None.

1.12 **Guarantors:** None.

1.13 **Parking Passes:** Tenant shall have the right to rent 1 unreserved parking pass in the Underground Parking Garage and up to 15 unreserved parking passes in the Parking Facility, at the rates and subject to the terms of Addendum Section 1.13.

1.13 **Definitions:** All capitalized terms used in this Lease shall have the meanings specified in this Section 1 or in Section 46 or in any Addendum to this Lease.

1.14 **Exhibits:** The following Exhibits are attached to this Lease and incorporated herein by this reference:

Exhibit A - Floor Plan showing the location of the Premises
Exhibit B - Statement of Commencement Date
Exhibit C - Intentionally Omitted
Exhibit D - Rules and Regulations for the Project
Exhibit E - Form of Estoppel Certificate
Exhibit F - Form of Letter of Credit

1.15 **Addendum:** Attached: __X__ Yes; _____ No.

SECTION 2: LEASE OF PREMISES.

2.1 Lease to Tenant. Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, for the Term, subject to the other provisions of this Lease. Landlord and Tenant agree on the area of the Premises and the Project set forth in the Basic Lease Provisions. The term "rentable square feet" as used in the Lease will be the area of the Premises as determined in accordance with the Building Owners and Management Association Method for Measuring Floor Area in Office Buildings, ANSI Z65.l-1996, as modified by Landlord for purposes of the Buildings (the "BOMA Standard").

2.2 Common Areas. Tenant shall have the nonexclusive right to use the Common Areas, subject to Matters of Record and the Rules and Regulations. Tenant's rights are subject to Landlord's right to make changes to the Common Areas or the use of such Common Areas which Landlord deems reasonable, perform maintenance and repairs and otherwise use the Common Areas as Landlord may deem appropriate in its reasonable judgment. Landlord shall not be obligated to light the Common Areas outside the hours specified in the Rules and Regulations except as required by Law.

2.3 Title. Tenant's leasehold estate in the Premises under this Lease is subject to: (a) the Matters of Record; and (b) the effect of all Laws applicable to the use and occupancy of the Premises. Any modifications to the Matters of Record shall not materially adversely impact Tenant's use of the Premises.

2.4 Acceptance of Premises. Tenant accepts the Premises, the Common Areas and Project in their "as-is, where-is" condition, provided Landlord shall upgrade the lighting in the restrooms using Building standard materials. Tenant hereby agrees and warrants that it has investigated and inspected the condition of the Premises and the suitability of same for Tenant's purposes, and Tenant does hereby waive and disclaim any objection to, cause of action based upon, or claim that its obligations hereunder should be reduced or limited because of the condition of the Premises or the Building or the suitability of same for Tenant's purposes. Tenant acknowledges that neither Landlord nor any agent nor any employee of Landlord has made any representations or warranty with respect to the Premises or the Building or with respect to the suitability of either for the conduct of Tenant's business and Tenant expressly warrants and represents that Tenant has relied solely on its own investigation and inspection of the Premises and the Project in its decision to enter into this Lease and let the Premises in the above-described condition except as to latent defects and subject to problems or conditions of which Tenant gives Landlord notice within thirty (30) days after the Commencement Date. Within thirty (30) days following the Commencement Date, Tenant shall complete, execute and return to Landlord a Statement of Commencement Date in the form of ***Exhibit "B"*** hereto. Acceptance of the Premises by Tenant in no way relieves Landlord its responsibilities to maintain and repair Systems, Equipment and the Common Area, as specified in Section 5.2 of this Lease.

2.5 Delivery of Possession.

2.5.1 Landlord shall deliver to Tenant possession of the Premises free and clear of all other tenants and occupancies. Landlord shall not be liable for any delay in delivery of possession of the Premises, provided that Tenant shall not be liable for any payments of Rent until and unless Landlord delivers the Premises in accordance with this

Lease. Landlord makes no representation or warranty with respect to the occupancy by any tenant or occupant (whether a major tenant or occupant. or a small shop tenant or occupant), as to the date on which any such tenant or occupant accepted or will accept occupancy of its space or the use to which any other tenant or occupant will put its leased space, except as expressly provided herein.

2.5.2 The projected delivery date is October 1, 2009. In the event that the Commencement Date has not occurred on or before December 31, 2009 (as extended by Force Majeure) (the "Cancellation Date"), then either Landlord or Tenant shall have the right to cancel this Lease by giving the other written notice within ten (l0) days after the Cancellation Date. If Landlord or Tenant timely gives such notice, Landlord shall repay Tenant any prepaid rent or security deposit, and the parties shall have no further rights or obligations to each other pursuant to this Lease. If neither party timely exercises such right, such right shall expire at the end of the tenth day after the Cancellation Date.

2.6 Quiet Possession. So long as Tenant is not in Default, Tenant shall be entitled to quietly have, hold, and enjoy the Premises during the Term, subject to Landlord's rights under this Lease.

2.7 Use of Premises. Tenant and Tenant's Employees shall use the Premises solely for the uses specified in the Basic Lease Provisions in a first-class, professional and businesslike manner consistent with reputable business standards and practices, and Tenant shall, at is sole cost and expense, faithfully observe and promptly comply with all Rules and Regulations, signage criteria and any Laws or Matters of Record now in force or which may hereafter be in force with respect to Tenant's use, occupancy and possession of the Premises. Tenant shall at all times keep the Premises in a clean and wholesome condition, and shall further comply with all reasonable requirements of any board of fire underwriters or other similar body now or hereafter constituted. Tenant shall not do or permit anything to be done upon the Premises in any way materially disturbing, bothering or annoying any other tenant in the Project or constituting a nuisance. In no event shall Landlord be liable to Tenant for any damage or claims suffered or incurred as a result of the failure of Tenant, or any other Person (other than Landlord) to conform to the foregoing.

2.8 Changes to Project. Landlord reserves the right, in its sole discretion, at any time to make or allow permanent or temporary changes or replacements to the Project outside the Premises, including but not limited to the Common Areas. Without limiting the generality of the foregoing, such construction activities may include base building and/or tenant improvement work for future tenants. Landlord's activities may require the temporary alteration of means of ingress and egress to the Project and the installation of scaffolding and other temporary structures while the work is in progress. Such work shall be performed in a manner reasonably designed to minimize interference with Tenant's conduct of business from the Premises. None of the same shall be considered to be a constructive eviction of Tenant from the Premises, create any liability on the part of Landlord, or give Tenant any right to rent abatement or otherwise alter the rights or obligations (including Rent) of Tenant under this Lease.

2.9 Name of Project. Landlord may change the name and/or the address of the Project at its sole discretion.

2.10 Relocation of Premises. Landlord shall have the right at any time, upon at least sixty (60) days' prior written notice to Tenant, to relocate Tenant at Landlord's cost, including costs of replacement improvements, network, electrical, moving, startup and other costs which Tenant would otherwise not incur, to other comparable premises, as agreed by the parties in the Building ("***Relocated Premises***"). Tenant shall have right to terminate this Lease in the event proposed Relocated Premises are not agreed to be comparable upon ten (10) days prior written notice to Landlord.

SECTION 3: RENT.

3.1 Base Rent. From and after the Commencement Date, Tenant shall pay to Landlord the Base Rent specified in Section 1.7, in advance on or before the first day of each calendar month during the Term without demand, deduction or setoff, except as otherwise expressly set forth herein. If the Commencement Date shall be a day other than the first day of a month, then the first and last monthly installment of Tenant's monthly installment of Base Rent shall be prorated on the basis of a thirty (30) day month. Tenant shall pay the first month's Base Rent upon Lease execution, and thereafter on the first day of each month of the Term. Notwithstanding anything to the contrary contained herein, and provided that Tenant faithfully performs all of the terms and conditions of the Lease, Landlord hereby agrees to abate Tenant's obligation to pay Monthly Base Rent for the first three (3) full months of each of the first three (3) years of the initial Term. During such abatement period, Tenant shall still be responsible for the payment of all of its other monetary obligations under the Lease.

3.2 Payment of Additional Rent. In addition to the Base Rent, Tenant shall pay as Additional Rent:

3.2.1 All personal property taxes assessed against and levied upon any Personal Property prior to delinquency.

3.2.2 Tenant's Proportionate Share of increases of the Operating Costs incurred during the Term, payable in accordance with Section 3.3.

3.2.3 All additional charges for any services, goods or materials furnished by Landlord at Tenant's request or relating to Tenant's specific use of the Premises.

3.2.4 All Excess Consideration payable to Landlord pursuant to Section 7.6 hereof.

3.2.5 All other sums payable by Tenant hereunder.

3.3 Payment of Operating Costs. In addition to the Base Rent, commencing on the first day of January of the calendar year following the Base Year, and continuing on the first day of each subsequent calendar month during the Term, Tenant shall pay in monthly installments an amount equal to Tenant's Proportionate Share of the excess of Operating Costs for such year over Operating Costs for the Base Year (the "***Excess Expense***") in accordance with the following provisions:

3.3.1 Prior to the end of each calendar year (from and after the Base Year), Landlord shall endeavor to deliver to Tenant a good faith estimate of the Excess Expenses for the next calendar year (the "***Excess Expense Estimate***"). The Excess Expense Estimate shall

show the amount previously paid by Tenant for Excess Expenses for the previous calendar year. In addition to the Base Rent provided for in Section 3.1, above, on the first day of each calendar month during each calendar year, Tenant shall pay Tenant's Proportionate Share of the Excess Expense Estimate for said calendar year.

3.3.2 Landlord may periodically revise the Excess Expense Estimate to reflect changed circumstances, and Tenant shall make subsequent Operating Cost payments based upon the revised Excess Expense Estimate.

3.3.3 Within ninety (90) days after each calendar year in the Term, Landlord shall deliver to Tenant a statement of the actual Excess Expenses (the "***Annual Statement***"). The Annual Statement shall state the amount by which Tenant has underpaid or overpaid Tenant's Proportionate Share of the Excess Expenses. Tenant shall pay any deficiency to Landlord within thirty (30) days after receipt of the Annual Statement. The amount of any overpayment shall be refunded to Tenant or credited against Rent next coming due.

3.3.4 Tenant shall have ninety (90) days after delivery of the Annual Statement to object in writing to the accuracy of the Annual Statement. If Tenant does not make its written objection within that period, the Annual Statement shall be binding upon Tenant. Whether or not Tenant objects to the Annual Statement, Tenant shall pay any amount specified in the Annual Statement within the 30 day period following the delivery of the Annual Statement. ***See*** Addendum.

3.3.5 Intentionally deleted.

3.3.6 Even though the Term has expired or this Lease has been terminated and Tenant has vacated the Premises, when the final determination is made of Tenant's Proportionate Share of Excess Expenses pursuant to this Section 3.3 for the year in which the Term expires or this Lease terminates, Tenant shall promptly pay any amount due over the estimated amount of the same previously paid by Tenant for such year, and conversely, any overpayment made shall be promptly refunded by Landlord to Tenant; provided, however, that all or any part of any such refund may be applied by Landlord in payment of any delinquent or past due sums, including Base Rent or any other amounts due from Tenant.

3.4 Security Deposit. Concurrently with the execution of this Lease, Tenant shall deposit with Landlord the Security Deposit. Landlord shall not be required to pay interest on the Security Deposit or keep the Security Deposit separate from its general funds. Upon any Default by Tenant, Landlord may use the Security Deposit to the extent necessary to make good any arrears of sums payable by Tenant under this Lease, or to compensate Landlord for any damage, injury, expense or liability caused by Tenant's Default. If any portion of the Security Deposit is so used or applied, Tenant shall, within five (5) days after written demand therefor, deposit a certified or bank cashier's check with Landlord in an amount sufficient to restore the Security Deposit to its amount immediately preceding such use or application of funds and Tenant's failure to do so shall be a Default under this Lease. The balance of the Security Deposit remaining at the end of the Lease Term shall he returned after all of Tenant's obligations (with the exception of those specified in Section 3.3.6 [final determination of Proportionate Share of Excess Expenses]) have been fulfilled. Tenant hereby waives any rights or benefits that may be available to Tenant by reason of California Civil Code Section 1950.7.

Alternatively, Tenant may deposit with Landlord, concurrently with this Lease, an unconditional, irrevocable sight draft and renewable letter of credit ("***Letter of Credit***") naming Landlord as beneficiary, in favor of Landlord and in the form attached hereto as Exhibit "F", or other form acceptable to Landlord in its sole discretion. The Letter of Credit shall be issued by a bank reasonably satisfactory to Landlord with a branch located in Oakland or San Francisco, California in the principal amount of $317,500.00 (hereinafter, the "Stated Amount"). The form and content of the Letter of Credit shall conform to International Standby Practices 1998 International Chamber of Commerce Publication No. 590. The Letter of Credit shall state that an authorized officer or other representative of Landlord may make demand on Landlord's behalf for the Stated Amount of the Letter of Credit, or any portion thereof, and that the issuing bank must immediately honor such demand, without qualification or satisfaction of any conditions, except the proper identification of the party making such demand. In addition, the Letter of Credit shall indicate that it is freely transferable in its entirety by Landlord as beneficiary and that upon receiving written notice of transfer, and upon presentation to the issuing bank of the original Letter of Credit, the issuer or confirming bank will reissue the Letter of Credit naming such transferee as the beneficiary. Tenant acknowledges and agrees that it shall pay upon Landlord's demand, as Additional Rent, all reasonable costs or fees charged in connection with the Letter of Credit that arise due to: (i) Landlord's sale or transfer of all or a portion of the Project; or (ii) the addition, deletion, or modification of any beneficiaries under the Letter of Credit. The Letter of Credit may be re-issued or renewed provided that, except as expressly set forth herein, the Letter of Credit amount shall not be reduced below the Stated Amount at any time during the Lease Term. Each renewal or replacement Letter of Credit shall be in substantially the same form as the original Letter of Credit or such form as is otherwise reasonably acceptable to Landlord. In the event that Tenant fails to renew or re-issue the Letter of Credit at least ten (10) business days prior to the expiration of the then existing Letter of Credit, then Landlord shall be entitled to make demand for the Stated Amount of said Letter of Credit and, thereafter, to hold such funds as a cash security deposit in accordance with this Section 3.4. Upon any Default by Tenant beyond the applicable cure period, Landlord may (but shall not be required to) draw upon all or any portion of the Stated Amount of the Letter of Credit, and Landlord may then hold such proceeds as a cash security deposit and/or use, apply or retain all or any part of the proceeds for the payment of any sum which is in default, or for the payment of any other amount which Landlord may spend or become obligated to spend by reason of Tenant's Default or to compensate Landlord for any loss or damage which Landlord may suffer by reason of Tenant's Default. If any portion of the Letter of Credit proceeds are so used or applied, Tenant shall, within five (5) days after demand therefor, post an additional Letter of Credit in an amount to cause the aggregate amount of the unused proceeds and such new Letter of Credit to equal the Stated Amount required in this Section 3.4. Landlord shall not be required to keep any proceeds from the Letter of Credit separate from its general funds. Should Landlord sell its interest in the Premises during the Lease Term Landlord shall deposit with the purchaser thereof the Letter of Credit or any proceeds of the Letter of Credit, thereupon Landlord shall be discharged from any further liability with respect to the Letter of Credit and said proceeds. Any remaining proceeds of the Letter of Credit held by Landlord after expiration of the Lease Term, after any deductions described in this Section 3.4, shall be returned to Tenant or, at Landlord's option, to the last assignee of Tenant's interest hereunder, after all of Tenant's obligations have been fulfilled.

Notwithstanding the foregoing, provided that Tenant is not then in Default (and Tenant has not been in Default under this Lease) beyond the applicable cure period, on the earlier of (i) the first day of the thirty-fifth (35th) month of the Term, or (ii) the date Tenant provides Landlord with sufficient evidence that Tenant has established two (2) consecutive

quarters of at least $2,000,000 of positive EBITDA (in accordance with GAAP), Landlord she return the Letter of Credit to Tenant. The rights granted herein are personal to the original Tenant and may not be transferred or assigned.

3.5 Late Charges. Tenant hereby acknowledges that late payment by Tenant to Landlord of rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult, if not impossible, to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or any sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days after said amount is past due, then, in addition to an other remedies provided herein, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount (but in no event greater than the maximum amount permitted by law), plus, in either event, all attorneys' fees incurred by Landlord by reason of Tenant's failure to pay rent and/or other charges when due hereunder. The parties hereby agree that such late charges represent a fair and reasonable estimate of the cost that Landlord will incur by reason of the late payment by Tenant, and that it does not constitute a forfeiture or penalty. Acceptance of such late charges by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. Landlord may, at its option, deduct all late charges from the Security Deposit.

SECTION 4: ALTERATION AND IMPROVEMENTS.

4.1 Alterations by Tenant. At its sole cost and expense, Tenant shall have the right to make Tenant Alterations which have received Landlord's prior written approval (which will not be unreasonably withheld), so long as each of the following conditions is met:

4.1.1 The proposed Tenant Alterations:

(a) are appropriate for Tenant's use, including electrical and data connections to modular workstations and other computer and telephone equipment, and will not adversely affect the utility of the Premises for future tenants;

(b) will not alter the exterior appearance of the Project;

(c) are not of a structural nature and will not weaken or impair the structural strength of the Project; and

(d) will not unreasonably affect or increase demands on any of the mechanical, electrical, sanitary, or other Systems and Equipment;

(e) will not unreasonably interfere with the normal and customary business operations of other tenants in the Building or Project; and

(f) comply with all Laws.

4.1.2 Landlord shall have approved complete construction drawings and specifications for the proposed Tenant Alterations. Any change must be approved by Landlord.

4.1.3 Landlord shall have approved of Tenant's contractor and subcontractors, such approval to be granted or withheld in Landlord's reasonable discretion;

4.1.4 Landlord shall have been furnished with original certificates of insurance from a company approved by Landlord, showing Landlord as an additional insured on all public liability, property damage and worker's compensation policies, with such limits as Landlord may reasonably require; and

4.1.5 Landlord shall have been furnished with copies of all building and/or other applicable permits or licenses required for the prosecution of the work.

4.2 Work Done by Tenant. Any Tenant Alterations shall comply with the following:

4.2.1 All work shall be in compliance with all Laws. Any work not acceptable to any governmental authority or agency having jurisdiction over such work or does not reasonably conform to plans agreed to by Landlord shall be promptly corrected by Tenant at Tenant's expense.

4.2.2 Tenant and Tenant's Employees shall not install plumbing, mechanical, electrical wiring or fixtures, ceilings, partitions, or other alterations which, in Landlord's judgment, may adversely affect any of the Project systems or their performance (including, but not limited to, the heating, ventilating and air-conditioning systems).

4.2.3 All work by Tenant and Tenant's Employees shall he performed diligently until completed and pursuant to any reasonable scheduling requirements imposed by Landlord.

4.3 No Liability of Landlord. Landlord shall have no liability for any faulty work or defect regardless of Landlord's approval of Tenant Alterations or plans and specifications.

4.4 Reimbursement to Landlord. Tenant shall reimburse Landlord for any reasonable, actual, out-of-pocket expense incurred by Landlord in approving the plans and specifications for Tenant Alterations and in reviewing the progress of their construction, and any expense incurred by Landlord by reason of faulty work or inadequate cleanup.

4.5 Property of Landlord. All Tenant Alterations shall remain in the Premises at the expiration or earlier termination of the Term, and shall become the property of Landlord, without any compensation to Tenant, provided, however, at Landlord's written election, Tenant shall remove any or all of such Tenant Alterations from the Premises. Landlord shall specify which Tenant Alterations shall be removed at the time such Tenant Alterations are approved by Landlord. Tenant shall repair any damage caused by the removal. Upon the expiration or earlier termination of the Term, Tenant shall remove its Personal Property from the Premises and Tenant shall repair any damage caused by such removal.

4.6 Notice of Work Commencement. Before commencing any work with respect to the Tenant Alterations, Tenant shall notify Landlord in writing not less than five (5), nor more than ten (10), business days prior to the date such work commences. Landlord shall have the right to post all appropriate notices of non-responsibility.

4.7 Mechanics' Liens. Tenant shall pay for all labor and materials supplied to the Premises at Tenant's request for Tenant. Tenant shall not permit any mechanics' or similar liens to be filed against the Land or the Project, or against Tenant's leasehold interest in the Premises. Tenant shall indemnify, defend and hold harmless Landlord, Landlord's Employees, the REA Parties and their respective successors, assigns, partners, directors, officers, shareholders, employees, agents, lenders, ground lessors and attorneys, and the Project, from and against any and all Claims incurred by such indemnified persons, or any of them, as the result of any mechanics' lien filed against the Land, Project or against Tenant's leasehold interest in the Premises. If Tenant causes a lien on the Project, Tenant shall, at its sole cost and expense, either (i) remove such lien or (ii) provide a bond in accordance with California Civil Code Section 3143. No action to remove a lien, as provided herein, shall affect Tenant's right to contest the legitimacy of the lien and seek appropriate legal remedies against the party placing such lien on the Project.

4.8 Completion Bond. Landlord may require Tenant, at Tenant's sole cost, to obtain and provide to Landlord a lien and completion bond in a form and by a surety acceptable to Landlord, and in amount not less than one hundred fifty percent (150%) of the estimated cost of such Tenant Alterations but only if such Tenant Alterations exceed $150,000 in value.

SECTION 5: REPAIR AND MAINTENANCE.

5.1 Tenant's Obligations. Tenant shall keep the Premises and all signs installed by Tenant in good condition and repair, whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements or the age of such portion of the Premises. All damage to the Premises or the Project caused by Tenant or Tenant's Employees, or the failure of Tenant or Tenant's Employees to comply with this Lease and the Rules and Regulations, shall be repaired at Tenant's expense, subject to Section 8.3. Landlord may make any repairs, which are not promptly made by Tenant and charge Tenant for the cost thereof, together with interest thereon at the Default Rate. Tenant waives all rights to make repairs to the Premises at the expense of Landlord, or to deduct the cost thereof from Rent. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises and all alterations, additions and improvements in the same condition as when received, ordinary wear and tear excepted.

5.2 Landlord's Obligations. Landlord shall maintain and repair, or cause to be maintained and repaired, the Systems and Equipment, the Common Areas, and the structural elements of the Project, except that Landlord shall not be responsible to repair any damage or wear and tear which is the result of the negligence or willful misconduct of Tenant or Tenant's Employees. In no event shall Landlord have any liability for interruption or interference in Tenant's business, or for any other damages (whether direct or consequential), nor shall Rent be abated, on account of Landlord's failure to make repairs or on account of Landlord's performance of its maintenance and repair obligations under this Section 5.2, except as otherwise expressly provided in this Lease. Landlord's obligations under this Section 5.2 shall not affect Landlord's right to recover from Tenant the costs for any damage or repair to the Project for which Tenant is liable hereunder. Notwithstanding any statement to the contrary, Tenant shall retain its rights to abatement as specified in Paragraph 48 of the Addendum.

SECTION 6: BUILDING SERVICES.

6.1 Provision by Landlord. Landlord shall furnish the Premises with the following Basic Services, provided Landlord reserves the right to adopt such reasonable nondiscriminatory modifications and additions hereto as it deems appropriate.

6.1.1 Landlord shall, subject to limitations and provisions hereinafter set forth in this Section 6.1:

(a) Provide automatic elevator facilities on Monday through Friday from 7:00 a.m. to 6:00 p.m. ("***Business Hours***"), excepting Holidays, and have one automatic elevator available at all other times.

(b) Provide to the Premises, during the times specified in Section 6.1.1(a) hereof (and at other times for an additional charge to be fixed from time to time by Landlord, which charge is currently $65.00 per hour upon 24 business hours prior notice), heating, ventilation, and air conditioning ("***HVAC***") as is necessary in Landlord's judgment for the comfortable occupancy of Premises for general office purposes, including telephone, computer network and data storage systems installed with Landlord's consent, subject to any energy conservation or other regulations which may be applicable from time to time. Landlord shall not be responsible for maintaining comfortable room temperatures if Tenant's lighting and receptacle loads exceed those listed in Section 6.1.1(c) hereof, or if the Premises contain other heat generating equipment in excess of those normally found in space used for, or are used for other than, general office purposes.

(c) Furnish to the Premises electric current for routine lighting and the operation of general office machines such as personal computers, dictating equipment, and the like, which use standard electric power, which lighting shall not exceed the capacity of Building standard office lighting and receptacles. In no event shall the total electrical requirement for the Premises exceed 2.3 kilowatt-hours per month per RSF of the Premises, nor shall it exceed any limits imposed by any governmental or quasigovernmental authority. Tenant agrees, should its electrical installation or electrical consumption be in excess of the foregoing use or extend beyond the times specified in Section 6.1.1(a), to reimburse Landlord for the cost of such utilities. In such event, Landlord may install, at Tenant's expense, any necessary meters for measuring Tenant's utility consumption.

(d) Furnish water for drinking fountains, kitchen and restrooms provided by Landlord; but if Tenant requires, uses or consumes water for any purpose in addition to ordinary drinking, kitchen and restroom purposes, Landlord may, subject to the terms of Sections 6.1.2, install, at Tenant's cost, a water meter and thereby measure Tenant's water consumption for all purposes, and Tenant shall pay for such water usage at the actual cost for such service.

(e) Provide janitorial services to the Premises, Monday through Friday (except Holidays), such services to be consistent with janitorial services provided by landlords of similar high rise office buildings in the vicinity of the Project, provided that the Premises are used exclusively as offices and are kept reasonably in order by Tenant. Notwithstanding the foregoing, if the Premises are not used exclusively as offices, or if any Tenant Alterations require janitorial services in excess or such standard janitorial services as provided by Landlord, Tenant shall employ such persons as designated by Landlord to perform such additional janitorial services at Tenant's expense and to the satisfaction of Landlord. In the alternative, and at Landlord's sole option, Landlord may provide such additional janitorial services and Tenant shall promptly reimburse Landlord for the cost and expense of such additional janitorial services immediately upon receipt of any invoice for such services by Landlord. Tenant shall pay to Landlord the cost of removal of any of Tenant's refuse and rubbish, to the extent that the same exceeds the refuse and rubbish usually attendant upon the use of the Premises for general office purposes.

6.1.2 With respect to any meter installed as contemplated in Sections 6.1.1(c) or (d) hereof, Tenant shall keep the meter and installation equipment in good working order and repair at Tenant's own cost and expense, subject to the terms of Section 6.1.3. If Tenant is in Default, Landlord may cause the meter and equipment to be repaired and collect the Actual Cost thereof from Tenant. Tenant agrees to pay for utilities consumed as shown by the meter, as and when due according to billings therefor rendered, and in the event of Tenant's default in making such payment, Landlord may, on five (5) days notice to Tenant, pay the charges and collect the same from Tenant as Additional Rent.

6.1.3 Except as part of the Tenant Improvements (which are subject to approval by Landlord pursuant to the terms of the Work Letter), no electrical equipment, air conditioning or heating units, or plumbing additions shall be installed, nor shall any changes to the Project's HVAC, electrical or plumbing systems be made without prior written approval of Landlord, which consent shall be subject to Landlord's reasonable discretion provided it will be reasonable for Landlord not to grant such consent if such changes would cause a material adverse effect on the Project's Systems and Equipment or result in a material increase in costs to the Project. Landlord reserves the right to designate and/or approve the contractor to be used, provided such contractors designated by Landlord charge reasonable and comparable rates to other local contractors skilled in the same trade. Any permitted installations shall be made under Landlord's supervision, Tenant shall pay any additional cost on account of any increased support to the floor load or additional equipment required for such installations, and such installations shall otherwise be made in accordance with Section 4 of the Lease.

6.1.4 Tenant will not, without prior written consent of Landlord, use any apparatus, machine or device in the Premises, including, without limitation, duplicating machines, computers, electronic data, processing machines, punch card machines, and machines using current in excess of 110 volts, which will in any way increase the amount of

electricity or water required to be furnished or supplied for use of the Premises .in excess of that which would be required for use of the Premises as general office space as of the date of the Lease, nor connect with electric current, except through existing electrical outlets in the Premises, any apparatus or device for the purpose of using electric current in excess of that now usually furnished or supplied for use of the Premises as general office space.

6.1.5 Landlord shall not provide reception outlets or television or radio antennas for television or radio broadcast reception, and Tenant shall not install any such equipment without prior written approval from Landlord, which approval may be withheld in Landlord's sole discretion.

6.1.6 Tenant agrees to cooperate fully at all times with Landlord, and to abide by all regulations and requirements which Landlord may reasonably prescribe for the proper functioning and protection of the Project's HVAC, electrical and plumbing systems. Tenant shall comply with all laws, statutes, ordinances and governmental rules, regulations and directives, whether or not having the force of law, now in force or which may hereafter be enacted or promulgated in connection with building services furnished to the Premises, including, without limitation, any governmental rule or regulation relating to the heating and cooling of the Project.

6.1.7 Landlord reserves the right to reduce, interrupt or cease services of the HVAC, elevator, plumbing, and electric systems, when necessary, by reason of accident, emergency or governmental regulations, or for repairs, additions, alterations or improvements to the Premises or the Project until the repairs, additions, alterations or improvements shall have been completed, and shall further have no responsibility or liability for failure to supply elevator facilities, plumbing, ventilating, air conditioning, or utility services, when prevented from so doing by strike, lockout or accident, or by any cause whatever beyond Landlord's reasonable control, or by laws, rules, orders, ordinances, directions, regulations or requirement of any federal, state, county or municipal authority, labor trouble or any other cause whatsoever, or failure of gas, oil or other suitable fuel supply or inability by exercise of reasonable diligence to obtain gas, oil or other suitable fuel. It is expressly understood and agreed that any covenants, conditions, provisions or agreements in the Lease, or performance of any act or thing for the benefit of Tenant, shall not be deemed breached if Landlord is unable to furnish or perform the same by virtue of a strike, labor dispute, lockout, laws, rules, orders, ordinances, directions, regulations or requirements of any federal, state, county or municipal authority, accident, breakage, or repairs, or any other cause whatever beyond Landlord's reasonable control, or where reasonable efforts are made to restore service, Tenant shall not be entitled to any abatement of rent or other compensation nor shall this Lease or any of Tenant's obligations hereunder he affected by reason of such stoppage or interruption. Tenant is responsible for its own emergency power requirements.

6.1.8 Tenant shall not contract to obtain electricity from any provider other than the provider selected by Landlord without Landlord's prior written consent, which may be withheld in Landlord's sole discretion.

6.2 Additional Services. Should Tenant require, and should Landlord provide, Additional Services, Tenant agrees to pay on demand, as Additional Rent, the expense of all Additional Services, and Landlord shall be entitled to impose and collect charges for Additional Services. Prior to delivery of possession, or at any time during the Term that Tenant is consistently exceeding the Basic Services, Landlord may cause a switch and metering system to be installed at Tenant's expense to measure the amount of

utility services consumed The cost of any such meters and their installation, maintenance, repair and replacement shall be paid by Tenant. All costs for such Additional Services shall be prorated among all tenants then requesting comparable Additional Services during such time periods.

6.3 Interruption. No interruption or malfunction of any Basic Services or Additional Services shall constitute an eviction or disturbance of Tenant's use and possession of the Premises or a breach by Landlord of any of its obligations hereunder, nor render Landlord liable for damages or entitle Tenant to be relieved from any of its obligations under this Lease, specifically including, but not limited to, Tenant's obligation to pay Rent, except as otherwise expressly provided in this Lease.

SECTION 7: ASSIGNMENT AND SUBLETTING.

7.1 Restriction on Assignment and Subletting. Tenant shall not,-directly or indirectly, by operation of law or otherwise, make any Transfer without obtaining Landlord's written approval. Tenant shall provide Landlord with prior written notice ("***Transfer Notice***") of the proposed Transfer, containing the items specified in Section 7.2 below. Landlord's written approval of a Transfer shall not be reasonably withheld (except that Landlord shall have the right to exercise its sole, arbitrary and independent discretion, and not to act unreasonably, in respect of any request for consent to a lien, mortgage, deed of trust, encumbrance or hypothecation against the Premises, the Project or this Lease or Tenant's interests hereunder). Within thirty (30) days after receipt of Tenant's Transfer Notice and all the items specified in Section 7.2 below, Landlord shall notify Tenant of its election to (a) approve the requested Transfer; (b) disapprove the requested Transfer, or (c) exercise its recapture rights in accordance with Section 7.8. Any such attempted Transfer without the approval of the Landlord shall be null and void and of no effect. Tenant shall, on demand of Landlord, reimburse Landlord for all Landlord's reasonable costs, including attorney fees, incurred by Landlord in obtaining advice, reviewing documents, and preparing documentation for each requested Transfer.

7.2 Documentation Required. The Transfer Notice shall be accompanied by each of the following:

(a) A copy of all proposed Transfer Documents.

(b) A statement setting forth the name, address and telephone number of the Transferee, and all principal owners of the Transferee.

(c) Current financial information regarding the proposed Transferee, including a statement of financial condition.

(d) For any sublease, a description of the portion of the Premises to be sublet.

(e) Any other information reasonably required by Landlord, which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee's business and proposed use of the Premises or portion thereof.

7.3 Entity Tenant. If Tenant or any Guarantor is a corporation the stock of which is not actively publicly traded on a national securities exchange, or is a partnership,

limited liability company or unincorporated association, or other entity, the transfer, assignment or hypothecation of any stock or direct or indirect interest in such corporation, partnership limited liability company, association, or other entity or its assets in the aggregate in excess of twenty-five percent (25%) shall be deemed a Transfer within the meaning of this Section.

7.4 Permitted Transfers. Notwithstanding anything to the contrary contained in this Lease, neither (i) an assignment or transfer of this Lease as a result of a merger, a consolidation, public offering, and/or sale of all of Tenant's capital stock and/or assets, nor (ii) an assignment of this Lease to an Affiliate of Tenant, shall require the prior consent of Landlord, provided, however, the same shall not be binding on Landlord until a fully executed copy of such assignment and/or assumption of this Lease by the assignee shall have been delivered to landlord; and further, provided, that: (a) Tenant shall not then be in Default under this Lease beyond expiration of any applicable notice, grace or cure period; (b) in each instance, the succeeding entity shall assume in writing all of the obligations of this Lease on the part of Tenant; (c) in the case of (i) above, such entity has a tangible net worth of not less than that of Tenant as of the date of the execution of this Lease; (d) in the case of (ii) above, any such assignee in possession of the Premises shall, during such possession, remain an Affiliate of Tenant; and (e) such assignment or transfer shall in no manner relieve Tenant of any of the obligations undertaken by it under this Lease. Tenant shall submit such information as Landlord may reasonably require concerning all of the foregoing for Landlord's files.

7.5 Reasonable Disapproval. Landlord shall not be deemed to have unreasonably withheld approval a Transfer if consent to such Transfer is conditioned on any of the following grounds:

7.5.1 The business of the proposed Transferee and its use of the Premises shall not conflict with any exclusive use granted to any other tenant of the Project.

7.5.2 The proposed Transferee must be reputable and of good character.

7.5.3 The proposed Transferee shall have a net worth sufficiently large and liquid for the proposed Transferee to meet its obligations under this Lease.

7.5.4 The subtenant or assignee will be bound and subject to Tenant's obligations (other than Base Rent) under the Lease relating to the portion of the Premises transferred.

7.5.5 The proposed Transferee shall not be a governmental entity or agency, provided such governmental entity or agency is not already a direct tenant in the Project, or any other type of institution, or agency that increases the traffic flow to, from or within the Project, or increases the use of the other facilities of the Project or imposes an extra burden upon Landlord with respect to furnishing the services referred to in this Lease.

7.5.6 There does not then exist any Default by Tenant under this Lease or any nonpayment or nonperformance by Tenant under this Lease which, with the passage of time and/or the giving of notice, would constitute a Default.

7.5.7 The proposed Transferee is not a tenant in the Project nor has it negotiated with Landlord for a lease of space within the Project for a period of six months.

7.6 Continuing Obligations.

7.6.1 Notwithstanding any Transfer, Tenant and each Guarantor shall remain fully liable for the performance of all obligations contained in this Lease. Any act or omission of a Transferee that violates any Lease obligations shall be a Default by Tenant.

7.6.2 Landlord shall have the right to approve the terms of each Transfer authorized by Landlord.

7.7 Transfer Premium. In the event of a Transfer, 50% of the Excess Consideration (as hereinafter defined) received by Tenant from or in respect of such Transfer shall be paid to Landlord (which amount is to be prorated where a part of the Premises is subleased) as Additional Rent. Tenant shall pay the Excess Consideration to Landlord at the end of each calendar year during which Tenant collects any Excess Consideration. Each payment shall be sent with a detailed statement showing: (i) the total consideration paid by the sublessee or assignee and/or received by Tenant; and (ii) any exclusions from the Excess Consideration permitted by this Paragraph. Landlord shall have the right to audit Tenant's books and records to verify the amount of Excess Consideration due to Landlord and the accuracy of the statement required herein. The term "***Excess Consideration***" shall mean an all Rent or other payments (consideration) received by Tenant from an assignment or sublease that is in excess of the Rent than payable by Tenant under this Lease (on a per square foot basis if less than all of the Premises are transferred), after deducting reasonable leasing commissions paid by Tenant and other reasonable out-of-pocket expenses paid by Tenant directly related to obtaining a sublessee or assignee (including, without limitation, reasonable attorneys' fees and the cost of reasonable and customary tenant improvements).

7.8 Landlord's Right to Recapture. Notwithstanding anything to the contrary contained in this Section 7, Landlord may elect to terminate this Lease as to the portion of the Premises sought to be subject to the Transfer, except that this Lease shall terminate only for the term contemplated by the proposed Transfer if the Transfer would be for a period ending more than one year before the end of the Term. If Landlord exercises its right to terminate this Lease under this Section 7.8. Landlord shall be free to lease the Premises or any portion thereof (or of other premises within the Project) to any third party, including, without limitation, any third party identified by Tenant in its Transfer Notice, and Tenant shall not be entitled to any compensation, or to any portion of the rent or other consideration received by Landlord from such third party or otherwise, as a result thereof. Furthermore, Landlord's exercise of its termination right shall not be constructed to impose any liability on Landlord with respect to any real estate brokerage, finders', or other fee, commission or other compensation that Tenant may incur in connection with its proposed transaction.

7.9 Landlord's Rights to Transfer. Landlord shall have the right to sell, transfer, hypothecate or assign any or all of its rights and obligations under this Lease. Upon the transfer of all of Landlord's interest under this Lease, all liabilities and other obligations of the Landlord arising on or after the date of the transfer shall be the sole responsibility of the transferee. The transferor is hereby released from any claim with respect thereto upon the assumption of the obligations of Landlord hereunder by the transferee.

SECTION 8: INSURANCE/INDEMNITY.

8.1 Policies. All insurance required to be carried by Tenant hereunder shall be issued by insurance companies qualified to do business in the State of California and rated A:XII or better in the most current issue of "Best's Key Rating Guide." Current, original certificates evidencing the existence and amounts of such insurance shall be delivered to Landlord by Tenant at least 30 days prior to Tenant's taking occupancy of the Premises, and the expiration of any policy required hereunder. No policy shall be subject to cancellation or modification except after not less than 30 days' written notice to Landlord and any Lender.

8.2 Tenant's Insurance. During the Term, Tenant shall, at Tenant's sole expense, procure and maintain the following insurance:

8.2.1 "Special Form" (formerly known as "All Risk") insurance, including fire, extended coverage, sprinkler leakage (including earthquake sprinkler leakage), vandalism and malicious mischief, covering all Tenant Improvements, Tenant Alterations, and any and all Personal Property, in an amount not less than 100% of their actual replacement cost. The proceeds of such insurance shall be used for the repair or replacement of the property insured, except that in the event of a loss occurring after the last 6 months of the Term, the proceeds attributable to the Tenant Improvements and Tenant Alterations shall be paid and belong to Landlord, and the proceeds attributable to the Personal Property shall be paid and belong to Tenant.

8.2.2 ISO "Occurrence Form" commercial general liability insurance for injury to or death of any person and damage to property in connection with the construction of improvements on the Premises and with Tenant's use of and operations in the Premises. Such insurance shall have limits of not less than Two Million Dollars ($2,000,000) per incident, not less than Two Million Dollars ($2,000,000) per annual aggregate. Tenant's policy of liability insurance shall include an endorsement naming Landlord, and any Lender designated by Landlord, as additional insureds under ISO endorsement CG 2011 "Additional Insured Managers or Lessors of Premises".

8.2.3 Workers' compensation insurance in the amount required by the state in which the Premises are located, and Employers' liability with limits of $1,000,000 for each accident, each employee, and each illness pertaining to Tenant's employees; and

8.2.4 Tenant shall carry and maintain during the Term (including any option periods, if applicable) increased amounts of the insurance required to be carried by Tenant pursuant to this Article 8 and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be required by Landlord from time to time.

8.3 Waiver of Subrogation. So long as the same does not impair any insurance coverage required hereunder, Tenant and Landlord each hereby waive: any rights of recovery against the other and the officers, agents, and representatives of the other for injury or loss covered by insurance, including any deductible amounts under said insurance, to the extent of the injury or loss covered thereby, and on behalf of their respective insurance companies, any right of subrogation that either may have against the other. All policies of insurance which Tenant or Landlord actually carries and/or is required to carry pursuant to this Lease shall include a clause or endorsement denying the

insurer any right of subrogation against Landlord and/or Tenant, so long as the same can be obtained from an insurance company meeting the standards set forth in Section 8.1 above.

8.4 Tenant's Failure to Insure. If Tenant fails to maintain any insurance required by this Lease, Tenant shall be liable for any loss or cost resulting from that failure. Landlord may, but shall not be obligated to, provide for such insurance at Tenant's cost. This Section 8.5 shall not waive any of Landlord's other rights and remedies under this Lease. Tenant shall not keep, use, sell or offer for sale in or upon the Premises any article, which may be prohibited by the standard form of any insurance policy required hereunder. Tenant agrees to pay for any increase in premiums for insurance referred to herein that may be charged during the Lease Term on the amount of such insurance which may be carried by Landlord on the Premises or the Project, resulting from any activity on or in connection with the Premises, whether or not Landlord has consented to the same.

8.5 Indemnity.

(a) Tenant's Indemnity. Except to the extent arising from Landlord's willful misconduct or gross negligence, Tenant hereby indemnifies Landlord and Landlord's Employees, and shall forever save and hold Landlord and Landlord's Employees harmless, from and against all obligations, liens, claims, liabilities, costs (including, but not limited, to all attorneys' and other professional fees and expenses), actions and causes of action, threatened or actual, which Landlord may suffer or incur arising out of or in connection with Tenant's and Tenant's Employees actions and omissions relating to this Lease, including without limitation the use by Tenant and Tenant's Employees of the Premises, the conduct of Tenant's business, any activity, work or things done, permitted or suffered by Tenant in or about the Premises or the Project, Tenant's or Tenant's Employees' failure to comply with any applicable Law, or any negligence or willful misconduct of Tenant or any of Tenant's Employees. In case of any claim, demand, action or cause of action, threatened or actual, against Landlord, upon notice from Landlord, Tenant shall defend Landlord at Tenant's expense by counsel reasonably satisfactory to Landlord. If Tenant does not provide such a defense against any and all claims, demands, actions or causes of action, threatened or actual, then Tenant shall, in addition to the above, pay Landlord the expenses and costs incurred by Landlord in providing and preparing such defense, and Tenant agrees to cooperate with Landlord in such defense, including, but not limited to, the providing of affidavits and testimony upon request of Landlord.

(b) Landlord's Indemnity. Except to the extent arising from Tenant's willful misconduct or negligence, Landlord hereby indemnifies Tenant and Tenant's Employees, and shall forever save and hold Tenant and Tenant's Employees harmless, from and against all obligations, liens, claims, liabilities, costs (including, but not limited, to all attorneys' and other professional fees and expenses), actions and causes of action, threatened or actual, which Tenant may suffer or incur arising out of or in connection with any gross negligence or willful misconduct of Landlord or any of Landlord's Employees in or about the Project, in each instance during the Term of this Lease. In case of any claim, demand, action or cause of action, threatened or actual, against Tenant to which the foregoing indemnity applies, upon notice from Tenant, Landlord shall defend Tenant at Landlord's expense by counsel

reasonably satisfactory to Tenant. If Landlord does not provide such a defense against any and all claims, demands, actions or causes of action, threatened or actual, then Landlord shall, in addition to the above, pay Tenant the expenses and costs incurred by Tenant in providing and preparing such defense, and Landlord agrees to cooperate with Tenant in such defense, including, but not limited to, the providing of affidavits and testimony upon request of Tenant.

(c) Insurers Not Relieved. Tenant's agreement to indemnify Landlord and Landlord's agreement to indemnify Tenant are not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried pursuant to the provisions of this Lease, to the extent such policies cover, or if carried, would have covered the matters, subject to the parties' respective indemnification obligations; nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Lease.

8.6 Landlord's Insurance. Landlord shall insure the Project during the Term against damage by fire, and standard extended coverage perils, and shall carry commercial general liability insurance insuring Landlord, all in such amounts and with such deductibles as Landlord may determine from time to time in its sole discretion. None of the insurance carried by Landlord shall name Tenant as an insured or otherwise be for the benefit of Tenant, as a third party beneficiary or otherwise.

8.7 Tenant's Assumption of Risk. Except in the case of willful misconduct or gross negligence of Landlord, Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons, in, upon or about the Premises from any cause, and Tenant hereby waives all related claims against Landlord. Without implying any obligation of Landlord or Landlord's Employees to accept any of Tenant's property for safekeeping, Landlord and Landlord's Employees shall not be liable for any damages to property entrusted to Landlord or Landlord's Employees, nor for loss of or damage to any property in or about the Premises by theft or otherwise, nor for any injury or damage to persons or property resulting from any cause whatsoever unless caused solely by the gross negligence of Landlord or Landlord's Employees. Landlord and Landlord's Employees shall not be liable for any latent defect in the Premises or in the Project. Tenant shall give prompt notice to Landlord in case of fire or accidents in the Premises or in the Project.

8.8 Exemption of Landlord. In the event that Landlord is prevented or delayed from making any repairs or furnishing any services or performing any other covenant or duty to be performed by Landlord hereunder by reason of any Force Majeure, Landlord shall not be liable to Tenant therefor, nor shall Tenant be entitled to any abatement of Rent, or to claim an actual or constructive, total or partial eviction from the Premises. Except as provided in Section 16.3, the parties hereby agree that neither party shall be liable to the other for any injury to the other's business or any loss of income therefrom or for damage to the furniture, fixtures, equipment and other property of Tenant or Tenant's Employees from any cause whatsoever. Landlord shall not be liable for any damage, destruction or loss of property or for any injury or death to any person arising from any act or neglect of any other tenant or other occupant or user of the Project, or any matter beyond the reasonable control of Landlord.

SECTION 9: DAMAGE OR DESTRUCTION.

9.1 Damage Generally. If any part of the Premises or the Project is damaged by fire or other casualty and the damage affects Tenant's use or occupancy of the Premises, Tenant shall give prompt notice to Landlord. To the extent that Landlord has available insurance proceeds in connection with such casualty, Landlord shall repair such damage with reasonable diligence. If any substantial part of the Premises is rendered untenantable by reason of damage not caused by the willful misconduct of Tenant or any of Tenant's Employees, then the Base Rent hereunder shall thereafter abate in proportion to the rentable area of the Premises rendered untenantable until the date when such part of the Premises shall have been delivered to Tenant with Landlord having completed its obligations hereunder, unless Landlord shall make available to Tenant during the period of such repair other space in the Project reasonably suitable for the temporary conduct of Tenant's business. Landlord shall not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting from such damage or repair, construction or restoration. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) and the provisions of any other Law allowing Tenant to make repairs and deduct the cost thereof from any Rent. Except as provided herein, Landlord shall restore or repair the Premises diligently and to their condition immediately prior to the damage. Landlord shall not be liable for delays in repair or restoration caused by Force Majeure.

9.2 Exceptions to Obligation to Rebuild. Despite Section 9.1, this Lease may be terminated by Landlord in any of the following situations:

(a) If substantial alteration or reconstruction of the Project shall, in the opinion of Landlord, be required as a result of damage by fire or other casualty; or

(b) If all available insurance proceeds are materially less than 100% of the cost of restoration;

(c) If the damage to the Project or Premises is caused by the willful misconduct of Tenant or any of Tenant's Employees; or

(d) If existing laws do not permit the Premises to be restored to substantially the same condition as they were in immediately before the destruction.

Any such election to terminate this Lease shall be exercised by notice from Landlord to Tenant served within 60 days after the date of the damage. The notice shall specify the date of termination, which shall be at least thirty (30) days after notice is given. In the event Landlord gives such notice of termination, this Lease shall terminate as of the date specified, and all Base Rent (to the extent not otherwise abated) shall be prorated to of the later of the date of termination or Tenant's vacation of the Premises.

9.3 Extent of Landlord's Obligation to Repair. Subject to Landlord's right to terminate as set forth above, Landlord shall make repairs to the structural elements and the shell of the Premises at Landlord's expense. The repair and restoration of Tenant Alterations, Tenant Improvements and the Personal Property shall be the sole obligation of Tenant. Tenant shall commence such repair and restoration and the installation of its stock-in-trade, fixtures, furniture, furnishings and equipment prompt)y upon delivery to it

of possession of the Premises and shall diligently prosecute any such work and installation to completion. In no event shall Landlord have any obligation to make repairs or restoration to the extent all insurance proceeds actually received by Landlord are insufficient to pay for the same. However, at Landlord's option, Landlord's contractor shall perform all reconstruction work in the Premises at Tenant's expense. In the event that Landlord does not elect to have Landlord's contractor repair all of the damage or destruction, Tenant shall undertake the repair and restoration of Tenant Improvements and Tenant Alterations in a diligent, first class manner in accordance with the provisions Section 4 hereof.

9.4 Near End of Term. Notwithstanding anything to the contrary contained in this Section 9, Landlord shall not have any obligation of any nature to repair, reconstruct or restore the Premises when the damage resulting from any casualty occurs during the last twelve (12) months of the Term and Landlord reasonably determines that such damage will take more than six (6) months to repair. In such event, Landlord shall have the right to cancel this Lease within sixty (60) days after the occurrence of such damage or destruction. If Landlord does not cancel this Lease, Tenant shall be entitled to an abatement of Base Rent in accordance with Section 9.

9.5 Tenant's Right to Terminate. If the Premises are rendered unusable for the conduct of Tenant's business by reason of such damage, Landlord shall give Tenant a reasonable estimate of the time required for repair as soon as possible after the date of damage. If Landlord reasonably estimates that the time needed for repair will extend more than 240 days after the date of damage, or if Landlord fails to complete repairs within thirty (30) days of the estimated completion date, then Tenant shall have the right to cancel this Lease by giving written notice within fifteen (15) days after receipt of Landlord's estimate, such cancellation effective ten (10) days after the date such notice of cancellation is given.

SECTION 10: CONDEMNATION AND OTHER TAKINGS.

10.1 Condemnation. If any part of the Project shall be taken for public or quasi-public use by the right of eminent domain, or if the same is transferred by agreement in connection with such public or quasi-public use or under threat of eminent domain (collectively, a "***Taking***"), Landlord shall have the option, exercisable within 30 days after the effective date of the Taking, to terminate this Lease as of the date possession is acquired by the condemning authority. Tenant may terminate this Lease by reason of a Taking if, and only if, there is a Taking of a portion of the Premises to such an extent to substantially impair Tenant's use of the Premises. Tenant shall have no right to terminate this Lease following any Taking except as set forth in the preceding sentence. Tenant hereby waives the benefit of California Code of Civil Procedure Section 1265.130 and any successor statute or other statute of similar import, it being the intent of the parties hereto that the terms of this Lease shall govern in the event of any Taking.

10.2 Partial Taking. In the event of a Taking of a portion of the Premises which does not result in a termination of this Lease under Section 10.1 above, all Base Rent shall be equitably abated based on the square footage that is subject to the Taking.

10.3 Restoration. In the event of a Taking of a portion of the Premises which does not result in a termination of this Lease under Section 10.1 above, Landlord shall proceed to restore the remaining portion of the Premises (other than customary office

Tenant Alterations approved by Landlord or any of the Personal Property) as nearly as practicable to its condition prior to the Taking. However, Landlord shall be obligated to restore at its expense as provided herein only to the extent of condemnation proceeds awarded in connection with the Taking and allocated to restoration costs. Notwithstanding the foregoing, if the costs of restoration exceed the portion of the condemnation award allocated to restoration costs, Landlord may elect to terminate this Lease unless Tenant elects to pay such excess.

10.4 Award. In the event of any Taking of all or a part of the Project, Landlord shall be entitled to receive the entire award in the condemnation proceedings, and Tenant hereby assigns to Landlord, any and all right, title and interest of Tenant in or to any such award, and Tenant shall be entitled to receive no part of such award. Despite the foregoing, Tenant shall not be precluded from claiming from the condemning authority any compensation to which Tenant may otherwise lawfully be entitled in respect of Tenant's tangible Personal Property, or for relocating to new space, or for the unamortized portion of any tenant improvements installed in the Premises to the extent they were paid for by Tenant.

SECTION 11: DEFAULT BY TENANT.

The occurrence of any one or more of the following shall be deemed a "***Default***" by Tenant and a material breach, of this Lease:

11.1 Abandonment. Vacation or abandonment of the Premises by Tenant for a continuous period in excess of 5 consecutive business days, or failure or refusal to accept tender of possession of the Premises. coupled in each instance with a failure to pay Rent.

11.2 Nonpayment of Rent. Tenant's failure to pay any Rent due or to make any other monetary payment imposed under the terms of this Lease, for a period of three (3) business days after written notice from Landlord.

11.3 Non-delivery of Documents. Tenant's failure to execute and deliver any documents required by this Lease within the time periods expressly specified, where such failure continues three (3) business days after delivery by Landlord of written notice of failure to Tenant.

11.4 Other Obligations. Tenant's failure to perform any other obligation under this Lease (including the Rules and Regulations) for thirty (30) days after written notice from Landlord; however, if more than thirty (30) days are reasonably required for cure, Tenant shall not be in default hereunder if Tenant shall promptly (and in any event within five (5) days after receipt of Landlord's notice) commence the cure of the default and diligently prosecute the same to completion, so long as cure is completed within ninety (90) days after receipt of Landlord's notice.

11.5 General Assignment. A general assignment by Tenant or any Guarantor for the benefit of creditors.

11.6 Bankruptcy. The filing of any voluntary petition in bankruptcy by Tenant or any Guarantor, or the filing of an involuntary petition by Tenant's creditors or the creditors of any Guarantor, which involuntary petition remains undischarged for a

period of sixty (60) days. In the event that under any Law the trustee in bankruptcy or Tenant has the right to affirm this Lease and continue to perform the obligations of Tenant hereunder, such trustee or Tenant shall, in such time period as may be permitted by the bankruptcy court having jurisdiction, cure all Defaults of Tenant outstanding as of the date of the affirmance of this Lease and provide to Landlord such adequate assurances as may be necessary to ensure Landlord of the continued performance of Tenant's obligation under this Lease.

11.7 Receivership. The employment of a receiver to take possession of substantially all of the assets and business of Tenant or any Guarantor or the Premises, if such receivership remains undissolved for a period of thirty (30) days after creation thereof.

11.8 Attachment. The attachment, execution or other judicial seizure of all or substantially all of the assets of Tenant or any Guarantor or the Premises, if such attachment or other seizure remains undismissed or undischarged for a period of thirty (30) days after the levy thereof.

11.9 Insolvency. The admission by Tenant or any Guarantor in writing of its inability to pay its debts as they become due, the filing by Tenant or any Guarantor of a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future Law providing for debtor relief, the filing by Tenant or any Guarantor of an answer admitting or failing timely to contest a material allegation of a petition filed against Tenant or any Guarantor in any such proceeding or, if within thirty (30) days after the commencement of any proceeding against Tenant or any Guarantor seeking any reorganization, or arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future Law, such proceeding shall not have been dismissed.

11.10 Guarantor. The default under or termination or cancellation of any guaranty of this Lease by any Guarantor, or the written assertion by any Guarantor that it is not bound by the terms of its guaranty of this Lease.

11.11 Misrepresentation. Any material misrepresentation herein by Tenant, or any material misrepresentation or omission in any financial statements or other materials provided to Landlord by or on behalf of Tenant or any Guarantor in connection with negotiating or entering into this Lease, or provided by or on behalf of Tenant, or a Guarantor, or by any Transferee in connection with any Transfer.

Any notice given pursuant to this Section 11 is in lieu of any written notice required by statute or law, including any notice required under Sections 1161 and 1161.1 of the California Code of Civil Procedure (or any similar or successor law), and Tenant waives (to the fullest extent permitted by law) the giving of any notice other than that provided for in this Section 11. To the extent the foregoing is not permitted by law, any notice under this Section 11 shall run concurrently with, and not in addition to, any similar time periods prescribed by applicable law.

SECTION 12: LANDLORD'S REMEDIES UPON DEFAULT.

12.1 Termination. In the event of a Default, Landlord shall have the right to terminate this Lease. The election to terminate may be stated in any notice served upon

Tenant with respect to the Default. After the termination, Landlord may, pursuant to applicable law, enter the Premises and remove Tenant, any other person occupying the same, and any or all Personal Property. Any such repossession shall be without prejudice to any of the remedies that Landlord may have under this Lease, or at law or in equity, by reason of the Default or the termination.

12.2 Continuation After Default. In the event of the occurrence of a Default, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession under Section 12.1, and Landlord may enforce all its rights and remedies under this Lease, including (but without limitation) the right to recover Rent as it becomes due. Landlord has the remedy described in California Civil Code Section 1951.4 (lessor may continue to lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations). Landlord shall further have all remedies under any other applicable code section. Acts of maintenance, preservation or efforts to lease the Premises, or the appointment of receiver upon application of Landlord to protect Landlord's interest under this Lease, shall not constitute an election to terminate Tenant's right to possession in the absence of written notice to the contrary.

12.3 Damages Upon Termination. Should Landlord terminate this Lease pursuant to the provisions of Section 12.1 Landlord shall have all the rights and remedies of a landlord provided by Section 1951.2 of the California Civil Code or any other applicable code section. Landlord shall be entitled to recover from Tenant: (a) the worth at the time of award of the unpaid Rent and other amounts which had been earned at the time of termination; (b) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such Rent loss that Tenant proves could have been reasonably avoided; (c) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such Rent loss that Tenant proves could be reasonably avoided; and (d) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which, in the ordinary course of things, would be likely to result therefrom, including, without limitation, any costs or expenses incurred by Landlord in maintaining or preserving the Premises after such Default, recovering possession of the Premises, expenses of reletting the Premises to a new tenant, (including necessary renovations, alterations and improvements to the Premises, and leasing commissions incurred), and all attorneys' and other professional and paraprofessional fees and other costs and expenses incurred in good faith in connection with any of the foregoing. The "worth at the time of award" of the amounts referred to in (a) and (b), above shall be computed with interest at the maximum lawful rate. The "worth at the time of award" of the amount referred to in (c), above shall be computed by reference to the formula prescribed by, and using the lowest discount rate permitted under, any applicable Law.

12.4 Remedies Cumulative. All rights, privileges and elections or remedies of the parties are cumulative and, to the extent permitted by any Law and except as otherwise provided herein, are not alternative.

SECTION 13: LANDLORD'S DEFAULT.

13.1 Right to Cure. Landlord shall not be deemed to be in default in the performance of any obligation required of it under this Lease until it has failed to perform such obligation within 30 days after receipt by Landlord of written notice from Tenant to Landlord, specifying the obligation in question and the manner in which Landlord has failed to perform the obligation. If the nature of Landlord's obligation is such that more than thirty (30) days are reasonably required for its performance, Landlord shall not be in default if Landlord commences to cure the default within the thirty (30) day period and proceeds to completion with reasonable promptness.

13.2 Tenant's Remedies. Except as expressly set forth in, and limited by, the terms of this Lease, Tenant hereby waives and relinquishes any and all rights which Tenant may have to terminate this lease or to withhold Rent (except for Tenant's express abatement rights herein), including without limitation on account of any default by Landlord of its obligations under this Lease and any damage to, or condemnation, destruction or state of disrepair of, the Premises (specifically including but not limited to, those rights under California Civil Code Sections 1932,1933(4),1941,1941.1 and 1942).

13.3 Notice to Lenders. Tenant agrees to give all Lenders, by registered or certified mail, return receipt requested, a copy of any notice of default served upon Landlord, provided that prior to such obligation to give notice, Tenant has been notified, in writing (by way of Notice of Assignment of Rents and Leases, or otherwise), of the addresses of the Lenders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided in this Lease, then before Tenant pursues its other remedies, all Lenders shall have an additional thirty (30) days (the "***Lender Cure Period***") within which to cure the default on behalf of Landlord; except that if the default cannot be reasonably cured within the Lender Cure Period, each of the Lenders shall have such additional time as may be reasonably necessary to complete such cure. If the default is such that a Lender must gain possession of the Project or any portion of it in order to be able to effect a cure, then the commencement of foreclosure proceedings against Landlord shall be deemed to constitute the commencement by the Lender of the cure of the default by Landlord.

SECTION 14: SUBORDINATION AND ATTORNMENT.

14.1 Subordination. Subject to the provisions of Section 14.2 below, this Lease and the rights of Tenant hereunder shall be and are hereby made, at the option of the applicable Lender, subject and subordinate at all times to any Mortgage now or hereafter existing, and to all advances made or hereafter to be made against or to protect the security thereof. If requested by Landlord, Tenant agrees to execute and deliver to Landlord, within 10 days after written demand therefor, an agreement in the form of ***Exhibit "F"*** or in such other commercially reasonable form required by Landlord's Lender, or such further instruments confirming the subordination of this Lease to any Mortgage as may be requested by Landlord or any Lender from time to time. Any failure or refusal of Tenant to execute such an agreement within 10 days shall constitute a Default. However, no such additional agreement shall be necessary to effectuate such subordination.

14.2 Attornment. Notwithstanding the provisions of Section 14.1, in the event of the foreclosure of any Mortgage or cancellation or termination of any Master Lease,

Tenant, at the request of the then successor to the Landlord following such event, shall attorn to and recognize the successor (herein referred to as the "***Successor Landlord***"), as Landlord under this Lease; provided that Tenant agrees that and Successor Landlord shall not be: (a) liable in any way for any act, omission, neglect or default of any prior Landlord (including, the then defaulting Landlord), except that the Successor Landlord shall be obligated to cure any continuing default, but only to the extent that such default continues after the date that the Successor Landlord succeeds to the interest of Landlord under this Lease, or (b) subject to any claim, defense, counterclaim or offsets which Tenant may have against any prior Landlord (including, the then defaulting Landlord), or (c) bound by any payment of rent or additional rent which Tenant might have paid for more than one month in advance of the due date under this Lease to any prior Landlord (including, the then defaulting Landlord), or (d) bound by any obligation to make any payment to Tenant which was required to be made prior to the time the Successor Landlord succeeded to any prior Landlord's interest, or (e) accountable for any monies deposited with any prior Landlord (including security deposits), except to the extent such monies are actually received by the Successor Landlord, or (f) bound by any amendment or modification of this Lease made without the prior written consent of each ground lessor and lender. Tenant agrees to execute and deliver at any time upon request of any Lender or purchaser, and the successors of either, any instrument reasonably requested to further evidence such attornment. Tenant hereby waives its right, if any, to elect to terminate this Lease or to surrender possession of the Premises in the event of any Mortgage termination or foreclosure. Tenant also agrees that any Lender may, at its option, unilaterally elect to fully or partially subordinate its Mortgage to this Lease by an instrument in form and substance satisfactory to the Lender which Tenant shall execute within ten (10) days after written request. Any failure or refusal by Tenant to execute such instrument within the time period specified in this Section 14.2 (without additional time, despite any other provision of this Lease) shall constitute a Default hereunder, but shall not affect the validity or enforceability of the subordination.

14.3 Mortgagee's Liability. Despite the provisions of Section 42 below, in the event that any Lender or its respective successor in title shall succeed to the interest of Landlord hereunder, the liability of the Lender or successor shall exist only so long as it is the owner of the Project, the Project, or the interest therein superior to this Lease under any Master Lease. Except for the Base Rent paid by Tenant upon execution of this Lease, no Base Rent or any other Rent charge shall be paid more than 30 days prior to the due date thereof, and payments made in violation of this provision shall be a nullity as against any Lender, except to the extent that those payments are actually received by the Lender.

14.4 Non-Disturbance Protection. Notwithstanding anything to the contrary contained herein, Tenant's obligations to subordinate its rights hereunder to any future Mortgage shall be conditioned upon Landlord's obtaining from the Lender (upon request from Tenant) a commercial reasonable non-disturbance agreement ("***Non-Disturbance Agreement***") providing in substance that: (i) so long as Tenant is not in Default under this Lease, Tenant's tenancy will not be disturbed, nor its rights under this Lease affected by, any default under such Mortgage nor shall Tenant be named as a defendant in any foreclosure proceeding (unless the Lender is legally required to do so), (ii) any Successor Landlord shall, subject to Section 14.2 of this Lease, assume the obligations of Landlord under this Lease accruing thereafter, and (iii) the Non-Disturbance Agreement shall be binding upon and inure to the benefit of the successors or assigns of the parties thereto.

SECTION 15: INSPECTIONS AND ACCESS.

15.1 Entry. Landlord and its agents or representatives may enter the Premises at reasonable hours and with reasonable prior notice (except in case of emergency) to inspect the Premises, exhibit the Premises to prospective purchasers, lenders or tenants, determine whether Tenant is complying with all Tenant's obligations hereunder, supply janitorial service and any other service to be provided by Landlord to Tenant hereunder, post notices of nonresponsibility, and make repairs or do any work required of Landlord under this Lease or make repairs or do any other work for the benefit of the Project. All such work shall be done as expeditiously as reasonably feasible so as to cause as little interference to Tenant as reasonably possible without requiring extraordinary expenditure on the part of Landlord. Except as expressly otherwise provided herein, in no event shall Tenant be entitled to any reduction or abatement of Rent, or to make any claim for damages against Landlord, as a result of any act of Landlord carried out pursuant to this Section 15.1, and Tenant hereby waives any claim for damages or claim in connection with any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, or any other loss caused by the exercise of such rights by Landlord. Landlord shall at all times have a key to all doors providing entry to the Premises, but excluding Tenant's vaults, safes, files, or security rooms (as to which Tenant shall provide Landlord with prompt supervised access. Landlord shall have the right to use any and all means that Landlord may deem proper to open any doors to or within the Premises in the event of an emergency, without liability to Tenant except for any failure by Landlord to exercise due care for Tenant's property under the circumstances, and in any event with no liability to Tenant if the emergency was caused by the act or omission of Tenant or any of Tenant's Employees.

15.2 Access. If Tenant shall not have any representative personally present to open and permit Landlord's entry into the Premises at any time when such an entry by Landlord is necessary or permitted hereunder, Landlord may enter by means of a master key without liability to Tenant except for any failure to exercise due care.

SECTION 16: SURRENDER OF PREMISES.

16.1 Removal by Tenant. At the expiration or earlier termination of this Lease, Tenant shall surrender to Landlord the Premises and all Tenant Alterations (other than those Tenant Alterations to be removed by Tenant pursuant to Section 4.5) in good order, repair and condition, except for ordinary wear and tear, free of all tenancies and occupancies. Tenant shall remove all of Tenant's Personal Property in accordance with Section 4.5. Tenant, at Tenant's expense, shall perform all necessary restoration, including, without limitation, restoration made necessary to the Premises or the Project by the removal of the Tenant Alterations and Tenant's Personal Property, at or prior to the expiration or termination of this Lease.

16.2 Removal By Landlord. Landlord may elect to retain or dispose of, in any manner, any Tenant Alterations or Personal Property that Tenant does not remove from the Premises on expiration or earlier termination of the Term. Title to such Tenant Alterations or Personal Property Landlord elects to retain on expiration or earlier termination of the Term shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such Tenant Alterations or Personal Property. Tenant shall be liable to Landlord for Landlord's costs for storing, removing and disposing of any Tenant Alterations or Personal Property and the cost of any repairs to the Premises and/or the Project associated with the removal.

16.3 Holding Over. If Tenant holds over after the expiration or earlier termination of the Term with or without the express written consent of Landlord, such Tenancy shall be from month-to-month only, at a rental rate equal to two hundred percent (200%) of the Rent in effect upon the date of such expiration or termination, and otherwise subject to the terms, covenants and conditions herein specified. Acceptance by Landlord of Rent after such expiration or earlier termination shall not constitute a holdover hereunder or result in a renewal. The foregoing provisions of this Section 16.3 are in addition to and do not affect Landlord's right of re-entry or any rights of Landlord hereunder or as otherwise available to Landlord as a matter of law nor shall the foregoing be construed as consent by Landlord to any holding over by Tenant. Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord upon the expiration or other termination of this Lease.

SECTION 17: LANDLORD'S LIABILITY; SALE BY LANDLORD.

17.1 No Personal Liability. Landlord or any successor in interest of Landlord (whether one or more individual(s), a partnership, a joint venture, a corporation, a trustee or other fiduciary, or the trust or other entity or organization for which any fiduciary acts) shall have no direct or personal liability with respect to any term or requirement of this Lease beyond Landlord's or the successor's interest in the Project. Tenant shall look solely to the estate of Landlord or the successor in the Project for the satisfaction of any claim by Tenant, it being the intention and agreement of the parties to this Lease that none of Landlord or the other Indemnified Parties be personally liable for any deficiency or judgment against Landlord arising out of this Lease except to the extent expressly provided herein.

17.2 Tenant's Equitable Remedy. Tenant shall not be entitled to any damages because of Landlord's failure or refusal to consent or approve of any matter requested by Tenant. Tenant's sole remedy shall be an action for specific performance or injunction.

17.3 Deposit. In the event the original Landlord hereunder, or any successor in interest of Landlord, shall sell or convey its interest in the Project, Tenant agrees to attorn to such new owner. Landlord shall transfer to the new owner the balance of the Security Deposit, if any, and, after the new owner's notice to Tenant to that effect, Landlord shall be relieved of all future liability with respect to the Security Deposit.

17.4 Covenants. In the event of any transfer by any Landlord of its interest, such Landlord shall be automatically relieved from all liability accruing from and after the date of the transfer or conveyance.

SECTION 18: HAZARDOUS MATERIALS.

18.1 Definitions. As used in this Section 18, the following words or phrases shall have the following meanings:

(a) "***Agents***" means Tenant's partners, officers, directors, shareholders, employees, agents, contractors, assignees, and subtenants of Tenant.

(b) "***Claims***" means claims, liabilities, losses, actions, environmental suits, causes of action, legal or administrative proceedings, damages, fines, penalties, loss of rents, liens, judgments, costs and expenses (including, without limitation,

attorneys' fees and costs of defense, and consultants', engineers' and other professionals' fees and costs).

(c) "***Hazardous Materials***" means any: (i) Substance which is regulated by any Hazardous Materials Law; (ii) asbestos and asbestos-containing materials; (iii) urea formaldehyde; (iv) radioactive substance; (v) flammable explosives; (vi) petroleum, including crude oil or any fraction thereof; (vii) polychlorinated biphenyls; and (viii) "hazardous substances," "hazardous materials" or "hazardous waste" under any Hazardous Materials Law.

(d) "***Hazardous Materials Laws***" mean: (i) any existing or future federal, state or local law, ordinance regulation or code which protects health, safety or welfare, or the environment; (ii) any existing or future administrative or legal decision interpreting any such law, ordinance, regulation or code; and (iii) any common law theory which may result in Claims against Landlord, the Premises or the Project.

(e) "***Permits***" means any permit, authorization, license or approval required by any applicable governmental agency.

(f) "***Substance***" means any substance, material, product, chemical, waste, contaminant or pollutant.

(g) "***Use***" means use, generate, manufacture, produce, store, release, discharge, allow to exist and transport to or from the Project.

18.2 Use of Hazardous Materials. Without limiting the generality of this Section 18, and except as provided hereinbelow, Tenant covenants and agrees that Tenant and its Agents shall not bring into, maintain upon, or Use in or about the Project, or transport to or from the Project, any Hazardous Materials, nor shall Tenant or its Agents release or dispose of any Hazardous Materials in, on, under or about the Project in violation of any Hazardous Materials Law. Notwithstanding the foregoing provisions, Tenant may Use any Substance typically found or used in premises for the Permitted Use permitted by this Lease, so long as: (a) any such Substance is typically found only in such quantity as is reasonably necessary and customary for Tenant's Permitted Use; (b) any such Substance and all equipment necessary in connection with the Substance are Used strictly in accordance with the manufacturers' instructions therefore; (c) no such Substance is released or disposed of in or about the Project in violation of any Hazardous Materials Law; (d) any such Substance and all equipment necessary in connection with the Substance are removed from the Project and Premises and transported for Use or disposal by Tenant in compliance with any applicable Hazardous Materials Laws upon the expiration or earlier termination of this Lease; and (e) Tenant and its Agents comply with all applicable Hazardous Materials Laws. Tenant shall not use or install in or about the Premises any asbestos or asbestos-containing materials.

18.3 Delivery of Notices. Tenant shall furnish to Landlord copies of all notices, claims, reports, complaints, warnings, asserted violations, documents or other communications received or delivered by Tenant, as soon as possible and in any event within five (5) days after such receipt or delivery, with respect to any actual or alleged Use, disposal or transportation of Hazardous Materials in or about the Premises and the Project. Whether or not Tenant received any such notice, claim, report, complaint,

warning, asserted violation, document or other communication, Tenant shall immediately notify Landlord, orally and in writing, if Tenant or any of its Agents knows or has reasonable cause to believe that any Hazardous Materials, or a condition involving or resulting from the same, is present, in Use, has been disposed of, or transported to or from the Premises or the Project. The parties hereto acknowledge the potential existence of fungi, bacteria, molds and viruses in or around the Project. In that regard the parties hereto acknowledge that except in the case of willful misconduct, neither party shall have any liability for damage and/or claims resulting from any claims made against the other for fungi, including but not limited to mold, mildew, yeast; bacteria; viruses; or dust, spores, odors, particulates or byproducts, including mycotoxins and endotoxins, resulting from any source whatsoever.

18.4 Cleanup and Remediation. If Tenant or its Agents violate any provision of this Section 18, then Tenant shall immediately notify Landlord in writing and shall be obligated, at Tenant's sole cost, to abate, remediate, clean-up and/or remove from the Project, and dispose of, all in compliance with all applicable Hazardous Materials Laws, all Hazardous Materials Used by Tenant or its Agents. Such work shall include, but not be limited to, all testing and investigation required by Landlord, Landlord's Lender and/or ground Lessor, if any, and any governmental authorities having jurisdiction, and preparation and implementation of any remedial action plan required by any governmental authorities having jurisdiction. Tenant's indemnification covenant set forth in Section 18.6 shall extend to any enforcement or other action instituted by any governmental authority with respect to any such alleged requirement and, Tenant shall promptly, at Tenant's cost, comply with any requirement determined to be applicable to Tenant. All such work shall, in each instance, be conducted (a) to the satisfaction of the governmental authority having jurisdiction, if a governmental authority has assumed jurisdiction of such work, (b) to Landlord's reasonable satisfaction if a governmental authority has but declines to assume jurisdiction of such work or (c) to Landlord's reasonable satisfaction if there is no applicable governmental requirement with respect to such work and no governmental authority takes jurisdiction of such work. If Tenant does not reasonably comply with the provisions of this Section 18.4, then Landlord may, without prejudicing, limiting, releasing or waiving Landlord's rights under this Section 18, separately undertake such work, but only after first giving Tenant notice of its intent to do so and the opportunity to cure such default and Tenant shall promptly reimburse all costs incurred by Landlord.

18.5 Entry. Landlord shall have the right to enter and inspect the Premises, and the right to inspect Tenant's books and records, to verify Tenant's compliance with, or violations of, the provisions of this Section 18. Furthermore, Landlord may conduct such investigations and tests as Landlord or Landlord's Lender may require. If either (a) as a result of such inspections or tests, Tenant is found to be in material breach of the provisions of this Section 18 or (b) as to any test or investigation requested by any governmental authority or Landlord's Lender there is reasonable cause to believe that Tenant is in material breach of the provisions of this Section 18, then, in either such instance, Tenant, in addition to its other obligations set forth in this Section 18, shall promptly reimburse Landlord for all costs incurred in connection with such test or inspection.

18.6 Indemnity. Tenant shall indemnify, defend and hold harmless Landlord and the other Indemnified Parties, and the Project, from and against any and all Claims incurred by such Indemnified Parties, or any of them, in connection with or as the result

of: (a) the presence, Use or disposal of any Hazardous Materials in or about the Premises or Project by Tenant or its Agents; (b) any injury to or death of persons or damage to or destruction of property resulting from the presence, Use or disposal of any Hazardous Materials in or about the Premises or Project by Tenant or its Agents; (c) any violation by Tenant or its Agents of any Hazardous Materials Laws; and (d) any failure of Tenant or its Agents to observe the provisions of this Section 18.6. Tenant's obligations hereunder shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary testing, investigation, studies, reports, repair, clean-up, detoxification or decontamination of the Premises or Project, and the preparation and implementation of any closure, removal, remedial action or other required plans in connection therewith, and shall survive the expiration or earlier termination of the Term. For purposes of this indemnification provision, any acts or omissions of Tenant and its Agents (regardless of whether they are negligent, intentional, willful, or unlawful) shall be strictly attributable to Tenant. If, at any time after the initiation of any suit, action, investigation or other proceeding which could create a right of indemnification under this Section 18.6, Tenant is not complying with the provisions of Section 18.4, then Landlord may, without prejudicing, limiting, releasing or waiving the right of indemnification provided herein, separately defend or retain separate counsel to represent and control the defense as to Landlord's interest in such suit, action, investigation or other proceeding. Tenant shall pay all costs of Landlord's separate defense or counsel upon demand.

SECTION 19: SIGNS. Landlord shall provide Tenant's name in the Project's lobby directory, Building elevator lobby, and standard signage adjacent to the entrance to the Premises. Upon Landlord's prior written approval (as expressly defined below), Tenant shall have the right to install Tenant's corporate name and logo on the entrance doors to the Premises. Except as otherwise permitted by this Section 19, Tenant has no right to install Tenant identification signs in any other location in, on or about the Project and shall not display or erect any other signs, displays or other advertising materials that are clearly visible from the exterior of the Project or from within the Project in any interior or exterior Common Areas. The size, design, color and other physical aspects of any and all sign(s) permitted by Landlord will be subject to (i) Landlord's written approval prior to installation, which approval may be withheld in Landlord's sole discretion, (ii) all Matters of Record, and (iii) any applicable municipal or governmental permits and approvals. Without limiting Landlord's other rights and remedies, Landlord may immediately remove any signs installed by or on behalf of Tenant which are installed in violation of this Section 19.

SECTION 20: ENTITY AS TENANT. The parties executing this Lease hereby represent and warrant to each other that the individuals executing this Lease are duly authorized to execute and deliver this Lease, and that this Lease is binding upon and enforceable against the parties in accordance with its terms.

SECTION 21: ENTIRE AGREEMENT. This Lease constitutes the entire understanding of the parties with respect to the Premises and supersedes all prior or contemporaneous understandings and agreements relating to the subject matter thereof. There are no other promises, covenants, understandings, agreements, representations, or warranties with respect to the subject matter of this Lease except as expressly set forth herein or in any instrument executed concurrently herewith.

SECTION 22: MODIFICATION. This Lease may not be modified, terminated or amended except pursuant to a written instrument duly executed by all of the parties hereto.

SECTION 23: BROKERS. Landlord and Tenant each warrant and represent to the other that it has not employed or dealt with any real estate broker or finder in connection with this Lease, except for the broker(s), if any, whose name(s) is (are) set forth in the Basic Lease Provisions, and that it knows of no other real estate broker, agent or finder who is or might be entitled to a commission or fee in connection with this Lease. Landlord and Tenant each agree to indemnify, defend and hold the other harmless from and against any and all claims of any other broker or finder, used by it on account of any brokerage commission or finder's fee in connection with this Lease.

SECTION 24: NO RECORDATION. In no event shall this Lease or any memorandum thereof be recorded without the written consent of both Landlord and Tenant.

SECTION 25: TIME OF THE ESSENCE. Subject to the provisions of Section 33, time is of the essence of this Lease and each of the provisions hereof.

SECTION 26: FINANCIAL STATEMENT. At any time during the Term, Tenant shall upon 10 days prior written notice from Landlord, provide Landlord with a current financial statement and financial statements of the 2 fiscal years of Tenant prior to the current financial statement year. Such statements shall be prepared in accordance with generally accepted accounting principles.

SECTION 27: FURTHER ASSURANCES. From time to time, either party, at the request of the other party, and without further consideration, shall execute and deliver further instruments and take such other actions as the requesting party may reasonably require to complete more effectively the transactions contemplated by this Agreement.

SECTION 28: MODIFICATION FOR LENDER. If, in connection with obtaining any financing for the Project, the prospective lender shall request reasonable modifications to this Lease as a condition to such financing, Tenant will not unreasonably withhold, delay or defer its consent thereto, provided that such modifications shall not increase the obligations of Tenant hereunder or have a materially adverse effect on the leasehold interest hereby created or Tenant's rights hereunder.

SECTION 29: NO THIRD PARTY BENEFITS. This Lease is made and entered into for the sole benefit and protection of the parties hereto, and the parties do not intend to create any rights or benefits under this Lease for any person who is not a party to this Lease, other than a Lender and the Indemnified Parties.

SECTION 30: NAME OF PROJECT. Tenant shall not use the name, insignia or logo-type of the Project for any purpose. Tenant shall not use any picture of the Project in its advertising, stationery or any other manner.

SECTION 31: WAIVER. The waiver by any party of any term, covenant, agreement or condition herein contained shall be effective only if in writing and shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, agreement or condition herein contained, nor shall any custom or practice

which may develop between the parties in the administration of this Lease be construed to waive or to lessen the right of any party to insist upon the performance by the other party in strict accordance with all of the terms, covenants, agreements and conditions of this Lease. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, agreement or condition of this Lease, other than the failure of Tenant to timely pay, the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.

SECTION 32: NO LIGHT AND AIR EASEMENT. Any diminution, restriction, or shutting off of light, or air, or view from the Premises, by any building, sign, structure or similar improvement that may at any time be erected on the Project and/or on lands adjacent to or in the vicinity of the Project shall in no way affect this Lease, abate any Rent, or otherwise impose any cost, liability or obligation upon Landlord and shall not result in and/or constitute a breach of the covenant of quiet enjoyment and/or amount to a constructive eviction.

SECTION 33: FORCE MAJEURE. Whether or not any specific provision of this Lease expressly excepts delays caused by Force Majeure, neither Tenant nor Landlord shall be chargeable with, or be liable or responsible to the otherwise chargeable, liable or responsible party for, anything or in any amount for any failure to perform or delay in performing caused by Force Majeure, provided that nothing herein shall affect or relieve Tenant's obligation to pay Rent under this Lease. Any such failure or delay due to Force Majeure shall not be deemed a breach of or default in the performance of this Lease by either Tenant or Landlord.

SECTION 34: CIVIC PROGRAMS. Tenant agrees to reasonably cooperate to participate in any traffic management, resource conservation, safety, and other similar programs, whether voluntary or required, which may be civic or community benefit programs generally applicable to businesses located in Oakland, California or specifically applicable to the Project or the area in which the Project is located, to, the fullest extent permitted by the requirements of Tenant's business. Tenant shall execute and deliver promptly any documents requested by any governmental authority in connection with the foregoing. Neither this Section 34 nor any other provision in this Lease, however, is intended to, nor shall it, create any rights or benefits in any other person, firm, company, governmental entity or the public.

SECTION 35: ESTOPPEL CERTIFICATE. Tenant, shall at any time, and from time to time, upon ten (10) business days' prior written notice from Landlord, execute, acknowledge and deliver to Landlord an Estoppel Certificate. Any Estoppel Certificate may be relied upon by any Lender or any prospective lender with respect to, or any prospective purchaser of any interest in, the Project. Any failure or refusal by Tenant to execute and return a requested Estoppel Certificate within the time period specified in this Section 35 which continues for three (3) business days after notice of failure shall constitute a Default. Upon written request by Tenant not more than two (2) times during the Term, Landlord shall execute and deliver a commercially reasonable estoppel certificate to Tenant within the time period specified above.

SECTION 36: RIGHT TO PERFORMANCE. If Tenant shall fail to perform any act on its part to be performed hereunder, and such failure shall continue for thirty (30) days after written notice thereof to Tenant, provided that no notice shall be required

in cases of emergency, Landlord may, without waiving or releasing Tenant from any obligations of Tenant perform such act. All sums so paid by Landlord and all costs incidental thereto (including attorneys and other fees and costs), together with interest thereon at the Interest Rate from the date of such payment by Landlord, shall be deemed to be Rent and shall be payable to Landlord by Tenant upon demand therefor. Any obligation of Landlord under this Lease may be fulfilled by Landlord's Employees or by any agent or independent contractor of Landlord.

SECTION 37: EXECUTION OF LEASE BY LANDLORD. Neither the submission of this document to Tenant, nor examination and negotiation by Landlord or Tenant, constitutes an offer to lease, or a reservation in favor of Tenant of, or option to Tenant for, the Premises. This document shall become effective and binding only upon execution and delivery (a) of this Lease by Tenant and by Landlord, and (b) of the Guaranty by Guarantor.

SECTION 38: PROFESSIONAL FEES. If either party becomes involved in litigation or arbitration arising out of this Lease or the performance thereof, the court in such litigation or arbitrator in such arbitration shall, award legal expenses (including, but not limited to attorneys and other professional and paraprofessional fees incurred) to the prevailing party including all such costs and attorneys' fees incurred as a result of any appeal filed by the non-prevailing party.

SECTION 39: SURVIVAL OF INDEMNITIES. All provisions in this Lease relating to indemnities by either party to the befit of the other, or successor, shall survive the expiration or termination hereof for any reason and shall run to the benefit of the original Landlord named herein as well as any successor in interest to it.

SECTION 40: NOTICES. All notices, requests, demands or other communications required or desired to be given hereunder, to be legally binding, shall be in writing and may be served personally (including service by any commercial messenger or courier service) or by registered or certified United States mail, return receipt requested, with all postage and fees fully prepaid, addressed to the respective address set forth in Section 1.1 and 1.2 above, or to such other address as the party to whom the notice is addressed has theretofore specified in a notice served upon the other party in accordance with the requirements hereof. Alternatively, notices may be served by facsimile transmission sent to the respective facsimile transmission number specified in the applicable Base Lease Provisions. All notices shall be effective upon actual delivery to the addressee, as evidenced by the return receipt if service is by mail, except in the case of a party that has relocated and has not served upon the other party a notice of a new address for service of notices as specified above, or in the case if a party to whom the notice is addressed that refuses to accept delivery of the notice, in either of which cases the notice shall be deemed effective upon the first date of attempted delivery, as indicated by the return receipt if the attempted service was by mail, at the last address of which the party attempting to make the service had notice. In addition, a copy of any notice with respect to a default of or claim against Landlord, which is served upon Landlord, shall be sent concurrently to all Lenders of which Tenant has notice, as provided in Section 13.3 above.

SECTION 41: OFAC COMPLIANCE. The parties hereby warrant and represent to their respective knowledge that: (a) neither party nor any of its affiliates does business with, sponsors, or provides assistance or support to, the government of, or any

person located in, any country, or with any other person, targeted by any of the economic sanctions of the United States administered by The Office of Foreign Assets Control ("***OFAC***"); Neither party is owned or controlled (within the meaning of the regulations promulgating such sanctions or the laws authorizing such promulgation) by any such government or person; and any payments and/or proceeds received by either party under the terms of this Lease will not be used to fund any operations in, finance any investments or activities in or make any payments to, any country, or to make any payments to any person, targeted by any of such sanctions; (b) no funds tendered under the terms of this Lease are or will be directly or indirectly derived from activities that may contravene U.S. federal, state or international laws and regulations, including anti-money laundering laws; (c) neither party, nor any person controlling, controlled by, or under common control with, either party, nor any person having a beneficial interest in either party, nor any person for whom either party is acting as agent or nominee, nor any person providing funds to either party in connection with this Lease (i) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist related activities, any crimes which in the United States would be predicate crimes to money laundering, or any violation of any Anti-Money Laundering Laws; (ii) has been assessed civil or criminal penalties under any Anti-Money Laundering Laws; (iii) has had any of its funds seized or forfeited in any action under any Anti-Money Laundering Laws; (iv) is a person or entity that resides or has a place of business in a country or territory which is designated as a Non-Cooperative Country or Territory by the Financial Action Task Force on Money Laundering, or whose subscription funds are transferred from or through such a jurisdiction; (v) is a "Foreign Shell Bank" within the meaning of the Patriot Act (i.e., a foreign bank that does not have a physical presence in any country and that is not affiliated with a bank that has a physical presence and an acceptable level of regulation and supervision); (vi) is a person or entity that resides in, or is organized under the laws of, a jurisdiction designated by the Secretary of the Treasury under Section 311 or 312 of the Patriot Act as warranting special measures due to money laundering concerns; (vii) is an entity that is designated by the Secretary of the Treasury as warranting such special measures due to money laundering concerns; or (viii) is a person or entity that otherwise appears on any US.-government provided list of known or suspected terrorists or terrorist organizations. For purposes of this representation, the term "***Anti-Money Laundering Laws***" shall mean all laws, regulations and executive orders, state and federal, criminal and civil, that (1) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (2) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States; (3) require identification and documentation of the parties with whom a financial institution conducts business; or (4) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations, and sanctions shall include, without limitation, the USA PATRIOT Act of 2001, Pub. L. No.107 -56 (the "***Patriot Act***"), Executive Order 13224, the Bank Secrecy Act, 31 U.S.C. Section 531 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section I et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., the OFAC-administered economic sanctions, and laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957. The parties have reviewed the OFAC website, and conducted such other investigation as it deems necessary or prudent, prior to making these representations and warranties.

SECTION 42: NON-DISCRIMINATION. Neither Tenant nor any of its affiliates, employees, contractors, subcontractors, or agents shall unlawfully discriminate

against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age (over 40) or sex. Tenant and its affiliates, employees, contractors, subcontractors, and agents shall (i) assure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination, (ii) take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to, race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age (over·40) or sex. Tenant and its affiliates, employees, contractors, subcontractors, and agents shall (i) assure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination, (ii) take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to, race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age (over 40) or sex (including, but not limited to, during the activities of: upgrading, demotion, or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship), (iii) comply with the provisions of the California Fair Employment and Housing Act (Section 12900 et seq. of the California Government Code) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Division 4, Chapter 1, Section 7285.0 et seq.), but only if and to the extent Tenant and its affiliates, employees, contractors, subcontractors, and agents are required to do so under applicable law, (iv) give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement, (v) conduct their respective activities in accordance with Title VI of the Civil Rights Act of 1964 and the rules and regulations promulgated thereunder, but only if and to the extent Tenant and its affiliates, employees, contractors, subcontractors, and agents are required to do so under applicable law, and (vi) post in conspicuous places, available to employees and applicants for employment, notices setting forth their respective policies regarding non-discrimination.

SECTION 43: GOVERNING LAW. This Lease shall be governed by and construed pursuant to the law of the State of California, without reference to conflicts of laws rules.

SECTION 44: SEVERABILITY. In the event that any provision of this Lease shall be adjudicated to be void, illegal, invalid, or unenforceable, the remaining terms and provisions of this Lease shall remain in full force and effect.

SECTION 45: SUCCESSORS AND ASSIGNS. Subject to all restrictions set forth herein, the terms, covenants, conditions and agreements herein contained shall inure to the benefit of and bind the heirs, successors, legal representatives and assigns of the parties hereto.

SECTION 46: DEFINITIONS. In addition to the terms defined in Section 1 of the Lease, the following terms shall have the meanings specified below when used in the Lease:

46.1 "***Additional Rent***" means all of those items to be paid by Tenant which are specified in Section 3.2.

46.2 "***Additional Services***" means all excessive or additional services in excess of Basic Services relating to Tenant's use and occupancy of the Premises.

46.3 "***Affiliate***" means, with respect to a Person, any other Person controlled by or in control of such Person, or any other Person who, together with such Person, are under the common control of a third Person

46.4 "***Annual Statement***" shall have the meaning specified in Section 3.3.3.

46.5 "***Basic Services***" means the utilities and services specified in Section 6.1 as being provided to the Premises by Landlord, subject to the conditions therein set forth.

46.6 "***Buildings***" means the buildings located at 2101 Webster Street and 2100 Franklin, which comprise the Center 21 Project in Oakland, California.

46.7 "***CC&Rs***" means any covenants, conditions and restrictions, now existing or hereafter entered into between the owner or ground lessee of the Land, with or for the benefit of any other party who is the owner or ground lessee of any land adjacent to or in the vicinity of the Land, including land separated from the Land by a public right-of-way. Landlord shall be entitled to enter into any CC&Rs at any time during the Term, and Tenant agrees that the Lease shall be subordinate and subject to all CC&Rs now existing or so entered into by Landlord. No future CC&Rs shall increase the obligations and/or adversely materially affect the rights of Tenant under this Lease.

46.8 "***Common Areas***" means all areas within the exterior boundaries of the Project now or later made available for the general use of Landlord and other persons entitled to occupy floor area in the Project, including the common entrances, lobbies, restrooms, elevators, stairways and accessways, loading docks, ramps, parkways, driveways and roadways, loading and unloading areas, trash areas, landscaped areas in the Project, and the common pipes, conduits, wires and appurtenant equipment serving the Premises. Any enlargement of or addition to the Common Areas shall be included in the definition of Common Areas.

46.9 "***Default***" shall have the meaning specified in Section 11.

46.10 "***Default Rate***" means the lesser of (a) 18% per annum, or (b) the maximum rate per annum permitted by applicable Law.

46.11 "***Estoppel Certificate***" means a certificate to be executed as specified in Section 35 and in the form of ***Exhibit "E***", together with such additional information as any Lender or prospective purchaser or sublessor may require.

46.12 "***Excess Consideration***" shall have the meaning specified in Section 7.6.

46.13 "***Excess Expense)***" shall have the meaning specified in Section 3.3.

46.14 "***Excess Expense Estimate***" shall have the meaning specified in Section 3.3.1.

46.15 "***Force Majeure***" means fire, earthquake, explosion, flood, hurricane, the elements, acts of God or the public enemy, action, restrictions, limitations, or interference of governmental authorities or agents that are outside the direct control of Landlord or Tenant, war, invasion, terrorist attack, insurrection, rebellion, riots, strikes or lockouts, or

any other cause or occurrence, whether similar or dissimilar to the foregoing, which is beyond the reasonable control of Landlord.

46.16 "***Guarantor***" means any guarantor(s), if any, listed in Section 1.12 of Basic Lease Provisions, or any other party or parties that may hereinafter guaranty the performance of all or some of Tenant's obligations under this Lease, and their respective successors and assigns.

46.17 "***Guaranty***" means the Guaranty, if any, attached to this Lease as ***Exhibit "G"*** or any other guaranty of Tenant's obligations under this Lease delivered by a Guarantor.

46.18 "***Holidays***" means all federally observed Holidays, as they may be observed from time to time, including New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Christmas Day, and, to the extent of Basic Services provided by union members engaged at the Project, such other holidays observed by such unions.

46.19 "***Indemnified Parties***" shall have the meaning specified in Section 8.9.

46.20 "***Land***" means the land on which the Project is located.

46.21 "***Landlord's Employees***" means Landlord's agents, Affiliates, representatives, contractors, licensees, employees, directors, officers, partners, members, managers and trustees and their respective agents, representatives, contractors, licensees, employees, partners, members, officers, directors, managers and trustees. "***Law***" means any federal, state, county, municipal, or other local governmental statute, law, ordinance, rule, regulation, code, decree, or order, including all decisions of any court that are binding precedents in the State of California.

46.22 "***Law***" means any federal, state, county, municipal, or other local governmental statute, law, ordinance, rule, regulation, code, decree, or order, including all decisions of any court that are binding precedents in the State of California.

46.23 "***Lease Year***" means a period of 12 consecutive calendar months, the first of which shall commence on the first day of the first full calendar month during the Term, with each following Lease Year beginning on each consecutive anniversary thereof.

46.24 "***Lender***" means any holder of any Mortgage, and if the Mortgage is a ground lease, such term shall refer to the ground lessor.

46.25 "***Lender Cure Period***" means the period given any Lender to cure any default of Landlord, as provided in Section 13.3 of the Lease.

46.26 "***Matters of Record***" means all easements, agreements, rights-of-way, liens, covenants, conditions, or restrictions of any nature now or hereafter affecting the Land or the Project or any part thereof and constituting a matter of public record, including, without limitation any CC&Rs or REA.

46.27 "***Mortgage***" means any mortgage, deed of trust or other similar encumbrance now or hereafter placed upon the Land, the Project, any portion thereof

which includes the Premises, and all renewals, modifications, consolidations, replacements or extensions thereof, and all indebtedness of other monetary obligations now or hereafter secured thereby together with all interest thereon.

46.28 "***Operating Costs***" means all costs incurred by Landlord in maintaining, repairing, replacing, altering, managing and operating the Project (including the Buildings and the Parking Structure) during or allocable to the term of the Lease, including, but not limited to, all costs for (a) utilities, (b) supplies, (c) insurance maintained by or for Landlord (including but not limited to, public liability and property damage, earthquake, rent continuation, and/or fire and extended coverage insurance for up to the full replacement cost of the Project), (d) services of independent contractors, (e) compensation (including employment taxes and fringe benefits) of all persons who perform regular duties connected with the day-to-day management, operation, maintenance, repair and overhaul of the Project, including, without limitation, office personnel for the office of the Project, engineers, janitors, painters, floor waxers, window washers, parking attendants, watchmen, and gardeners, (f) management of the Project or any portion of it, (g) rental expenses for, or a reasonable allowance for depreciation of, personal property used in the management, maintenance, operation and repair of the Project, (h) any costs or expenses allocated to the Project in connection with any REA that may now exist or may hereafter affect the Project, (i) the cost of any capital improvements made to the Project after the date of the Lease which improvements reduce other Operating Costs, or are required by any Law enacted after the date of this Lease, in any such case such cost to be amortized over the useful life of the improvement ("***Permitted Capital Items***") (j) Taxes, (k) the cost of providing Basic Services, and (l) any other costs and expenses incurred by Landlord relating to the Project or under or relating to the Lease and not reimbursed separately by tenants of the Project. Landlord may designate other land and improvements outside the boundaries of the Project to be a part of the common areas, including streets, driveways, retaining walls, fences, curbs, sidewalks, walkways and other areas for use by Tenant and other tenants of the Project, provided that such other land and improvements have a reasonable and functional relationship to the Project. The Operating Costs during the Base Year and in each successive year shall be adjusted to reflect the Operating Cost and Taxes at a 95% occupancy level. Landlord may, as necessary, establish different cost pools to allocate Operating Expenses among tenants that should equitably pay a portion of such expenses and to avoid inequitably allocating expenses to tenants. ***See*** Addendum, Paragraph 46.28.

46.29 "***Parking Facilities***" means the Underground Parking Garage and the Parking Structure.

46.30 "***Person***" means an individual, trust, partnership, joint venture, association, corporation, and any other legal or business entity.

46.31 "***Personal Property***" means any trade fixtures, furnishings or equipment, and all other personal property contained in the Premises from time to time.

46.32 "***Project***" shall mean the Project described in Section 1.4, including the Land, the Buildings thereon and all roads, plazas, landscaped areas, Common Areas, improvements and other facilities situated on or adjacent to the Land, constituting an integrated Project, as the same may be modified, altered, reduced or expanded from time to time throughout the Term of this Lease.

46.33 "***REA***" means any reciprocal easement and/or operating agreement, and any covenants, conditions and restrictions, now existing or hereafter entered into between the owner or ground lessee of the Project, with or for the benefit of any other party who is the owner or ground lessee of any land adjacent to or in the vicinity of the Project, including land separated from the Project by a public right-of-way. Landlord shall be entitled to enter into any REA(s) at any time during the Term, and Tenant agrees that this Lease shall be subordinate and subject to all REAs now existing or so entered into by Landlord. No future REA shall materially adversely increase obligations or affect Tenant's rights under this Lease.

46.34 "***REA Parties***" means the parties to any REA now or hereafter affecting the Project.

46.35 "***Relocated Premises***" means the other premises within the Project to which Landlord may cause Tenant to relocate as provided in Section 2.10.

46.36 "***Rent***" means the aggregate total of all of the following: (a) the Base Rent payable by Tenant hereunder; (b) all sums designated as "Additional Rent" payable by Tenant hereunder; and (c) any other sums required to be paid by Tenant hereunder. All Rent, including but not limited to, all taxes, fees, costs and expenses which are attributable to, payable by or the responsibility of Tenant hereunder, shall constitute "rent" within the meaning of California Civil Code Section 1951(a).

46.37 "***Rules and Regulations***" means the requirements set forth in Exhibit D and such reasonable and nondiscriminatory additions, modifications and amendments thereto as Landlord may adopt from time to time for use in the Project.

46.38 "***Systems and Equipment***" means any plant, machinery, transformers, duct work. cable, wires, equipment, facilities, or systems designed to supply heat, ventilation, air conditioning, humidity, or any other services or utilities, or comprising or serving as any component or portion of the electrical, gas, steam, plumbing, sprinkler, communications, alarm, security, or fire/life/safety systems or equipment, or any other mechanical, electrical, electronic, computer or other systems or equipment utilized for the Project or any portion of it, including all systems installed in the Premises by Landlord, other than any systems or equipment in or exclusively pertaining to a particular premises or other tenant in the Project.

46.39 "***Taxes***" means all taxes, assessments, water and sewer charges and other similar governmental charges levied on or attributable to the Project or its operation, including, but not limited to, real property taxes and assessments levied or assessed against the Project, personal property taxes or assessments levied or assessed against the Project, and any tax measured by gross rents received from the Project, together with any costs incurred by Landlord (including attorneys' and other professional and paraprofessional fees and costs incurred in good faith) in contesting any such taxes, assessments or charges, but excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the state or federal government or by any agency, branch or department thereof. If at any time during the Term there shall be levied, assessed or imposed on Landlord or the Project by any governmental entity, any general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge directly on any Rent received under the Lease or other leases affecting the Project, and/or any license fee, excise or franchise tax, assessment, levy or charge measured by or based,

in whole or in part, upon any Rent, and/or any transfer, transaction. or similar tax, assessment, levy or charge based directly or indirectly upon the execution of the Lease or any document to which Tenant is a party creating or transferring an interest or estate in the Premises, or the transactions represented by other leases affecting the Project or based upon a reassessment of the Project, or any portion thereof, or due to a change in ownership or transfer of all or part of Landlord's interest in the Lease, the .Project, or any portion thereof, and/or occupancy, use per capita or other tax, assessment, levy or charge based directly or indirectly upon the use or occupancy of the Premises or the Project, then Taxes shall include any such tax, assessment, levy or charge. If the assessed valuation of, or the taxes, assessments and charges attributable to the Project, shall not be based upon the Project being at least 95% occupied and fully assessed, then, for purpose of calculating Tenant's Proportionate Share of Taxes hereunder, such taxes, assessments and charges shall be adjusted to reflect the amount of such taxes, assessments and charges that would have been payable if the Project had been 95% occupied and fully assessed. In any year when Taxes have been reduced pursuant to a "Proposition 8" reduction, the Taxes shall be deemed to equal what such Taxes would have been without such reduction in calculating Excess Expenses. For the purpose of calculating Taxes for the Base Year, Taxes will include Taxes arising from the sale of the Project in 2008 to the originally named Landlord, whether or not the Project has actually been reassessed.

46.40 "***Tenant Alterations***" means any alterations, additions, or improvements to the interior of the Premises, including the improvements installed in the Premises at the outset of the Lease in accordance with ***Exhibit "C"***, and whether paid for by Landlord, by Tenant, or otherwise.

46.41 "***Tenant's Employees***" means, collectively, all of Tenant's agents, licensees, contractors, subcontractors, employees, directors, officers, partners, trustees and invitees.

46.42 "***Tenant Improvements***" shall have the meaning specified in ***Exhibit "C"***.

46.43 "***Tenant's Proportionate Share***" means the percentage calculated in accordance with Section 1.5 of the Lease, pending any change in the rentable area of the Premises or in the rentable area of the Project.

46.44 "***Transfer***" means any transfer, sale, conveyance, assignment, subleasing, granting of a license, encumbrance, mortgage, deed of trust or hypothecation by Tenant of all or any part of its interest in the Lease or the Premises, as the case may be, and any Transfer described in Section 7.3 hereof.

46.45 "***Transfer Documents***" means any assignment or sublease or other document pursuant to which a Transfer is, or is proposed to be, accomplished.

46.46 "***Transfer Notice***" shall mean the notice from Tenant to Landlord required by the terms of Section 7.1 as a prerequisite to any Transfer.

46.47 "***Transferee***" means any person to whom a transfer is made or proposed to be made.

SECTION 47: COUNTERCLAIM AND JURY TRIAL; JUDICIAL REFERENCE. IN THE EVENT THAT LANDLORD COMMENCES ANY SUMMARY PROCEEDINGS OR ACTION FOR NON-PAYMENT OF RENT OR OTHER CHARGES PROVIDED IN THIS LEASE, TENANT SHALL NOT INTERPOSE ANY UNRELATED COUNTERCLAIM OF ANY NATURE OR DESCRIPTION IN ANY SUCH PROCEEDING OR ACTION. TO THE FULL EXTENT PERMITTED UNDER APPLICABLE LAWS, TENANT AND LANDLORD BOTH WAIVE A TRIAL BY JURY OF ANY AND ALL ISSUES ARISING IN ANY ACTION OR PROCEEDING BETWEEN THE PARTIES HERETO OR THEIR AFFILIATES, UNDER OR CONNECTED WITH THIS LEASE, ANY OF ITS PROVISIONS, OR ANY TRANSACTIONS OR AGREEMENTS SET FORTH HEREIN OR CONTEMPLATED HEREBY (COLLECTIVELY, A "***DISPUTE***"). TO THE EXTENT THAT THE FOREGOING WAIVER OF JURY TRIAL IS UNENFORCEABLE, THE PARTIES AGREE THAT ALL DISPUTES ARISING OUT OF OR RELATING TO THIS LEASE (OTHER THAN UNLAWFUL DETAINER OR OTHER SUMMARY PROCEEDINGS) SHALL BE RESOLVED BY A JUDICIAL REFERENCE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE § 638. THE JUDICIAL REFEREE APPOINTED TO DECIDE THE JUDICIAL REFERENCE PROCEEDING SHALL BE EMPOWERED TO HEAR AND RESOLVE ANY OR ALL ISSUES IN THE PROCEEDING, WHETHER FACT OR LAW. IF LANDLORD AND TENANT ARE UNABLE TO AGREE UPON A REFEREE. WITHIN TEN (10) DAYS OF A WRITTEN REQUEST TO DO SO BY EITHER PARTY, EITHER PARTY MAY THEREAFTER SEEK TO HAVE A REFEREE APPOINTED BY THE COURT PURSUANT TO THE PROCEDURES SET FORTH IN CALIFORNIA CODE OF CIVIL PROCEDURE § 640.

—Signatures Next Page—

IN WITNESS WHEREOF, the parties have executed this Lease on the day and year specified above.

"Tenant":

PANDORA MEDIA, INC.,
a California corporation

By: /s/ Etienne Handman
Name: Etienne Handman
Its: Chief Operating Officer

"**Landlord**":

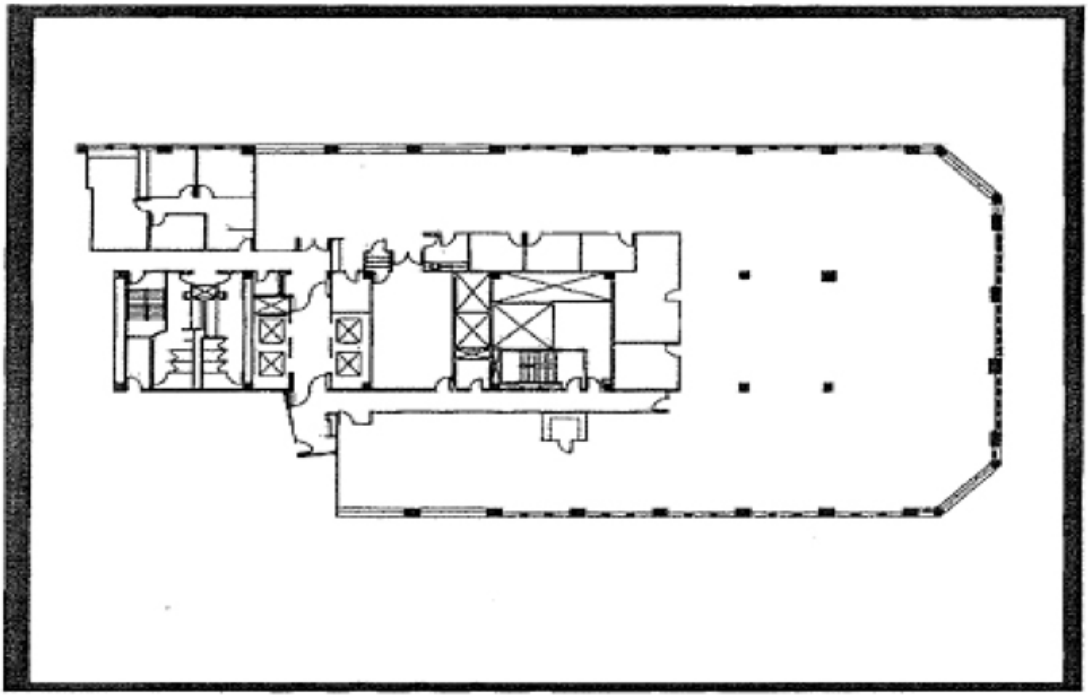
CIM/OAKLAND CENTER 21, LP,
a Delaware limited partnership

By: CIM/Oakland Office Properties GP, LLC,
its general partner

By: /s/ Avraham Shemesh
Avraham Shemesh
Treasurer

EXHIBIT A

FLOOR PLAN OF THE PREMISES



Disclaimer

This is the preliminary lease plan intended for discussion purposes only. Landlord reserves the right to make any changes to the plan including, without limitation, building and store sizes, tenant names and configuration, entrances and overall configuration. Landlord makes no warranties or representations concerning any matter contained on this plan, handwritten or in any other manner noted, nor shall Tenant rely on same.

EXHIBIT B

STATEMENT OF COMMENCEMENT DATE

Date: _____, 200_

Lease dated as of: July 23, 2009
Landlord: CIM/Oakland Center 21, LP
Tenant: Pandora Media, Inc.
Premises: Suite 1650
Project: Center 21, Oakland, California

The undersigned hereby agree that the Commencement Date and Expiration Date of the above-referenced Lease are:

(a) Commencement Date: _____, 200_

(b) Expiration Date: _____, 200_

The Expiration Date set forth above shall not limit any options to extend the term contained in the Lease.

"Tenant":

PANDORA MEDIA, INC.,
a California corporation

By: _____
Name: _____
Its: _____

"**Landlord**":

CIM/OAKLAND CENTER 21, LP,
a Delaware limited partnership

By: CIM/Oakland Office Properties GP, LLC,
its general partner

By: _____
Avraham Shemesh
Treasurer

EXHIBIT C

Intentionally deleted

EXHIBIT D

RULES AND REGULATIONS

These Rules and Regulations are in addition to the terms, covenants, agreements and conditions of any lease of space in the Project. In the event these Rules and Regulations conflict with any provision of the Lease, the Lease shall control. Landlord reserves the right to modify and make such other and reasonable Rules and Regulations as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Project and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations hereinabove stated and any additional rules and regulations which are adopted. Tenant shall be responsible for the observance of all the foregoing Rules and Regulations by Tenant's employees, agents, clients, customers, invitees and guests. Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other occupant of the Project, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of Tenant or any other occupant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the occupants of the Project, including Tenant.

1. Signs/Advertising. No sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside or inside of the Project without the prior written consent of Landlord. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors, windows and walls shall be printed, painted, affixed or inscribed at the expense of Tenant by a person chosen by Landlord, using materials of Landlord's choice and in a style and format approved in writing by Landlord.

2. No Obstructions. Tenant shall not obstruct any sidewalks, halls, exits, entrances, elevators, stairways or other passageways of the Project. The halls, exits, entrances, malls, elevators, stairways and other passageways are not for the general public, and Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence, in the judgment of Landlord, would be prejudicial to the safety, character, reputation or other interests of the Project and its tenants; however, nothing herein shall be construed to prevent access to the Premises by persons with whom Tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. Neither Tenant nor any employee or invitee of Tenant shall go upon the roof of the Project without Landlord's consent. Tenant shall not have the right to maintain displays of or to sell merchandise in the Common Areas or to use Common Areas in any manner, which would interfere with the rights of other tenants to use and access Common Areas.

3. Directory. The directory of the Project, if any, will be provided exclusively for the display of the name and location of tenants only, and Landlord reserves the right to exclude any other names therefrom.

4. Cleaning/Janitorial. Except for retail tenants, all cleaning and janitorial services for the Project and the Premises shall be provided exclusively through Landlord, and except with the written consent of Landlord, no person or persons other than those approved by Landlord shall be employed by Tenant or permitted to enter the Project for the purpose of cleaning the same. Tenant shall not cause any unnecessary labor by carelessness or indifference to the good order and cleanliness of the Premises. Landlord shall not in any way be responsible to Tenant for any loss of property on the Premises, however occurring, or for any damage to Tenant's property by the janitor or any other employee or any other person.

5. Keys. Landlord will furnish Tenant, free of charge, with two keys for each lock in the Premises. Landlord may make a reasonable charge for any additional keys. Tenant, upon the termination of its tenancy, shall deliver to Landlord the keys of all doors which have been furnished to Tenant, and in the event of loss of any keys so furnished, shall pay Landlord therefor.

6. Alarms. If Tenant requires telephonic, burglar alarm or similar services, it shall first obtain Landlord's approval thereof, which shall not be unreasonably withheld by Landlord, and Tenant shall comply with all of Landlord's instructions in their installation.

7. Freight Elevator. Any freight elevator shall be available for use by all occupants of the Project, subject to such reasonable scheduling as Landlord in its discretion shall deem appropriate. No equipment, materials, furniture, packages, supplies, merchandise or other property will be received in the Project or carried in the elevators except between such hours and in such elevators as may be designated by Landlord.

8. Floor Loading. Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot, which such floor was designed to carry and which is allowed by law. Landlord and Landlord's consultant, the cost of which consultant shall be borne by Tenant, shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Project. Heavy objects, if such objects are considered necessary by Tenant, shall stand on such platforms as determined by Landlord or its consultant to be necessary to properly distribute the weight. Business machines and mechanical equipment belonging to Tenant which cause noise or vibration that may be transmitted to the structure of the Project or to any space therein to such a degree as to be objectionable to Landlord or to any other occupant of the Project, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. The persons employed to move such equipment in or out of the Project must be approved by Landlord. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Project by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant. If Tenant fails to repair in an expeditious manner any and all damage caused, then Landlord may (but shall not be obligated to) contract for the performance of the repair work, which work shall be billed to Tenant and shall be payable by Tenant to Landlord as Additional Rent within 10 days after Tenant's receipt of the billing.

9. Flammable; Toxic Material. Tenant shall not use or keep in the Premises any kerosene, gasoline or inflammable or combustible fluid or material except in those limited quantities necessary for the operation or maintenance of office equipment, and then only in such a manner as to ensure the safety of the Premises. Tenant shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupant of the Project by reason of noise, odors or vibrations, nor shall Tenant bring into or keep in or about the Premises any birds or animals, except seeing-eye dogs when accompanied by their masters.

10. Supplemental HVAC. Tenant shall not use any method of heating or air conditioning other than that supplied or approved in writing by Landlord.

11. Wastage. Tenant shall not waste electricity, water, air conditioning or other utilities or supplies furnished to the Premises, and Tenant agrees to cooperate fully with Landlord to assure the most effective operation of the Project's heating, air conditioning and other utility distribution systems, and to comply with any governmental energy-saving rules, laws or regulations of which Tenant

has actual notice. Tenant shall refrain from attempting to adjust controls other than room thermostats installed in the Premises and intended for Tenant's use. Tenant shall keep corridor doors closed, and shall close window coverings at the end of each business day. Heat and air conditioning shall be provided during ordinary business hours of generally recognized business days, but not less than the hours of 8:00 a.m. to 6:00 p.m. on Monday through Friday (excluding in any event weekends and holidays, it being understood that holidays shall mean and refer to those holidays of which Landlord provides Tenant with reasonable prior written notice which shall in any event include, without limitation, state and federal holidays and those holidays on which the New York Stock Exchange is closed).

12. Exclusion of Persons. Landlord reserves the right to exclude from the Project (other than from retail tenants' premises which are open for business) between the hours of 6:00 p.m. any day and 8:00 a.m. the following day, or such other hours as may be established from time to time by Landlord, and on Saturdays, Sundays and legal holidays, any person unless that person is known to the person or employee in charge of the Project, or has a valid pass and is properly identified. Tenant shall be responsible for all persons for whom it requests passes and shall be liable to Landlord for acts of such persons. Landlord shall not be liable for damages for any error with regard to the admission to or exclusion from the Project of any person. Landlord reserves the right to prevent access to the Project in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action. Landlord reserves the right to exclude or expel from the Project any person who, in Landlord's judgment, is intoxicated, or under the influence of liquor or drugs, or who is in violation of any of the Rules and Regulations.

13. Tenant Security. Tenant shall close and lock the doors of the Premises and entirely shut off all water faucets or other water apparatus, and, except with regard to Tenant's computers and other equipment which require utilities on a 24-hour basis, all electricity, gas or air outlets before Tenant and its employees leave the Premises each day. Tenant shall be responsible for any damage or injuries sustained by other occupants of the Project or by Landlord for noncompliance with this rule. Tenant assumes any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.

14. Extra Services. Office tenants shall not obtain for use on the Premises ice, drinking water, food, beverage, towel or other similar services, nor accept barbering or bootblacking services upon the Premises, except at such hours and under such regulations as may be fixed by Landlord.

15. Lavatories. The toilet rooms, toilets, urinals, wash basins and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by Tenant if and to the extent caused by Tenant or its employees or invitees.

16. No Sales. Except as specifically permitted in the Basic Lease Provisions, Tenant shall not sell, or permit the sale of newspapers, magazines, periodicals, theater tickets or any other goods or merchandise to the general public from the Premises. Tenant shall not make any room-to-room or public area solicitation of business from other occupants of the Project or their employees or guests. Tenant shall not use the Premises for any business or activity other than that specifically provided in Tenant's Lease.

17. Damage. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof, except to install decorative wall hangings.

Landlord reserves the right to direct electricians as to where and how telephone, telegraph, telecommunication and computer wires are to be introduced to the Premises. Tenant shall not cut or bore holes for wires. Tenant shall not affix any floor covering to the floor of the Premises in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule. If Tenant fails to repair in an expeditious manner any and all damage caused, then Landlord may (but shall not be obligated to) contract for the performance of the repair work, which work shall be billed to Tenant and shall be payable by Tenant to Landlord as additional rent within 10 days after Tenant's receipt of the billing.

18. Vending Machines. Tenant shall not install, maintain or operate upon the Premises any vending machine without the written consent of Landlord.

19. Refuse. Tenant shall store all its trash and garbage within its Premises. Tenant shall not place in any trash box or receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by Landlord.

20. Storage. Except as specifically permitted in the Basic Lease Provisions, the Premises shall not be used for the storage of merchandise held for sale to the general public, nor for lodging, nor for manufacturing of any kind, nor shall the Premises be used for any improper, immoral or objectionable purpose. Other than restaurants, no cooking shall be done or permitted by Tenant in the Premises, except that use by Tenant of Underwriters' Laboratory-approved equipment for brewing coffee, tea, hot chocolate and similar beverages shall be permitted, and the use of a microwave oven shall be permitted, so long as such equipment and use is in accordance with all recommendations of the manufacturer thereof and all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.

21. No Blockage. Tenant shall not use in any space or in the public halls of the Project any mail carts or hand trucks except those equipped with rubber tires and side guards or such other material handling equipment as Landlord may approve.

22. Safety Compliance. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord and any governmental agency.

23. Landlord Response. The requirements of Tenant will be attended to only upon appropriate application to the office of the Project by an authorized individual. Employees of Landlord shall not be required to perform any work or do anything outside of their regular duties unless under special instructions from Landlord, and no employee of Landlord shall be required to admit any person (Tenant or otherwise) to any office without specific instructions from Landlord.

EXHIBIT E

FORM OF ESTOPPEL CERTIFICATE

[Letterhead of Tenant]

Date: _____, 200_

To: [Insert Name and Addresses) of Recipient(s)]

Re: Center 21, Suite __, Oakland, California

Ladies and Gentlemen:

The undersigned ("***Tenant***") certifies to CIM/Oakland Center 21, LP, as owner and landlord, and_____, as [lender/purchaser], as of the date hereof as follows:

1. It is the tenant under the lease described on ***Exhibit "A"*** hereto (the "***Lease***"), for _____, as described in the Lease (the "***Leased Premises***") at CENTER 21 Street, Oakland, California (the "***Project***"). All capitalized terms not otherwise defined herein shall have the meanings provided in the Lease.

2. The Lease is in full force and effect. The Lease has not been amended, modified or supplemented except as set forth on***Exhibit "A"*** hereto. There are no other agreements or understandings, whether written or oral, between Tenant and Landlord with respect to the Lease, the Leased Premises or the Project.

3. Tenant has accepted possession of and occupies the entire Leased Premises under the Lease. The term of the Lease commenced on_____, and expires on _____, subject to the renewal options set forth inSection 1.6 of the Addendum to the Lease.

4. The amount of the security deposit is $____.

5. To the best of Tenant's knowledge, both Tenant and Landlord have performed all of their respective obligations under the Lease and Tenant has no knowledge of any event which with the giving of notice, the passage of time or both would constitute a default by Landlord under the Lease.

6. Tenant has no claim against Landlord and no offset or defense to enforcement of any of the terms of the Lease. Tenant has not advanced any funds for or on behalf of Landlord for which Tenant has a right to deduct from or offset against future rent payments.

7. All improvements required to be completed as of the date hereof by Landlord have been completed and there are no sums due to Tenant from Landlord. Landlord has not agreed to grant Tenant any free rent or rent rebate or to make any contribution to tenant improvements, except as expressly set forth in the Lease. Landlord has not agreed to reimburse Tenant for or to pay Tenant's rent obligation under any other lease.

8. Tenant has not assigned the Lease and has not subleased the Leased Premises or any part thereof.

9. Tenant has no right or option pursuant to the Lease or otherwise to purchase all or any part of the Leased Premises or the Project.

10. Attached hereto as ***Exhibit "B"*** is a true copy of the Lease and all amendment, modifications and supplements thereto.

The undersigned individual hereby certifies that he or she is duly authorized to sign, acknowledge and deliver this letter on behalf of Tenant.

Tenant acknowledges that the addresses and their successors and assigns will rely on this letter in [making a loan or otherwise extending credit to/purchasing the Project from] Landlord. The information contained in this letter shall be for your benefit and for the benefit of your successors and assigns.

Very truly yours,

_____

By: _____

EXHIBIT F

FORM OF LETTER OF CREDIT

Ladies and Gentlemen:

(a) We hereby establish in your favor, for the account of_____, a _____ ("**Applicant**"), our Irrevocable Letter of Credit and authorize you to draw on us at sight the aggregate amount of _____ Thousand Dollars ($____,000.00) ("**Stated Amount**").

(b) Funds under this Letter of Credit are available to_____, a _____ (the "**Beneficiary**") as follows:

(c) Any and all of the sums hereunder may be drawn down at any time and from time to time from and after the date hereof by Beneficiary when accompanied by this Letter of Credit and a written certification signed by an authorized signatory of Beneficiary certifying that such sums are due and owing to Beneficiary pursuant to that certain Standard Office Lease dated _____, 200_ ("**Lease**") by and between Beneficiary, as Landlord, and Applicant, as Tenant, together with a certification by any such individual representing that such individual is authorized by Beneficiary to take such action on behalf of Beneficiary. The sums drawn by Beneficiary under this Letter of Credit shall be payable upon demand without necessity of notice to the Applicant. Partial drawings shall be permitted.

(d) Subject to our receipt of a written authorization signed by an authorized signatory of Beneficiary, the Stated Amount of this Letter of Credit shall be reduced to the following amounts at the following times:

Date	Stated Amount
_____, 200_	$_____
_____, 200_	$_____

This Letter of Credit is transferable in its entirety. Should a transfer be desired, such transfer will be subject to the return to us of this Letter of Credit, together with written instructions.

(e) The amount of each draft must be endorsed on the reverse hereof by the negotiating bank. We hereby agree that this Letter of Credit shall be duly honored upon presentation and delivery of the certification specified above.

(f) This Letter of Credit shall expire on_____, 200_.

(g) Notwithstanding the above expiration of this Letter of Credit, the term of this Letter of Credit shall be automatically renewed for successive, additional one (1) year periods unless, at least thirty (30) days prior to any such date of expiration, the undersigned shall give written notice to Beneficiary, by certified mail, return receipt requested and at the address set forth above or at such other address as may be given to the undersigned by Beneficiary, that this Letter of Credit will not be renewed.

(h) This Letter of Credit is governed by the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication 500.

Very truly yours,

(Name of Issuing Bank)

By:

ADDENDUM TO
CENTER 21
OFFICE LEASE
BETWEEN
PANDORA MEDIA, INC., AS TENANT
AND
CIM/OAKLAND CENTER 21, LP, AS LANDLORD

Dated: as of July 23, 2009

The terms of this Addendum shall supplement, amend and, to the extent in conflict with the provisions of the Lease, supersede the above-referenced Lease, to which this Addendum is attached. The paragraph numbers set forth below generally correspond to the related paragraph in the Lease, but shall not affect or limit the meaning of the particular Addendum provision.

1.10 Permitted Use. Subject to all necessary approvals by any applicable governmental agencies, and provided that the same does not unreasonably interfere with the use of the Project by any other tenants or occupant therein, Tenant shall be permitted to use, for the benefit of Tenant's business, a portion of the Premises from time to time for on-site live musical performances ("***Live Performances***"). Such Live Performances shall be tailored to the specific nature of the Project as a high rise office building. The right herein granted is expressly limited in its scope, and does not in any manner suggest that Tenant be permitted to allow concerts or night-club type arrangements in the Premises. Live Performances shall be strictly subject to the Rules and Regulations of the Project and shall be subject to Landlord's prior written consent, in Landlord's sole and absolute discretion. If special accommodations are required to be made to the Premises to ensure the Live Performances do not constitute a nuisance (which may include sound insulating construction as designed by a Landlord approved acoustician that limits noise and vibration emanating from the Premises), Tenant shall be responsible, at Tenant's sole cost, for such improvements as a Tenant Alteration.

1.13 Parking. Landlord shall make available for use by Tenant up to the number of parking spaces set forth in Article I in the Underground Parking Garage and the Parking Structure, and Tenant will observe all rules and regulations as may be promulgated therefor. Tenant shall pay for the use of such Parking Spaces at the rate established by Landlord from time-to-time, as Additional Rent. Currently, the parking rate for the Underground Parking Garage is $230 per month per unreserved space, and the parking rate for the Parking Structure is $140 per month per unreserved space. At Landlord's option, Tenant shall pay the monthly fees for the Parking Spaces to Landlord (in which case such fees shall be due together with Tenant's payments of Base Rent) or directly to the operator of the Parking Facility. In the event Tenant has not rented the total number of allotted parking stalls on or before the sixth (6th) month after the Rent Commencement Date, Tenant shall have no ongoing right to rent such stalls and Landlord shall not be obligated to provide any additional parking stalls except and to the extent then available on a month-to-month basis. Except at the direction of Landlord, or with the prior written consent of Landlord (which consent Landlord may withhold or withdraw in its sole discretion), Tenant and any subtenant of the Premises (and their respective employees and contractors) shall not contract with any third party for the use of parking spaces within the Parking Facilities.

3.3.4 Audit Right. Tenant shall have the one time annual right to review and/or audit Landlord's books and records regarding Operating Costs at Landlord's offices during normal business hours on ten (l0) business days' prior notice given within three months after Tenant's receipt of the Annual Statement (the "Review Period"). Any audit shall be conducted by a regionally recognized auditor reasonably approved by Landlord ("Tenant's Auditor") which, along with Tenant, agrees to be bound by a confidentiality agreement in form proposed by Landlord, on a noncontingent fee basis, and must be completed and

submitted to Landlord within sixty (60) days after Tenant begins the audit. Tenant shall have no right to contest, review or audit such statement if it fails to give such written notice during the Review Period. Landlord may elect to contest the conclusion of Tenant's Auditor by giving a written contest notice (the "Contest Notice") to Tenant within sixty (60) days after receipt of the audit, such Contest Notice containing the name of a firm of certified public accountants appointed by Landlord ("Landlord's CPA"). Landlord's CPA and Tenant's Auditor shall meet and confer within 30 days after the Contest Notice is given in an attempt to agree on any disputed items. If Landlord's CPA and Tenant's Auditor are unable to agree on all disputed items within 45 days after the Contest Notice, then each of Landlord's CPA and Tenant's Auditor shall propose and deliver to each other in writing an amount to be paid by Tenant to Landlord or Landlord to Tenant relating to the Operating Costs being audited. Tenant's Auditor and Landlord's CPA shall agree on a third CPA experienced in real estate accounting unaffiliated with Landlord, Tenant and their respective CPA's and/or auditors and who has not worked for Landlord, Tenant or their respective CPA's in the last ten (10) years. Such third CPA (the "Deciding CPA") shall meet for one day or less with Landlord's CPA and Tenant's Auditor within 15 days after the appointment of such Deciding CPA, and at the end of such meeting the Deciding CPA shall choose in writing either Tenant's Auditor's proposal or Landlord's CPA's proposal, and such decision shall be final, binding and nonappealable. Landlord shall pay for Landlord's CPA, Tenant shall pay for Tenant's Auditor and the cost of the Deciding CPA shall be divided equally among the parties. No books and records may be removed from Landlord's office. Notwithstanding the foregoing, if it is determined that Operating Costs reflected in Landlord's Statement have been overstated by five percent (5%) or more, than Landlord shall pay for the reasonable cost of Tenant's Auditor and the Deciding CPA.

46.28 Exclusions from Operating Costs. Notwithstanding anything to the contrary in the definition of Operating Costs in the Lease, Operating Costs shall not include the following, except to the extent specifically permitted by a specific exception to the following:

(i) Any ground lease rental;

(ii) Costs of items considered capital repairs, replacements, improvements and equipment under generally accepted accounting principles consistently applied ("***Capital Items***"), except for the Permitted Capital Items (as defined in Section 44, number 24);

(iii) Rentals for items (except when needed in connection with normal repairs and maintenance of permanent systems) which if purchased, rather than rented, would constitute a capital improvement which is specifically excluded in (ii) above (excluding, however, equipment not affixed to the Building which is used in providing janitorial or similar services);

(iv) Costs incurred by Landlord, to the extent that Landlord is reimbursed by insurance or condemnation proceeds;

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

(vi) Depreciation, amortization and interest payments, except on materials, tools, supplies and equipment purchased by Landlord where each of the following conditions are met:

(1) The same is purchased by Landlord to enable Landlord to supply services that Landlord is required to provide to Tenant under the terms of this Lease;

(2) Landlord might otherwise contract for such services with a third party under conditions where such depreciation, amortization and interest payments would likely have been included in the charge for such third party's services; and

(3) The item is amortized over the applicable useful life;

all as determined in accordance with generally accepted accounting principles, consistently applied.

(vii) Marketing costs including, without limitation, 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 Project;

(viii) Expenses in connection with services or other benefits which are not offered to Tenant or for which Tenant is charged for directly, but which are provided to another tenant or occupant of the Project;

(ix) Expenses in connection with utilities, services and/or other benefits which arc provided to Tenant or another tenant or occupant of the Building to the extent Tenant or such other tenant or occupant reimburses Landlord for such utilities, services and/or benefits;

(x) Attorneys' fees and other costs incurred by Landlord in litigating or otherwise resolving any dispute with another tenant of the Building over any alleged violation by Landlord or any tenant of the Building of the terms and conditions of any lease to which it is a party and covering space in the Building;

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

(xii) Interest, principal, points and fees on debts or amortization on any mortgage or mortgages or any other debt instrument encumbering the Project;

(xiii) Rentals and other related expenses incurred in leasing HVAC systems, elevators or other equipment ordinarily considered to be Capital Items, except for any of the following: (1) expenses in connection with making repairs on or keeping Building Systems in operation while repairs are being made; (2) costs of equipment not affixed to the Building which is used in providing janitorial or similar services; and (3) to the extent permitted in (ii) above;

(xiii) Tax penalties or interest incurred as a result of Landlord's negligence, inability or unwillingness to make payments and/or to file any tax or informational returns when due;

(xiv) Costs arising from Landlord's charitable or political contributions;

(xv) Costs (including in connection therewith all attorneys' fees and costs of settlement judgments and payments in lieu thereof) arising from claims, disputes or potential disputes in connection with potential or actual claims litigation or arbitration pertaining to Landlord and/or Landlord's interest in or title to the Project; and

(xvi) Costs associated with the operation of the business of the partnership or entity which constitutes Landlord as the same are distinguished from the costs of operation of the Project, including partnership accounting and legal matters; costs of defending any lawsuits with any mortgagee; costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Project; costs of any disputes between Landlord and its employees (if any) not engaged in Project operation; costs associated with disputes of Landlord with Project management.

Landlord further agrees that it will not collect or be entitled to collect Operating Costs from all tenants in the Building in an amount which is in excess of one hundred percent (100%) of the Operating Costs actually paid by Landlord in connection with the operation of the Building. If Landlord eliminates from Operating Costs for any year any particular type of insurance included in Operating Costs for the Base Year, or if Landlord modifies the level of insurance coverage during any later year from that carried during the Base Year, then Landlord shall adjust the amount of any insurance premium included in Operating Costs for the Base Year to equal that amount which Landlord reasonably estimates it would have incurred had Landlord maintained similar types and levels of insurance during the Base Year as maintained by Landlord during such later year.

48. Right of First Offer.

48.1 In the event that Landlord from time to time intends to accept an offer (a "***Lease Offer***") to lease any of the available space on the sixteenth (16th) floor of the Building, and provided Tenant is not in breach of any provision of this Lease past any express and applicable cure period, Tenant shall have the right to lease all, but not less than all of space that is the subject of the Lease Offer (the "***Available Space***") on the terms and conditions set forth in thisSection 48.

48.2 Following Landlord's receipt and approval of a Lease Offer, Landlord shall give Tenant written notice (an "***Availability Notice***") of the availability and size of such Available Space for lease and the monthly base rent and other economic terms and conditions (collectively, the "***Economic Terms***") based on prevailing market conditions upon which Landlord was willing to lease the space covered by the Lease Offer.

48.3 Within ten (10) days after receipt of the Landlord's Availability Notice, Tenant must give Landlord written notice pursuant to which Tenant shall elect to either: (i) lease all and not less than all of the Available Space identified by Landlord upon such Economic Terms; or (ii) refuse to lease the Available Space, in which event Landlord may thereafter lease the space covered by the Lease Offer to any party upon any terms Landlord deems appropriate. Tenant's failure to timely choose either clause (i) or clause (ii) above will be deemed to be Tenant's choice of clause (ii) above.

48.4 If Tenant timely elects to lease the Available Space, then the Available Space shall be included in the Premises for the remaining balance of the Term and shall be leased to Tenant pursuant to the provisions of this Lease, with the following exceptions: (a) the base rent and other economic terms and conditions for the Available Space shall be the base rent and other Economic Terms set forth in the Lease Offer, except that the term shall be coterminous with the Term under the Lease; (b)

Tenant's Proportionate Share shall be increased appropriately to reflect the addition of the Available Space to the Premises; and (c) the Term as to the Available Space shall commence upon the date Landlord shall have delivered the Available Space to Tenant. Promptly after Tenant's exercise of its rights under this Section, the parties shall agree upon and execute an amendment (in form and substance reasonably satisfactory to Landlord and Tenant) to this Lease memorializing the terms and conditions upon which the Available Space in question shall be added to the Premises.

48.5 If Tenant is in Default under the Lease in any calendar year during the Lease Term, Tenant's rights under this Section 48 shall terminate and be of no further force and effect. This right is personal to the originally named Tenant and may not be assigned.

49. Abatement of Rent. In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, as a result of (i) any repair, maintenance or alteration to the Common Areas or other portions of the Building performed by Landlord (unless the same is required due to the negligence or willful misconduct of Tenant or any of Tenant's Employees) which interferes with Tenant's ability to operate its business from the Premises, (ii) the unavailability of any utility to the Premises where such unavailability is principally due to the gross negligence or willful misconduct of Landlord or Landlord's Employees, or (iii) the presence of Hazardous Materials on or about the Project not caused by the acts or omissions of Tenant or Tenant's Employees (any such set of circumstances as set forth in items (i), through (iii), above, to be known as an "***Abatement Event***"), Then Tenant shall give Landlord prompt notice of such Abatement Event, and if such Abatement Event continues for five (5) consecutive days after the commencement of such Abatement Event or the same Abatement Event occurs ten (10) or more nonconsecutive days in any twelve month period (the "***Eligibility Period***"), then the Base Rent and recurrent Additional Rent shall be abated or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, and does not use, the Premises, or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use ("***Unusable Area***"), bears to the total rentable area of the Premises; provided, however, in the event that Tenant is prevented from using, and does not use, the Unusable Area for a period of time in excess of the Eligibility Period and the remaining portion of the Premises is not sufficient to allow Tenant to effectively conduct its business therein, and if Tenant does not conduct its business from such remaining portion, then for such time after expiration of the Eligibility Period during which Tenant is so prevented from effectively conducting its business therein, the Base Rent and recurrent Additional Rent for the entire Premises shall be abated for such time as Tenant continues to be so prevented from using, and does not use, the Premises. If, however, Tenant reoccupies any portion of the Premises during such period, the Rent allocable to such reoccupied portion, based on the proportion that the rentable area of such reoccupied portion of the Premises bears to the total rentable area of the Premises, shall be payable by Tenant from the date Tenant reoccupies such portion of the Premises. Such right to abate Base Rent and recurrent Additional Rent shall be Tenant's sole and exclusive remedy at law or in equity for an Abatement Event.

"Tenant":

PANDORA MEDIA, INC.,
a California corporation

By: /s/ Etienne Handman
Name: Etienne Handman
Title: Chief Operating Officer

"Landlord":

CIM/OAKLAND CENTER 21, LP,
a Delaware limited partnership

By: CIM/Oakland Office Properties GP, LLC,
its general partner

By: /s/ Avraham Shemesh
Avraham Shemesh
Treasurer

Tenant:	Pandora Media, Inc.
Premises:	Suite 1650
Square Footage:	14,644
Suite Number:	1650

CONFIRMATION OF LEASE TERM

THIS MEMORANDUM is made as of October 22, 2009, between **CIM/OAKLAND CENTER 21, LP** ("**Landlord**") and **Pandora Media, Inc.**, ("**Tenant**"), who entered into a lease dated for reference purposes as of July 23, 2009, covering certain premises located at Center Twenty One, located at 2101 Webster Street and 2100 Franklin Street, Oakland, California. All capitalized terms, if not defined herein, shall be defined as they are defined in this Lease.

1. The Parties to this Memorandum hereby agree that the date of October 1, 2009 is the "**Commencement Date**" of the Term, and the date September 30. 2014 is the scheduled expiration date of this Lease (the "**Expiration Date**").

2. Tenant hereby confirms the following:

(a) That it has accepted possession of the Premises pursuant to the terms of the Lease;

(b) That all improvements required to be furnished according to the Lease by Landlord, if any have been Substantially Completed;

(c) That Landlord has fulfilled all of its duties of an inducement nature or are otherwise set forth in the Lease;

(d) That there is no default by Landlord or Tenant under the Lease and the Lease is in full force and effect.

3. Landlord hereby confirms to Tenant that Tenant's Proportionate Share is 2.12% as it relates to the Project.

4. Landlord hereby confirms to Tenant that the Base Rent schedule is as follows:

Date	Annual Rent	Monthly Rent	Monthly PSF Rent
10/1/09 – 9/30/10	$465,679.20	$38,806.60	$2.65
10/1/10 – 9/30/11	$474,465.60	$39,538.80	$2.70
10/1/11 – 9/30/12	$485,009.28	$40,417.44	$2.76
10/1/12 – 9/30/13	$493,795.68	$41,149.64	$2.81
10/1/13 – 9/30/14	$507,853.92	$42,321.16	$2.89

5. Landlord hereby confirms to Tenant that Tenant's obligation to pay Monthly Rent for the first three (3) full months of each of the first three (3) years of the initial Term will be abated. During such abatement period, Tenant shall still be responsible for the payment of all its other monetary obligations under the Lease.

6. This Memorandum, each and all of the provisions hereof, shall inure to the benefit, or bind, as the case may require the parties hereto, and their respective successors and assigns, subject to the restrictions upon assignment and subletting contained in the Lease.

LANDLORD:

CIM/OAKLAND CENTER 21, LP
a Delaware limited partnership

By: CIM/OAKLAND OFFICE PROPERTIES GP LLC
Its: General Partner

By: /s/ Chris Donohoe
Name: Chris Donohoe
Its: Vice President

TENANT:

PANDORA MEDIA, INC.,
a California corporation

By: /s/ Etienne Handman
Name: Etienne Handman
Its: COO

EXHIBIT 10.12A

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this "Amendment") is entered into as of April 13, 2010 by and between **CIM/OAKLAND CENTER 21, LP**, a Delaware limited partnership ("Landlord"), and **PANDORA MEDIA, INC.**, a California corporation ("Tenant") with reference to the following facts:

RECITALS

A. Landlord and Tenant entered into that certain Office Lease ("Lease"), dated as of July 23, 2009, pursuant to which Tenant leases certain premises (the "Premises") known as Suite 1650, consisting of 14,644 rentable square feet on the sixteenth (16th) floor of the Building located at that certain office project in the City of Oakland, California known as "Center 21" comprised of (i) a 20 story building located at 2101 Webster Street, Oakland California (the "2101 Webster Building"), and (ii) a nine story building located at 2100 Franklin Street (the "2100 Franklin Building"; the 2101 Webster Building and the 2100 Franklin Building are collectively referred to herein as the "Building") .

B. Tenant has requested that Landlord lease Tenant a portion of the 16th floor of the Building ("Expansion Space") and grant Tenant an option as to an additional portion of the 16th floor of the Building ("Option Space"), subject to the terms and conditions of this Amendment.

C. The parties agree to modify the Lease, in accordance with the following terms and conditions.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant hereby agree as follows (capitalized terms used but not defined herein shall have the meaning given them in the Lease):

AGREEMENT

1. Incorporation of Recitals. Recitals A, B and C above are incorporated herein by reference.

2. The Expanded Premises. On or about August 1, 2010 (the "Expansion Commencement Date"), Landlord shall deliver to Tenant and Tenant shall lease the Expansion Space in addition to the Premises. Accordingly, commencing on the Expansion Commencement Date, and continuing throughout the Expiration Date, as defined in the Lease (the "Expansion Space Term"), Tenant shall lease a total of 4,565 rentable square feet, which space shall herein be known and referred to as the "Expanded Premises" Hereinafter, all references in the Lease to the Premises shall refer to the Expanded Premises.

3. Base Rent. Notwithstanding anything to the contrary in the Lease, commencing on October 1, 2010 (the "Expansion Rent Commencement Date"), Tenant shall pay $12,325.50 per month as Base Rent for the Expansion Space (based on $2.70 per rentable square foot). Base Rent shall continue to increase commensurate with the terms of the Lease through the remainder of the Expansion Space Term.

4. Tenant's Proportionate Share. Commencing on the Expansion Commencement Date, and throughout the Expansion Space Term, Tenant's Proportionate Share shall be increased in proportion to the increased size of the Expanded Premises. Tenant shall continue to pay Tenant's Proportionate Share of Operating Costs, as herein increased, in accordance with the terms of the Lease.

5. Condition of the Expansion Space. Tenant hereby agrees to accept the Expansion Space in its "as-is, where is" condition and Tenant hereby acknowledges that Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Expansion Space. Notwithstanding the foregoing, Tenant acknowledges that Tenant shall be responsible for all access and code compliance changes that are legally required to the Expansion Space, as a result of Tenant's adding the Expansion Space to the Premises ("Access Improvements"), and that such Access Improvements shall be deemed a condition to the Expansion Option hereinafter granted to Tenant. Tenant also acknowledges that Landlord has made no representation or warranty regarding the condition of the Expansion Space, except as expressly provided in this Amendment.

6. Expansion Option.

(a) Expansion Option. So long as there is no Default by Tenant under the Lease or this Amendment, and subject to Tenant's compliance with the terms of Section 5 above, Landlord hereby grants Tenant an option ("Expansion Option") as of August 1, 2011 (the "Expansion Date"), to lease the Option Space, which space consists of approximately 5,242 rentable square feet. The precise location of the Option Space on the 16th floor shall be designated by Landlord, in its reasonable discretion, on the terms set forth in this Section 6.

(b) Exercise of Option. The Expansion Option contained herein shall be exercised by only the originally named Tenant, and only in the following manner:

(1) Tenant shall deliver notice to Landlord on or before January 15, 2011, stating that Tenant is exercising its option ("Expansion Exercise Notice") as to the Option Space;

(2) Landlord, after receipt of Tenant's notice, shall deliver notice (the "Expansion Rent Notice") to Tenant setting forth the exact square footage and configuration of the Option Space, and Tenant's Proportionate Share attributable to the Option Space. Tenant shall lease the Option Space throughout the Term (the "Option Space Term"), and the "Premises" shall be deemed to include the Expanded Premises and the Option Space;

(3) So long as Tenant timely exercises the Expansion Option, Landlord shall deliver the Option Space to Tenant on or before the Expansion Date. If Tenant fails to timely deliver the Expansion Exercise Notice, Tenant shall have waived its rights to the Option Space and Tenant shall have no further option or rights with respect thereto.

(c) Amendment to Lease. Upon Tenant's exercise of the Expansion Option, the parties shall enter into an amendment to the Lease, adding the Option Space to the Premises (as hereinbefore expanded), and shall extend the term, such that the Lease shall terminate on September 30, 2016 (the period from October 1, 2014 through September 30, 2016 shall be known as the "Extended Term").

(d) Option Space Rent. The parties agree that the Base Rent and Additional Rent pertaining to the Option Space shall commence on October 1, 2011 (the "Option Space Rent Commencement Date"), and that the Option Space Base Rent (which Base Rent shall be $2.76 per square foot per month for the first year of the Option Space Term, and shall increase in accordance with the terms of the Lease, provided that Base Rent during the Extended Term for the Option Space and the Expanded Premises shall be $2.98 per rentable square foot per month for the first year, and $3.07 per rentable square foot per month for the second year of the Extended Term.

(e) Condition of Option Space. Tenant shall accept and take the Option Space in its "as is" condition, and the construction of improvements in the Option Space shall comply with the terms of Article 4 of the Lease.

(f) Failure to Exercise the Option. If Tenant fails to exercise the Option, Tenant acknowledges and agrees that Tenant shall, at Tenant's sole cost, in addition to the Access Improvements set forth in Section 5 above, design and build a rated exit corridor pursuant to plans and specifications reasonably approved by Landlord, the cost of which is estimated to be approximately $85,000.00. Such plans shall be delivered to Landlord on or before February 15, 2011. Tenant's failure to meet the obligations under this Section shall be deemed a material Default under the Lease.

7. Status of Lease. Except as amended by this Amendment, the Lease remains unchanged, and, as amended by this Amendment, the Lease is in full force and effect.

8. Counterparts. This Amendment may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same Amendment. In addition, properly executed, authorized signatures may be transmitted via facsimile and upon receipt shall constitute an original signature.

9. Entire Agreement. There are no oral or written agreements or representations between the parties hereto affecting the Lease not contained in the Lease or this Amendment. The Lease, as amended, supersedes and cancels any and all previous negotiations, arrangements, representations, brochures, displays, projections, estimates, agreements, and understandings, if any, made by, to, or between Landlord and Tenant and their respective agents and employees with respect to the subject matter thereof, and none shall be used to interpret, construe, supplement or contradict the Lease, including any and all amendments thereto. The Lease, and all amendments thereto, shall be considered to be the only agreement between the parties hereto and their representatives and agents. To be effective and binding on Landlord and Tenant, any amendment, revision, change or modification to the provisions of the Lease must be in writing and executed by both parties.

IN WITNESS WHEREOF, Landlord and Tenant have entered into this Amendment as of the date first set forth above.

"Tenant":

PANDORA MEDIA, INC.,
a California corporation

By: /s/ Etienne Handman
Name: Etienne Handman
ITs: COO

"Landlord":

CIM/OAKLAND CENTER 21, LP,
a Delaware limited partnership

By: CIM/Oakland Office Properties GP, LLC,
its general partner

By: /s/ Avraham Shemesh
Avraham Shemesh
Treasurer

EXHIBIT 10.12B

SECOND AMENDMENT TO LEASE
(Pandora)

THIS SECOND AMENDMENT TO LEASE (this "Amendment") is entered into as of June 16, 2010 by and between **CIM/OAKLAND CENTER 21, LP**, a Delaware limited partnership ("Landlord"), and **PANDORA MEDIA, INC.**, a California corporation ("Tenant") with reference to the following facts:

RECITALS

A. Landlord and Tenant entered into that certain Office Lease ("Original Lease"), dated as of July 23, 2009, as amended by that First Amendment to Lease ("First Amendment"), dated as of April 13, 2010, pursuant to which Tenant leases certain premises (the "Premises") known as Suite 1650, and currently consist of 14,644 rentable square feet on the sixteenth (16th) floor of that certain office project in the City of Oakland, California known as "Center 21" comprised of (i) a 20 story building located at 2101 Webster Street, Oakland California (the "2101 Webster Building"), and (ii) a nine story building located at 2100 Franklin Street (the "2100 Franklin Building"; the 2101 Webster Building and the 2100 Franklin Building are collectively referred to herein as the "Building"). The Original Lease, as amended by the First Amendment, is referred to herein as the "Lease."

B. Concurrently with this Amendment, Landlord is delivering the Expansion Space to Tenant, and Tenant is exercising its option as to the Option Space, as both those terms are defined in the First Amendment.

C. The parties now agree to modify the Lease, in accordance with the following terms and conditions.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant hereby agree as follows (capitalized terms used but not defined herein shall have the meaning given them in the Lease):

AGREEMENT

1. Incorporation of Recitals. Recitals A, B and C above are incorporated herein by reference.

2. Premises. On or about June 15, 2010, Landlord shall deliver, and Tenant shall lease, the Expansion Space and the Option Space (collectively, the "Expanded Spaces"), which space consists of a total of approximately 9,807 rentable square feet on the 16th Floor of the Building, as more particularly indicated on Exhibit "A" attached hereto (the "Expanded Space Commencement Date"). Landlord shall not be liable for any delay in delivery of possession of the Expanded Spaces, provided that Tenant shall not be liable for any payments of Rent until and unless Landlord delivers the Expanded Spaces in accordance with this Amendment. Accordingly,

effective upon the Expanded Space Commencement Date, the Premises shall be increased to include the Expanded Spaces, for a total of 24,451 rentable square feet. Effective as of the Expanded Space Commencement Date, all references in the Lease to the "Premises" shall mean and refer to the Premises, as herein expanded by the Expanded Spaces.

3. Term. The Expiration Date shall be extended such that the Lease shall terminate ("New Termination Date") on September 30, 2016 (the period from October 1, 2014 through September 30, 2016 shall be known as the "Extended Term"). The period from the Expanded Space Commencement Date through the New Termination Date shall be known as the "Expanded Space Term." Tenant shall not have any right to extend the Lease beyond the Extended Term.

4. Monthly Base Rent. The parties agree that the Base Rent and Additional Rent pertaining to the Expanded Spaces shall commence on the earlier of: (i) Tenant's occupancy of the Expanded Spaces; and (ii) October 1, 2010 (the "Expansion Space Rent Commencement Date"). During the first twelve (12) months of the Expansion Space Term, Tenant shall pay a total of $26,478.90 (based on $2.70 per square foot) per month, as Base Rent. Thereafter, and for the remainder of the Expansion Space Term, Tenant shall pay the following:

Expanded Space Term	Monthly Rent	Monthly PSF Rent
Month 13-24	$27,067.32	$ 2.76
Months 25-36	$27,557.67	$ 2.81
Month 37-48	$28,342.23	$ 2.89
Month 49-60	$29,224.86	$ 2.98
Month 61 – New Termination Date	$30,107.49	$ 3.07

As to the original Premises, the parties acknowledge and agree that Tenant shall pay the Base Rent in accordance with the terms of Section 1.7 of the Original Lease, provided that during the Extended Term, Tenant shall pay $2.98 per rentable square foot per month for the first year of the Extended Term, and $3.07 per rentable square foot per month for the second year of the Extended Term.

5. Condition of the Option Space. Tenant hereby agrees to accept the Expanded Spaces in their "as-is" condition and Tenant hereby acknowledges that Landlord has made no representation or warranty regarding the condition of the Expanded Spaces.

6. Parking. Effective as of the Expansion Space Commencement Date and continuing throughout the Extended Term, Tenant shall have the right to rent from Landlord one (1) additional unreserved parking passes for use in the Parking Facility. Tenant's rental and use of such additional parking passes shall be in accordance with, and subject to, all provisions of

Article 1.13 of the Lease including, without limitation, payment of the monthly parking rate specified therein.

7. Statement of Commencement Dates. Tenant agrees to execute and deliver a_____ commencement letter in a form substantially similar to that attached as Exhibit B to the Lease upon Landlord's reasonable request.

8. Status of Lease. Except as amended by this Amendment, the Lease remains unchanged, and, as amended by this Amendment, the Lease is in full force and effect.

9. Counterparts. This Amendment may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same Amendment. In addition, properly executed, authorized signatures may be transmitted via facsimile and upon receipt shall constitute an original signature.

10. Entire Agreement. There are no oral or written agreements or representations between the parties hereto affecting the Lease not contained in the Lease or this Amendment. The Lease, as amended, supersedes and cancels any and all previous negotiations, arrangements, representations, brochures, displays, projections, estimates, agreements, and understandings, if any, made by, to, or between Landlord and Tenant and their respective agents and employees with respect to the subject matter thereof, and none shall be used to interpret, construe, supplement or contradict the Lease, including any and all amendments thereto. The Lease, and all amendments thereto, shall be considered to be the only agreement between the parties hereto and their representatives and agents. To be effective and binding on Landlord and Tenant, any amendment, revision, change or modification to the provisions of the Lease must be in writing and executed by both parties.

IN WITNESS WHEREOF, Landlord and Tenant have entered into this Amendment as of the date first set forth above.

"**Tenant**":

PANDORA MEDIA, INC.,
a California corporation

By: /s/ Steve Cakebread
Name: Steve Cakebread
Its: CFO

"**Landlord**":

CIM/OAKLAND CENTER 21, LP,
a Delaware limited partnership

By: CIM/Oakland Office Properties GP, LLC, its general partner

By: /s/ Avraham Shemesh
Avraham Shemesh
Treasurer

BMI®

http://www.bmi.com

WEB SITE
MUSIC PERFORMANCE AGREEMENT

AGREEMENT, made on June 30, 2005, by and between BROADCAST MUSIC, INC. ("BMI" or "we"), a New York corporation with its principal offices at 320 West 57th Street, New York, New York 10019 and SAVAGE BEAST TECHNOLOGIES, INC. ("LICENSEE" or "you"), a California (State)

(check one) _X_ corporation

____ partnership

____ limited liability company

____ individual d/b/a _____

with its principal offices at 360 22nd Street, Suite 390, Oakland, CA 94612, for the public performance of BMI music on the LICENSEE's Web site located at http://www.pandora.com (the "Agreement").

IT IS HEREBY AGREED AS FOLLOWS:

1. TERM: This Agreement begins on July 18th, 2005 (launch date), continues through the end of December of 2007, and automatically renews on a calendar year-to-year basis thereafter until it is terminated ("Term").

2. DEFINITIONS:

As used in this Agreement, the following terms have the following meanings:

A. "Gross Revenue" means all revenue generated in connection with the Web Site by you, or by anyone acting on your behalf, for or from: (i) access to or use of all or any part(s) of the Web Site (e.g., subscription fees, online time, and other transactional charges); and (ii) advertising (e.g., banners, in-streams ads, hotlinks) on, or sponsorship of, all or any part(s) of the Web Site, including revenue from third parties for including their programming on your web site, commissions from third parties on transactions, and the fair market value of any thing or service in lieu of cash considerations (i.e., trade and barter). Gross Revenue includes revenue from the sale of proprietary software used to access all or any part(s) of the Web Site, but only to the extent that you, or someone acting on your behalf, package(s) or include(s) access to or use of the Web Site with the license for the software. Gross Revenue also includes any donations that you, or someone acting on your behalf, receive(s) in connection with the Web Site. Gross Revenue does not include revenue from the direct sale of physical goods, or revenue generated solely in connection with any web site hosting or stream hosting services you provide for third party web sites that are not licensed under this Agreement. You can deduct advertising agency commissions from your advertising revenue, but only up to 15% actually incurred to a third party advertising agency that you do not own or control. You can also deduct any bad debts that you write off during a reporting period which are related to any billings that you previously reported, but you must include any recoveries of bad debts that were previously written off.

B. “Music Page” means a Web Page which presents one or more icons or hyperlinks that may be clicked on to access performances of music or at which music is played upon loading the Web Page.

C. “Music Revenue” means all Gross Revenue generated in connection with the music on the Web Site, including, but not limited to: (a) music subscription fees; (b) in-stream advertising in programming containing music; and (c) banners or hotlinks on Music Pages. Additionally, if you, or someone acting on your behalf, sell(s) advertising availabilities on a run-of-site basis or offer(s) a subscription service with both music and non-music content, you will include a portion of such revenue as Music Revenue by dividing Music Page Impressions by Page Impressions and then multiplying the run-of-site or subscription service revenue by the result.

D. “Music Page Impression” means a transfer request for a single Music Page.

E. “Page Impression” means a transfer request for a single Web Page.

F. “New Media Territories List” shall mean the list of territories and performing right licensing organizations on the schedule posted in the weblicensing section of BMI’s web site (located at http://www.bmi.com/) and designated as such (a copy of which is attached hereto). Please note that BMI may add and delete territories and performing right organizations on this schedule at any time and without notice.

G. “Territory” means the U.S. Territory and those territories listed on the New Media Territories List.

H. “U.S. Territory” shall mean the United States, its commonwealths, territories, and possessions.

I. “Web Page” means a set of associated files transferred sequentially from the Web Site to, and rendered more or less simultaneously by, a browser. For purposes of this Agreement, ‘pop-up’ windows, proprietary media players, and/or ‘daughter’ windows with embedded media players that launch when accessing performances of music or upon loading the Web Page are considered part of the Web Page from which they were launched and not a separate Web Page.

J. “Web Site” shall mean your Internet domain comprising a series of interrelated Web Pages currently registered with a domain name registration service and located at the URL identified above. You may license additional Web Sites owned, operated and/or controlled by you by listing such additional sites on Exhibit A hereto, and may amend Exhibit A by written agreement signed by both parties. You must comply separately with all reporting requirements and pay separate license fees under this Agreement, including Annual Minimum License Fees, for each Web Site listed on Exhibit A. References to Web Site shall include those additional sites listed on Exhibit A.

3. GRANT OF RIGHTS:

A. BMI hereby grants you a non-exclusive license to perform publicly over the Internet within the Territory (subject to Paragraph 3(b) below) during the Term all musical works, the right to grant public performing right licenses of which BMI owns or controls during the Term. This Agreement includes only public performances of musical works by transmission over the Internet, and only where such transmissions are accessed from a Web Page on the Web Site; it does not cover any transmissions accessed from a Web Page on a third party web site. Public performances outside of the Territory may be subject to appropriate separate licensing. This Agreement does not include dramatic rights or the right to perform dramatico-musical works in whole or in substantial part. This Agreement also does not license public performances in any commercial establishments, including, but not limited to, where all or a portion of the music available on the Web Site is used as a commercial music service (as that term is customarily understood in the industry); such performances of BMI music shall be subject to appropriate separate licensing.

B. The territorial scope of the grant of rights with respect to any musical works which are affiliated with BMI through a non-U.S. performing right licensing organization not listed on the New Media Territories List is limited to public performances in the U.S. Territory. Public performances of such musical works outside of the U.S. Territory may be subject to appropriate separate licensing.

C. This license does not cover any transmission which is not part of the Web Site, and does not authorize you to grant to others (including, but not limited to, third party web sites, Online Services, cable television system operators and open video systems) any license or right to perform publicly or cause to be performed by any means, method or process whatsoever, any of the musical compositions licensed hereunder. In the event that all or a portion of the Web Site is made available from a third party web site or included on a tier of services by a third party for additional revenue, either independently or with other web sites, LICENSEE shall immediately notify BMI in writing. BMI and LICENSEE expressly agree that any such uses are not licensed under this Agreement and shall be subject to appropriate separate licensing.

D. This Agreement grants only public performing rights in musical works and does not grant any reproduction, distribution, or any other intellectual property right(s) in such musical works, or any digital performance, reproduction, distribution, or any other intellectual property right(s) in any sound recordings, to any person or entity, including those that may receive and/or download or otherwise store the transmission of the musical works licensed hereunder.

4. LICENSE FEES:

A. In consideration of the license granted in this Agreement, you will calculate and pay License Fees to BMI using either of the following License Fee Calculations at your option:

i. Gross Revenue Calculation: License Fee = Gross Revenue × 1.75%

ii. Music Revenue Calculation: License Fee = the greater of (a) Music Area Revenue × 2.5%; and, (b) (Music Page Impressions / 1,000) × $0.12

B. License Fees are due when you file your Statement(s) of Account.

5. ANNUAL MINIMUM LICENSE FEE:

A. An Annual Minimum License Fee is due upon signing the Agreement, and by January 30 (for customers filing annual Statements of Account) or April 30 (for customers filing quarterly Statements of Account) of each calendar year (or any part of a calendar year) of the Term thereafter. Annual Minimum License Fees paid for a calendar year of the Term are credited against any License Fees you may owe for that year. In the event that BMI does not receive the Annual Minimum License Fee by January 30 of any calendar year of the Agreement, BMI may, in addition to any other remedies it may have available to it, cancel this Agreement retroactive to the end of the last calendar year for which an Annual Minimum License Fee was received.

B. You may prorate the Annual Minimum License Fee due for the initial calendar year of the Agreement based on the number of months (or portion thereof) of the initial calendar year that will be covered under the Agreement (e.g., if the start date of your license is August 20, 2005, the Annual Minimum License Fee for 2005 would be $117.92 to cover the period from August through December, 2005).

C. The Annual Minimum License Fee for 2005 is $283.00. For each year of the Agreement after 2005, the Annual Minimum License Fee will be adjusted to reflect the percentage change in the United States Consumer Price Index (All Urban Consumers, All Items) between October of the preceding year and October of the next preceding year, rounded to the nearest dollar amount.

6. STATEMENT(S) OF ACCOUNT:

A. Upon signing the Agreement, you will complete the preliminary Statement of Account attached to this Agreement with a good faith estimate of what your calendar year Gross Revenue will be (rounded to the nearest dollar amount). You will use this estimate for the initial calendar year, or the actual Gross Revenue that you report in your Statement(s) of Account for the immediately preceding calendar year for subsequent years, and the chart below, to determine how often you need to report and pay license fees to BMI.

CALENDAR YEAR REVENUE	STATEMENTS OF ACCOUNT	PAYMENT
$15,000 or less	ANNUAL	MINIMUM
$15,001 -$50,000	ANNUAL	greater of MINIMUM and LICENSE FEE
$50,001 +	QUARTERLY	greater of MINIMUM and LICENSE FEE

B. Annual Statement(s) of Account, and any additional license fees based on such reports, are due on or before March 31 following the calendar year to which they apply (e.g., annual Statement of Account for 2005 will be due on or before March 31, 2005). BMI may

assess Late Payment Charges (see Paragraph 8 below) if you fail to report and pay license fees on time.

C. Quarterly Statements of Account, and any additional license fees based on such reports, are due on or before the 30th day after the end of each calendar quarter (e.g., first quarter 2005 Statement of Account will be due on or before April 30, 2005; the second quarter's, on or before July 30, 2005; the third quarter's, on or before October 30, 2005; and the fourth quarter's, on or before January 30, 2005). BMI may assess Late Payment Charges (see Paragraph 8 below) if you fail to report and pay license fees' on time.

D. If, at any point during any calendar year of the Agreement, your actual calendar year Gross Revenue exceeds $50,000, you will file a quarterly Statement of Account on or before the 30th day after the end of the then current calendar quarter, and will continue to report and pay BMI quarterly as provided for above. BMI may assess Late Payment Charges (see Paragraph 8 below) if you fail to report and pay on a quarterly basis as soon as your actual calendar year Gross Revenue exceeds $50,000.

E. Each Statement of Account will be in a form designated by BMI, will be certified by you or your authorized representative, will identify actual Gross Revenue and/or Music Revenue (including Music Page Impressions and total Page Impressions for allocation purposes) generated in connection with the Web Site during the period covered in the Statement(s) of Account (e.g., previous calendar year or previous calendar quarter), and will be accompanied by payment of any additional license fees that may be due above the Annual Minimum License Fee already paid. You agree to make commercially reasonable efforts to use systems and/or software that BMI may develop to prepare and deliver your Statement(s) of Account electronically to BMI.

F. If BMI does not receive your Statement(s} of Account, BMI may bill you for estimated license fees on the basis of your previous Statement(s) of Account. Any payments received will be applied to your account pending receipt of your actual Statement of Account and any additional fees that may be due above the amount already paid. Overpayments will be credited to your account, and refunded to you only after you have submitted all reports and payments due and this Agreement is terminated.

7. AUDIT:

A. BMI has the right to require that you provide BMI with data or information sufficient to ascertain the License Fee due under this Agreement. BMI (and its duly authorized representatives) may, at BMI's expense and during customary business hours, examine your books and records of account relating to any and all statements, accountings and reports required under this Agreement in order to verify their accuracy and/or determine the License Fee due for any unreported period. BMI will only conduct such an examination once (if at all) with respect to each year of the Term (or portion thereof), and will provide you with 30 days prior written notice before conducting such an examination.

B. In addition to any other remedy that BMI may have, in the event that BMI's audit reveals that you have underpaid license fees to BMI, you shall immediately pay the amount owed.

If you underpaid BMI by 10% or more of your annual fees, BMI may assess Late Payment Charges on the amount owed from the date the license fees should have been reported to BMI.

8. LATE PAYMENT CHARGES: BMI may impose a late payment charge of one and one-half percent (1 1/2%) per month from the date payment was due on any payment that is received by BMI more than ten (10) days after the due date.

9. MUSIC USE REPORTS: BMI will request detailed music use reports identifying all of the musical works on your web site during the reporting period. Your reports will be sent to BMI electronically (either by e-mail or uploaded through BMI's web site, as designated by BMI), and will, at a minimum, include the nature of the use (e.g., in radio-style programming, as on-demand transmissions (full-length or clips), in an audio-visual program, etc.), and the title of each song, the featured artist that recorded the song and/or the songwriter(s) or composer(s) that wrote the song, and the number of times the song was performed. If your report includes on-demand uses, you will also include any amount that may have been charged to the consumer to receive, and where reasonably available, the country where the consumer received, the transmission. If your report includes audiovisual uses, you will include the title of each audiovisual work, and the primary author, director, and principle actor(s). If your report includes different types of uses (e.g., radio style programming and music videos), you will provide BMI with traffic and/or usage information so that BMI can allocate the portion of your revenue attributable to each type of use. If you provide any more detailed information in a report to any other person or company that licenses you to use music, you will provide BMI with a copy of that report.

10. INDEMNIFICATION: So long as you are not in default or arrears in payment under this Agreement, BMI shall indemnify, save and hold harmless and defend you and your officers and employees from and against any and all claims, demands and suits alleging copyright infringement that may be made or brought against them or any of them with respect to the public performance within the Territory of any musical works licensed hereunder. BMI's obligations under this paragraph, however, are limited to those claims, demands or suits that are made or brought within the U.S. Territory under U.S. Copyright Law, and only with respect to those works that are BMI-affiliated works at the time you performed them. This indemnity also shall not apply to transmissions of any musical work by you after written request from BMI that you refrain from performance of such work. You agree to give BMI immediate notice of any such claim, demand, or suit, to deliver to BMI any papers pertaining thereto, and to cooperate with BMI with respect thereto, and BMI shall have full charge of the defense of any such claim, demand, or suit; provided, however, that LICENSEE may retain counsel on its behalf and at its own expense and participate in the defense of such claim, demand or suit.

11. WARRANTY; RESERVATION OF RIGHTS:

This Agreement is experimental in nature. You recognize that the license granted herein may cover certain transmissions originating from and/or received in certain territories outside of the U.S. Territory pursuant to experimental agreements with certain non-U.S. performing rights licensing organizations around the world, and that this Agreement may be broader in geographical scope than BMI's previous Internet licenses. Notwithstanding, BMI is offering this Agreement at the same rate as its previous Internet license on an experimental and non-

prejudicial basis for the sole purpose of evaluating such international licensing initiatives. Nothing contained in this Agreement is intended to reflect BMI's position with respect to the reasonable value of the license granted herein; BMI hereby expressly reserves its right to re-evaluate the appropriateness of the fees and terms herein, including, but not limited to, the reasonable value of a license that covers transmissions beyond the U.S. Territory, for periods following the Term.

12. BREACH OR DEFAULT: BMI has the right to cancel this Agreement, effective as of the date of BMI's Notice to you, if you don't cure the breach within 30 days after receiving Notice from BMI. This right to cancel is in addition to any other remedies BMI may have, and no waiver by BMI of full performance of this Agreement in any one or more instances shall be a waiver of the right to require full and complete performance of this Agreement for the remainder of the Term.

13. TERMINATING THE AGREEMENT:

A. You can request to terminate the Agreement at the end of December of 2007, or at the end of December of any year after 2007, by notifying BMI in writing at least sixty days before the requested date of termination. Additionally, if you permanently discontinue your use of music on the Web Site (as opposed to temporarily disabling the Web Site and/or the music on the Web Site), you can request to terminate this Agreement at any time during the Term by notifying BMI in writing at least sixty days before the requested date of termination. You are required to submit all reports and payments to BMI before the Agreement will be terminated.

B. BMI may terminate this Agreement at the end of December of any year after 2007, by notifying you in writing at least sixty days before the effective date of termination. Additionally, if BMI terminates its agreements with all other customers in your class and category, BMI can terminate this Agreement at anytime during the Term by notifying you in writing at least sixty days before the effective date of termination.

14. ARBITRATION: All disputes of any kind, nature or description arising in connection with the terms and conditions of this Agreement (except for matters within the jurisdiction of the BMI rate court) shall be submitted to arbitration in the City, County, and State of New York under the then prevailing rules of the American Arbitration Association by an arbitrator or arbitrators to be selected as follows: Each of the parties shall, by written notice to the other, have the right to appoint one arbitrator. If, within ten (10) days following the giving of such notice by one party the other shall not, by written notice, appoint another arbitrator, the first arbitrator shall be the sole arbitrator. If two arbitrators are so appointed, they shall appoint a third arbitrator. If ten (10) days elapse after the appointment of the second arbitrator and the two arbitrators are unable to agree upon the third arbitrator, then either party may, in writing, request the American Arbitration Association to appoint the third arbitrator. The award made in the arbitration shall be binding and conclusive on the parties and judgment may be, but need not be, entered in any court having jurisdiction. Such award shall include the fixing of costs, expenses, and attorneys' fees of arbitration, which shall be borne by the unsuccessful party.

15. WITHDRAWAL OF WORKS: BMI reserves the right at its discretion to withdraw from the license granted by this Agreement any musical work as to which legal action has been

instituted or a claim made that BMI does not have the right to license the performing rights in such work or that such work infringes another composition.

16. NOTICE: All notices and other communications under this Agreement will be in writing; report requests and other correspondence between the parties relating to reporting under the Agreement can be sent electronically. Printed notices and other communications are deemed given upon mailing when sent by ordinary first-class U.S. mail to the party intended, at its mailing address as stated (or any other address that a party may designate in writing). Electronic report requests and other correspondence relating to reporting under the Agreement are deemed given upon sending when sent by electronic mail to the address designated in the attached profile (or any other address that a party may designate in writing).

17. ASSIGNMENT: This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns, but no assignment shall relieve the parties hereto of their respective obligations hereunder.

18. MISCELLANEOUS:

A. Reports and/or payments that are due on a weekend day (or a nationally recognized holiday on which the U.S. Postal Service is not providing service) and received by BMI before the close of business on the next business day following the weekend day or holiday, will not be considered late under the Agreement.

B. BMI will, upon reasonable written request, advise you whether particular musical works are available for performance as part of BMI's repertoire. You will provide BMI with the title and the writer/composer of each musical composition requested to be identified.

C. BMI will make reasonable efforts to be exempted or excused from paying state or local taxes on the License Fees received pursuant to this Agreement. In the event that BMI is not excused from paying such taxes, however, and BMI is permitted by law to pass through such tax to you, you will pay BMI the full amount of such tax when you submit your License Fee payment(s) to BMI.

D. BMI treats the financial, web site traffic, and music usage information that you provide under this Agreement (or that BMI obtains through an audit) as confidential. Your information is made available to BMI agents and employees who need to know such information in order to administer this Agreement. Information is also made available to BMI-represented songwriters, composers, music publishers, as well as foreign rights organizations, but only to show the royalties generated from your use of their works (i.e., song X was played Y times and earned $Z in royalties). BMI will not otherwise disclose your financial, web site traffic, or music usage information unless required to do so by law or legal process. BMI may, however, use the information in your music use reports and the music use reports from other customers to compile aggregate market data, and may disclose such aggregate market data publicly so long as BMI does not specifically identify your information as coming from you.

E. This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof. This Agreement cannot be waived, added to or modified

orally and no waiver, addition or modification shall be valid unless in writing and signed, by the parties. This Agreement, its validity, construction, and effect, shall be governed by the laws of the State of New York. The fact that any provisions herein are found by a court of competent jurisdiction to be void or unenforceable shall not affect the validity or enforceability of any other provisions.

BROADCAST MUSIC INC.

By: /s/ Richard Conlon
(Signature)
Richard Conlon
(Print Name of signer)
Vice President
(Title of Signer)

Please return signed agreement together with minimum fee to:

BMI
320 West 57th Street
New York, NY 10019
ATTN: Web Site Licensing

PLEASE COMPLETE ALL OF THE FOLLOWING:

LICENSEE's main offices are located in the U.S. Territory
Yes __X__ No _____
The majority of LICENSEE's employees are located in the U.S. Territory
Yes __X__ No _____
LICENSEE's annual accounts are audited in the U.S. Territory
Yes __X__ No _____

SAVAGE BEAST TECHNOLOGIES, INC.
(LICENSEE)
By: /s/ Joe Kennedy
(Signature)
Joe Kennedy
(Print Name of signer)
Chief Executive Officer
(Title of Signer)

BMI®
http://www.bmi.com

INTERNET -05

WEB SITE
MUSIC PERFORMANCE AGREEMENT

WEB SITE PROFILE
Please complete and return with your signed agreements
so we can service your account properly

Site URL: http://www.pandora.com

Site Name: Pandora.com

Corporate Name: Savage Beast Technologies, Inc.

Corporate Contact: Jessica Stoner **Title:** VP, Business Development

Corporate Address: 360 22nd St. Suite 390, Oakland CA 94612

Telephone: (510) 451-4100 × 28 **Fax:** (510) 451-4286

E-Mail: bmi-info@pandora.com

Financial Contact:
If different from above **Title:**

Billing Address:
If different from above

Telephone: **Fax:**

E-Mail:

Music
Use Reports Contact:
If different from above Tom Conrad **Title:** Chief Technical Officer

Telephone: (510) 451-4100 × 38 **Fax:** (510) 451-4286

E-Mail: bmi-info@pandora.com

Questions? Please visit our web site at
http://www.bmi.com

EXHIBIT 10.14

SESAC Internet Performance License for Pandora

This License Agreement, including any attached Schedules (the "Agreement") is made in New York by and between SESAC, Inc. ("SESAC"), a New York Corporation, with offices at 55 Music Square East, Nashville, TN 37203, and Pandora Media, Inc. ("LICENSEE") a California Corporation with offices at 360 22nd Street, Suite 440, Oakland, CA 94612. (LICENSEE'S current telephone number is (510) 451-4100, current fax number is (510) 451-4286 and the current email contact is jkennedy@pandora.com.)

WHEREAS, SESAC is a music performing rights organization authorized by its affiliated music publishers, songwriters and composers to issue licenses and collect license fees on their behalf; and

WHEREAS, LICENSEE operates a digital media service, as specifically described herein; and

WHEREAS, the operation of LICENSEE's service may involve the public performance of musical compositions; and

WHEREAS, such performances may require the exercise of certain exclusive rights in and to musical compositions, including those that SESAC is authorized to license; and

WHEREAS, the parties acknowledge that the authorization to exercise these rights has monetary value; and

WHEREAS, the parties acknowledge that the fee structures for licenses covering digital media services are developing; and

WHEREAS, the parties intend that the terms and conditions of this license agreement shall be considered experimental in nature, non-prejudicial to the positions that either party may take in subsequent discussions and non-precedential with regard to any future agreements;

NOW, THEREFORE, SESAC and LICENSEE hereby mutually agree as follows:

1. Effective Date and Term

This Agreement shall be effective as of July 1, 2007 (the "Effective Date")

a) The term of this Agreement shall be for an initial period that commences on the Effective Date continuing for a period of one (1) year (the "Initial Period"). Thereafter, this Agreement shall automatically continue in full force and effect for successive additional periods of one (1) year (the "Renewal Period(s)"). SESAC and/or LICENSEE shall have the right to terminate this Agreement as of the last day of the Initial Period or as of the last day of any Renewal Period, upon giving written notice to the other party by certified mail, return receipt requested, at least thirty (30) days but no more than sixty (60) days prior to the commencement of any Renewal Period(s). The Initial Period and Renewal Period(s) are sometimes collectively referred to herein as the "Term."

b) Notwithstanding anything to the contrary contained herein, SESAC shall have the right to terminate this Agreement: (i) at any time upon written notice to LICENSEE in the event LICENSEE is adjudicated bankrupt, or a petition in bankruptcy is filed with respect to LICENSEE, or LICENSEE is declared or becomes insolvent; or (ii) upon thirty (30) days written notice by reason of any law, rule, decree or other enactment having the force of law, by any authority, whether federal, state, local, territorial or otherwise, which shall result in substantial interference in SESAC's operation or any substantial increase in the cost of conducting its business.

c) In the event LICENSEE fails to pay any License Fee when due or is otherwise in default or breach of any other provision of this Agreement, and LICENSEE has not cured such breach within thirty (30) days following SESAC's written notice of such default or breach, then SESAC shall have the right to terminate this Agreement in addition to pursuing any and all other rights and/or remedies available to SESAC.

2. Selected Definitions

For the purposes of this Agreement only, the following terms shall have the following meanings:

a) "Compositions" means all of the musical works for which SESAC is authorized to license the public performance right.

b) The "Licensed Service" means LICENSEE's digital radio service currently marketed as "Pandora" and available viaPandora.com (including those instances when the service is accessed through other affiliate websites (the "Affiliate Websites"), including, without limitation, those instances when the Licensed Service is accessed through mobile phones and other broadband connected devices as well as through conventional computer systems, by means of which LICENSEE offers audio-only content to end users by Streaming. The Licensed Service provides end users the ability to influence the Streams delivered by providing information regarding the particular end user's musical preferences.

c) "Pandora.com" means the Web Site currently located at the Uniform Resource Locatorwww.pandora.com including all subdomains thereof.

d) "Web Page" means a set of associated computer files transmitted sequentially from a Web Site to a browser program that simultaneously renders them to an end user.

e) "Web Site" means a series of Web Pages that is produced and transmitted over the Internet to individual end users who access the Web Site and receive such Web Pages by means of a personal computer or other device capable of receiving Internet transmissions.

3. Grant of Rights

Subject to the terms and conditions set forth in this Agreement, SESAC grants to LICENSEE the nonexclusive right and license to publicly perform non-dramatic renditions of the Compositions solely to the extent necessary to effectuate the Licensed Service.

4. Limitation of Rights

a) Except as provided for in Paragraph 3 above, nothing contained herein shall be construed as permitting LICENSEE to publicly perform, transmit, re-transmit or reproduce any Composition by any means, medium, method, device or process now or hereafter known.

b) Except as provided for in Paragraph 3 above, nothing contained herein shall be construed as permitting LICENSEE to grant to others the right to publicly perform, transmit, re-transmit or reproduce any Composition by any means, medium, method, device or process now or hereafter known, or as permitting any receiver of the performance of the Composition to publicly perform, transmit or reproduce the Composition by any means, medium, method, device or process now or hereafter known, without first obtaining a written license from SESAC or its respective affiliated copyright owners.

c) This Agreement shall specifically exclude "Grand Rights" in and to the Compositions. For the purposes of this Agreement, "Grand Rights" include, but are not limited to, the right to perform in whole or in part, dramatico-musical works and dramatic works in a dramatic setting.

d) The performances licensed hereunder may be accessed at any location, whether or not such location is licensed to publicly perform the Compositions. However, nothing in this Agreement shall be deemed to grant a license with respect to such locations or as permitting any receiver of any performance of the musical compositions licensed hereunder, including without limitation commercial and non-commercial establishments where all or any portion of the Licensed Service is audible, to transmit, retransmit, televise, perform or reproduce said compositions by any means, medium, method, device or process now or hereafter known.

e) The authorization provided in Paragraph 3 above shall expressly exclude transmissions, which are made on or through Web Sites other than Pandora.com except in those instances where the Licensed Service is accessed at such other Web Sites via a link which, when selected, launches a player window or Web Page bearing a "pandora" domain and through which the Streams authorized hereunder are transmitted (e.g. as currently exhibited at MSN Radio).

5. License Fee

a) In consideration of the rights granted herein, LICENSEE shall pay to SESAC a License Fee in accordance with Schedule "A" attached hereto and incorporated herein by this reference as if fully rewritten herein.

b) Effective each January 1 during any Renewal Period of the Term, the Semi-Annual Minimum Fee and the Music Multiplier set forth in Schedule "A" may be increased yearly by the greater of five percent (5%) and the amount of the percent increase in the Consumer Price Index -All Urban Consumer (CPI-U) as published by the Bureau of Labor Statistics, U.S. Department of Labor, between the most recent October and the preceding October.

c) In the event that SESAC is determined by the taxing authority or courts of any state in which LICENSEE conducts its operations to be liable for the payment of a gross receipts, sales, use,

business use or other tax which is based on the amount of SESAC's receipts from LICENSEE, then LICENSEE shall reimburse SESAC, within thirty (30) days of SESAC's written demand therefor, for LICENSEE's pro rata share of any such tax derived from receipts received from LICENSEE.

d) SESAC shall have the right to impose a late payment charge of one and one-half percent (1.5%) per month for any License Fee payment that is more than thirty (30) days past due. SESAC shall have the right to impose an additional charge of $35.00 for each dishonored check or other form of payment. In the event that SESAC incurs any reasonable costs or fees in connection with the collection of any amounts past due to SESAC hereunder, then LICENSEE shall be responsible for paying such amounts to SESAC.

6. Verification

a) SESAC shall have the right, on thirty (30) days prior written notice, to examine LICENSEE's books and records to such extent as may be necessary to verify LICENSEE's reports, payments, statements and computations required by this Agreement. In connection with such an examination, LICENSEE agrees to furnish all pertinent books and records related to LICENSEE's reports required under this Agreement, including electronic records in industry standard format, to SESAC's authorized representatives. Such books and records shall be kept by LICENSEE in accordance with Generally Accepted Accounting Principles and shall be retained for at least three (3) years following any expiration or other termination of this Agreement. SESAC's exercise of any rights under this provision shall not prejudice any of SESAC's other rights or remedies, including the right to dispute any amounts owed to SESAC under this Agreement. SESAC's rights and LICENSEE's obligations arising from this paragraph shall survive any termination of this Agreement.

b) In the event an examination reveals that LICENSEE has underpaid any License Fee due SESAC, LICENSEE shall submit the additional amount due within forty-five (45) days from SESAC's written request for such payment. Should such an examination reveal that LICENSEE has underpaid SESAC any License Fee by five percent (5%) or more, LICENSEE shall pay the reasonable costs and expenses of the examination, plus a finance charge on the License Fee shown due, which will be one and one-half percent (1.5%) per month from the date(s) the License Fee(s) should have been paid pursuant to this Agreement.

7. Territory

The authorization provided in this Agreement shall be limited to the United States of America, its territories and possessions and the Commonwealth of Puerto Rico

8. Confidentiality

Neither party shall provide this Agreement, or disclose any of its terms, including without limitation the license fees or other consideration required hereunder, to any person or entity without the prior written consent of the other party, except as may be required by law. In the event that LICENSEE or SESAC, as the case may be, believes it may be obligated by law to disclose such information, it shall advise the other party and cooperate with the other party in seeking to limit the scope of such disclosure and to make such disclosure subject to a protective

order or similar device designed to maintain the confidentiality of this information. LICENSEE's obligation under this paragraph shall survive any termination of this Agreement. Nothing the foregoing shall prohibit SESAC from using the information contained in LICENSEE's reports submitted pursuant to this Agreement for royalty allocation among SESAC's affiliated composers, songwriters and music publishers and for other internal business purposes.

9. General

a) The parties acknowledge that this Agreement, its schedules and any addenda are experimental in nature. Accordingly, this Agreement is entered into without prejudice to the positions that either party may take in any subsequent discussions or licensing arrangements and shall not be considered to establish or serve as a precedent of any kind for the parties' future business arrangements.

b) SESAC shall have the right, upon notice, to withdraw from the scope of this Agreement the right to perform any musical composition authorized hereunder as to which an action has been threatened, instituted, or a claim made that SESAC does not have the right to license the performance rights in such composition.

c) This Agreement shall be binding upon and inure to the benefit of SESAC's and LICENSEE's legal representatives, successors and assigns, but no assignment shall relieve SESAC or LICENSEE of their obligations under this Agreement. LICENSEE shall notify SESAC in writing within thirty (30) days of any change of ownership or control of LICENSEE's operations.

d) Any assignment of LICENSEE's rights hereunder to a third party shall be limited to LICENSEE's products and services that are authorized under this Agreement and shall not apply to said third party's pre-existing products, services or other activities. Notwithstanding any other provision of this Agreement, in the event that LICENSEE merges with, acquires, or is acquired by (in whole or in part) any other entity, LICENSEE's obligations to SESAC shall not be discharged or reduced (but shall survive such merger or acquisition). In the event that such other entity is also a SESAC licensee, such merger or acquisition shall have no effect on such entity's own obligations under any agreement between SESAC and the other entity.

e) In the event that LICENSEE assigns its rights hereunder to a third party that, at the time of the assignment or thereafter, is engaged in providing its own products or services, but is not licensed by SESAC to provide such products or services, such assignment shall not relieve the third party of whatever independent obligation that third party may have to obtain authorization to publicly perform the Compositions.

f) This Agreement shall be governed by and subject to the laws of the State of New York, applicable to agreements made and to be wholly performed in New York.

g) This Agreement represents the parties entire understanding with regard to the subject matter hereof and supersedes and cancels all prior negotiations and understandings between SESAC and LICENSEE in connection with the subject matter hereof.

h) No modification of this Agreement shall be valid or binding unless in writing and executed by SESAC and LICENSEE.

i) If any part of this Agreement shall be determined to be invalid or unenforceable by a court of competent jurisdiction or by any other legally constituted body having the jurisdiction to make such determination, the remainder of this Agreement shall remain in full force and effect.

j) No waiver of any breach of this Agreement shall be deemed a waiver of any preceding, continuing or succeeding breach of the same, or any other provision of this Agreement.

10. Music Usage Reports

a) With respect to LICENSEE's performances authorized hereunder, on or before January 15, April 15, July 15 and October 15 of each calendar year, LICENSEE shall provide to SESAC copies of LICENSEE's program records, server logs or similar records listing the particular musical compositions performed via the Licensed Service in the same manner as LICENSEE historically has provided such information to SESAC. Each report shall contain the above information for the immediately previous calendar quarter period. In the event that any requested information is contained in LICENSEE's reports to SoundExchange or other music licensing organization or entity, LICENSEE may provide SESAC with copies of such reports. Upon any termination of this Agreement, LICENSEE shall remain obligated to submit such materials to SESAC for the period from the Effective Date through the last day of the calendar month when such termination becomes effective and this obligation shall survive any termination of this Agreement.

b) LICENSEE shall submit any reports required under Paragraph 10 electronically in a file format compatible with SESAC's computer system (e.g. an Excel spreadsheet) in the same manner as LICENSEE historically has provided such information to SESAC or, in the alternative, via such other commercially accepted reporting method upon which the parties agree prior to LICENSEE's submission of a report. SESAC may require LICENSEE to submit reports under this Paragraph 10 to a third party designee in a standard format (e.g. the SoundExchange format) compatible with such third party designee's computer system.

IN WITNESS THEREOF, the parties have caused this Agreement to be duly signed as of this first day of July, 2007.

LICENSEE (Pandora Media, Inc.)

By: /s/ Joseph J. Kennedy
An Authorized Signer CEO / President

SESAC, Inc.

By: /s/ J.D. Connell
An Authorized Signer

SCHEDULE "A" TO SESAC INTERNET PERFORMANCE LICENSE FOR PANDORA

1. FEE SCHEDULE

2007 Music Multiplier	2007 Semi-Annual Minimum Fee
.003	$ 5,000

2. DEFINITIONS

Except where otherwise specified herein, each term used in this Schedule that has been defined in the SESAC Internet Performance License for Pandora shall have the same meaning herein. For the purposes of the Agreement and this Schedule "A," the following additional terms shall have the following meanings.

A. "Revenue" means all payments made to LICENSEE in connection with the Licensed Service including payments made to any other entity that is under the same or substantially the same ownership, management and/or control as LICENSEE as well as the fair market value of any goods or services provided as barter instead of payment and all payments received by LICENSEE from the sale or other disposition of any goods or services provided as barter.

B. "Distribution Revenue" means Revenue generated from providing access to, or the disposition of, content available via the Licensed Service including, without limitation, Revenue generated by way of agreements between LICENSEE and third parties pursuant to which LICENSEE provides the Licensed Service on such third party's behalf (e.g. MSN Radio), pay per view fees and subscription fees.

C. "Advertising Revenue" means any and all Revenue generated from advertising, sponsorship and promotional materials provided by means of the Licensed Service (including without limitation banner ads as well as advertising and/or other promotional materials placed in the content available via the Licensed Service); and any monetary promotional considerations received from content providers or others relevant to the carriage of programming content on the Licensed Service.

D. "Other Revenue" means all Revenue generated by means of the Licensed Service other than Distribution Revenue and Advertising Revenue.

3. CALCULATION OF LICENSE FEES

For each calendar semi-annual period during the Term, LICENSEE shall pay SESAC, in advance, a license fee which shall be equal to the greater of (i) the then current Music Multiplier times LICENSEE's Distribution Revenue, Advertising Revenue and Other Revenue reported in the relevant license fee report and (ii) the then current Semi-Annual Minimum Fee.

4. PAYMENT OF LICENSE FEES

A. On or before each December 1 and June 1 during the Term (except the report due on June 1, 2007 shall be submitted upon the complete execution of this Agreement), LICENSEE shall

submit to SESAC a license fee report which shall state (i) the amount of LICENSEE's Distribution Revenue, Advertising Revenue and Other Revenue for the period from the immediately preceding May 1 through October 31 or November 1 through April 30, respectively, and (ii) based on the sum of such revenue multiplied by the then current Music Multiplier, the semi-annual license fee payable to SESAC as provided hereunder for the ensuing calendar semi-annual period. LICENSEE shall pay its semi-annual license fee at such time.

B. LICENSEE shall pay all License Fees and submit all reports required under this Schedule for the period from the Effective Date through the last day of the calendar month when any termination of this Agreement becomes effective. LICENSEE's obligation to pay the License Fees and submit such statements for the period covered by this Agreement shall survive any termination of this Agreement.

LICENSE FEE REPORT (2007)

Company Name: _____

URL of Web Site: _____

I. Identify reporting period by checking the appropriate box

☐ Report due December 1 Reporting Period: immediately previous May 1 through October 31

☐ Report due June 1 Reporting Period: immediately previous November 1 through April 30

II. Revenue received for reporting period

1.		
	A. Distribution Revenue	$_____
	B. Advertising Revenue	$_____
	C. Other Revenue	$_____
	D. Total	$_____
2.	Music Multiplier (from Fee Schedule)	.003
3.	Line 1.D × Line 2	$_____
4.	Minimum Semi-Annual License Fee (from Fee Schedule)	$ 5,000
5.	License Fee Due SESAC (Greater of Line 3 and Line 4)	$_____

III. CERTIFICATION

On behalf of LICENSEE and as a duly authorized employee or agent thereof, I hereby certify that the information contained in this Initial License Fee Report is true and accurate.

BY: _____
(signature)

_____
(print name)

TITLE: _____

DATE: _____

NOTICE OF ELECTION FOR
RATES AND TERMS FOR PUREPLAY WEBCASTERS
2011 LICENSE PERIOD
For all or any portion of the period January 1, 2011— December 31, 2011

I. ELECTION

The Licensee identified below hereby elects, and declares that it is eligible for, the rates and terms for the statutory licenses for the making of ephemeral phonorecords and digital audio transmissions of sound recordings[1] by pureplay webcasters set forth in the Federal Register at 74 Fed. Reg. 34796 (Jul. 17, 2009) (the "Pureplay Webcaster Rates and Terms") and authorized pursuant to the Webcaster Settlement Act of 2009 (Pub. L. No. 111-36; to be codified at 17 U.S.C. § 114(f)(5)). This election is for the period commencing on January 1, 2011, or the date of the Licensee's first digital audio transmission of a sound recording under the statutory licenses after such date, and ending on December 31, 2011.

This election is for any eligible digital transmissions and ephemeral recordings on stations and channels owned and/or operated by the Licensee. (In order to elect the rates and terms applicable to "Small Pureplay Webcasters," as defined in 74 Fed. Reg. 34796, at 34797 (Jul. 17, 2009), the Licensee must submit a separate Notice of Election for Small Pureplay Webcasters instead of the Notice of Election for Pureplay Webcasters.)

The Licensee acknowledges that this election to pay royalties in accordance with the Pureplay Webcaster Rates and Terms is in lieu of any different rates and terms that may be available to such Licensee. Upon filing of this notice of election, and for so long as the service qualifies for the Pureplay Webcaster Rates and Terms, the Licensee acknowledges and agrees that it cannot opt out of these Rates and Terms or otherwise elect different rates and terms during the period for which this election is made.

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[1] 17 U.S.C. §§ 112(e) & 114.

NOTICE OF ELECTION
RATES AND TERMS FOR PUREPLAY WEBCASTERS
2011 LICENSE PERIOD

II. LICENSEE INFORMATION

1. Name of Licensee[2]:	Pandora Media, Inc.
2. Name of Corporate Parent[3]:	
3. Mailing address[4]:	2101 Webster Street
	Suite 1650
4. City/State/Zip:	Oakland, CA 94612
5. Telephone number:	Main: 510-451-4100
6. Fax number:	Legal fax: 510-842-6911
7. Contact person for questions:	Delida Costin
8. Telephone number for contact person:	Work: 510-842-7939 / Fax 510-842-7939 / Mobile 650-270-3221
9. E-mail address for contact person:	DCostin@pandora.com

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[2] The "Licensee" should be the entity identified on the Notice of Use filed pursuant to 37 C.F.R. § 370.1.
[3] Name of corporate parent only needs to be listed if different from the Licensee.
[4] A post office box is acceptable only if it is the only address that can be used in that geographic location.

NOTICE OF ELECTION
RATES AND TERMS FOR PUREPLAY WEBCASTERS
2011 LICENSE PERIOD

CERTIFICATION

The undersigned hereby states that he or she is authorized to make the election set forth above.

Signature: /s/ Delida Costin

Name: Delida Costin

Title: General Counsel

Date: 12/13/10

Licensees must comply with all requirements of the statutory licenses under Sections 112(e) and 114 of the Copyright Act, including all requirements set forth in the applicable rates and terms adopted pursuant to those statutory licenses. SoundExchange is not in a position to determine whether each of the many services that rely on these statutory licenses is eligible for statutory licensing and does not in fact make any such determination. Nor does SoundExchange verify that such Licensees are in full compliance with all applicable requirements of the two statutory licenses. Accordingly, SoundExchange's acceptance of a Notice of Election, Statement of Account, Report of Use, payment, or anything else provided by a Licensee does not express or imply any acknowledgment that a Licensee is in compliance with the requirements of the statutory licenses or otherwise eligible to rely on the statutory licenses. SoundExchange, its members and other copyright owners reserve all their rights to take enforcement action against a Licensee that is not in compliance with those requirements or is otherwise ineligible for the statutory license.

DELIVERY[5]

A completed Notice of Election must be delivered to:

SoundExchange
ATTN: Royalty Administration
1121 Fourteenth Street, N.W., Suite 700
Washington, DC 20005

[5] SoundExchange does not acknowledge receipt of documents. If you wish to receive notice of delivery, please mail this form by Certified Mail, return receipt requested.

NOTICE OF ELECTION
RATES AND TERMS FOR PUREPLAY WEBCASTERS
2011 LICENSE PERIOD

SCHEDULE A

URL	DATE OF FIRST TRANSMISSION[6]
www.pandora.com	01-01-2006

[6] "Date of First Transmission" is the first date that the Licensee's eligible digital transmissions and ephemeral recordings were (or intend to be) subject to the Pureplay Webcaster Rates and Terms.

EXHIBIT 10.16

PANDORA MEDIA, INC.

BRIDGE BANK, NATIONAL ASSOCIATION

AMENDED AND RESTATED
LOAN AND SECURITY AGREEMENT

This **AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT** is entered into as of September 10, 2009, by and between **BRIDGE BANK, NATIONAL ASSOCIATION** ("Bank") and **PANDORA MEDIA, INC**. ("Borrower").

RECITALS

Bank and Borrower previously entered into that certain Business Financing Agreement dated as of December 24, 2008 (as such agreement was amended from time to time, the "Original Agreement"). Borrower and Bank wish to amend and restate the terms of the Original Agreement.

This Agreement sets forth the terms on which Bank will advance credit to Borrower, and Borrower will repay the amounts owing to Bank.

AGREEMENT

The parties agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. As used in this Agreement, the following terms shall have the following definitions:

"Accounts" means all presently existing and hereafter arising accounts, contract rights, payment intangibles, and all other forms of obligations owing to Borrower arising out of the sale or lease of goods (including, without limitation, the licensing of software and other technology) or the rendering of services by Borrower, whether or not earned by performance, and any and all credit insurance, guaranties, and other security therefor, as well as all merchandise returned to or reclaimed by Borrower and Borrower's Books relating to any of the foregoing.

"Advance" or "Advances" means a cash advance or cash advances under the Revolving Facility.

"Affiliate" means, with respect to any Person, any Person that owns or controls directly or indirectly such Person, any Person that controls or is controlled by or is under common control with such Person, and each of such Person's senior executive officers, directors, and partners.

"Bank Expenses" means all: reasonable costs or expenses (including reasonable attorneys' fees and expenses) incurred in connection with the preparation, negotiation, administration, and enforcement of the Loan Documents; reasonable Collateral audit fees; and Bank's reasonable attorneys' fees and expenses incurred in amending, enforcing or defending the Loan Documents (including fees and expenses of appeal), incurred before, during and after an Insolvency Proceeding, whether or not suit is brought.

"Borrower's Books" means all of Borrower's books and records including: ledgers; records concerning Borrower's assets or liabilities, the Collateral, business operations or financial condition; and all computer programs, or tape files, and the equipment, containing such information.

"Borrowing Base" means an amount equal to eighty percent (80%) of Eligible Accounts as determined by Bank with reference to the most recent Borrowing Base Certificate delivered by Borrower.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which banks in the State of California are authorized or required to close.

"Change in Control" shall mean a transaction in which any "person" or "group" (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of a sufficient number of shares of all classes of stock then outstanding of Borrower ordinarily entitled to vote in the election of directors, empowering such "person" or "group" to elect a majority of the Board of Directors of Borrower, who did not have such power before such transaction.

"Closing Date" means the date of this Agreement.

"Code" means the California Uniform Commercial Code.

"Collateral" means the property described on **Exhibit A** attached hereto.

"Contingent Obligation" means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to (i) any indebtedness, lease, dividend, letter of credit or other obligation of another; (ii) any obligations with respect to undrawn letters of credit, or corporate credit cards issued or provided for the account of that Person; and (iii) all obligations arising under any agreement or arrangement designed to protect such Person against fluctuation in interest rates, currency exchange rates or commodity prices; provided, however, that the term "Contingent Obligation" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determined amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by Bank in good faith; provided, however, that such amount shall not in any event exceed the maximum amount of the obligations under the guarantee or other support arrangement.

"Copyrights" means any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof.

"Credit Extension" means each Advance, Letter of Credit, use of Credit Card Services, use of Cash Management Services, FX Reserve, or any other extension of credit by Bank for the benefit of Borrower hereunder.

"Daily Balance" means the amount of the Obligations owed at the end of a given day arising under this Agreement and the other Loan Documents.

"Eligible Accounts" means those Accounts that arise in the ordinary course of Borrower's business that comply with all of Borrower's representations and warranties to Bank set forth in Section 5.4; provided, that standards of eligibility may be fixed and revised from time to time by Bank in Bank's reasonable judgment and upon notification thereof to Borrower in accordance with the provisions hereof. Unless otherwise agreed to by Bank, Eligible Accounts shall not include the following:

(a) Accounts that the account debtor has failed to pay within ninety (90) days of invoice date;

(b) Accounts with respect to an account debtor, thirty-five percent (35%) of whose Accounts the account debtor has failed to pay within ninety (90) days of invoice date;

(c) Accounts with respect to which the account debtor is an officer, employee, or agent of Borrower;

(d) Accounts with respect to which goods are placed on consignment, guaranteed sale, sale or return, sale on approval, bill and hold, or other terms by reason of which the payment by the account debtor may be conditional;

(e) Progress billings or retention billings;

(f) Accounts with respect to which the account debtor is an Affiliate of Borrower;

(g) Accounts with respect to which the account debtor does not have its principal place of business in the United States or Canada, except for Eligible Foreign Accounts;

(h) Accounts with respect to which the account debtor is the United States or any department, agency, or instrumentality of the United States;

(i) Accounts with respect to which Borrower is liable to the account debtor for goods sold or services rendered by the account debtor to Borrower or for deposits or other property of the account debtor held by Borrower, but only to the extent of any amounts owing to the account debtor against amounts owed to Borrower;

(j) Accounts with respect to an account debtor, including Subsidiaries and Affiliates, whose total obligations to Borrower exceed thirty percent (30%) of all Accounts, to the extent such obligations exceed the aforementioned percentage, except as approved in writing by Bank;

(k) Accounts with respect to which the account debtor disputes liability or makes any claim with respect thereto as to which Bank believes, in its sole but reasonable discretion, that there may be a basis for dispute (but only to the extent of the amount subject to such dispute or claim), or is subject to any Insolvency Proceeding, or becomes insolvent, or goes out of business; and

(l) Accounts the collection of which Bank reasonably determines to be doubtful, of which Bank shall use commercially reasonable efforts to notify Borrower of such determination by Bank.

"Eligible Foreign Accounts" means Accounts with respect to which the account debtor does not have its principal place of business in the United States or Canada and that (i) are supported by one or more letters of credit in an amount and of a tenor, and issued by a financial institution, reasonably acceptable to Bank, or (ii) that Bank approves on a case-by-case basis.

"Equipment" means all present and future machinery, equipment, tenant improvements, furniture, fixtures, vehicles, tools, parts and attachments in which Borrower has any interest.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder.

"Event of Default" has the meaning assigned in Article 8.

"GAAP" means generally accepted accounting principles as in effect from time to time.

"Indebtedness" means (a) all indebtedness for borrowed money or the deferred purchase price of property or services, including without limitation reimbursement and other obligations with respect to surety bonds and letters of credit, (b) all obligations evidenced by notes, bonds, debentures or similar instruments, (c) all capital lease obligations and (d) all Contingent Obligations.

"Insolvency Proceeding" means any proceeding commenced by or against any person or entity under any provision of the United States Bankruptcy Code, as amended, or under any other bankruptcy or insolvency law, including assignments for the benefit of creditors, formal or informal moratoria, compositions, extension generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"Intellectual Property Collateral" means all of Borrower's right, title, and interest in and to the following: Copyrights, Trademarks and Patents; all trade secrets, all design rights, claims for damages by way of past, present and future infringement of any of the rights included above, all licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights; all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents; and all proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

"Inventory" means all inventory in which Borrower has or acquires any interest, including work in process and finished products intended for sale or lease or to be furnished under a contract of service, of every kind and description now or at any time hereafter owned by or in the custody or possession, actual or constructive, of Borrower, including such inventory as is temporarily out of its custody or possession or in transit and including any returns upon any accounts or other proceeds, including insurance proceeds, resulting from the sale or disposition of any of the foregoing and any documents of title representing any of the above, and Borrower's Books relating to any of the foregoing.

"Investment" means any beneficial ownership of (including stock, partnership interest or other securities) any Person, or any loan, advance or capital contribution to any Person.

"IRC" means the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

"Lien" means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

"Loan Documents" means, collectively, this Agreement, any note or notes executed by Borrower, and any other agreement entered into in connection with this Agreement, all as amended or extended from time to time.

"Material Adverse Effect" means a material adverse effect on (i) the business operations, or condition (financial or otherwise) of Borrower and its Subsidiaries taken as a whole or (ii) the ability of Borrower to repay the Obligations or otherwise perform its obligations under the Loan Documents or (iii) the value or priority of Bank's security interests in the Collateral.

'Negotiable Collateral" means all letters of credit of which Borrower is a beneficiary, notes, drafts, instruments, securities, documents of title, and chattel paper, and Borrower's Books relating to any of the foregoing.

"Obligations" means all debt, principal, interest, Bank Expenses and other amounts owed to Bank by Borrower pursuant to this Agreement or any other agreement, whether absolute or contingent, due or to become due, now existing or hereafter arising, including any interest that accrues after the commencement of an Insolvency Proceeding and including any debt, liability, or obligation owing from Borrower to others that Bank may have obtained by assignment or otherwise.

"Patents" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

"Periodic Payments" means all installments or similar recurring payments that Borrower may now or hereafter become obligated to pay to Bank pursuant to the terms and provisions of any instrument, or agreement now or hereafter in existence between Borrower and Bank.

"Permitted Indebtedness" means:

(a) Indebtedness of Borrower in favor of Bank arising under this Agreement or any other Loan Document;

(b) Indebtedness existing on the Closing Date and disclosed in the Schedule;

(c) Indebtedness to trade creditors incurred in the ordinary course of business;

(d) Indebtedness secured by a lien described in clause (c) of the defined term "Permitted Liens," provided (i) such Indebtedness does not exceed the lesser of the cost or fair market value of the equipment financed with such Indebtedness and (ii) such Indebtedness does not exceed $2,000,000 in the aggregate at any given time;

(e) Subordinated Debt;

(f) Other unsecured Indebtedness of Borrower not existing on the Closing Date, provided that the aggregate principal amount of all such Indebtedness does not exceed $100,000; and

(g) Extensions, refinancings and renewals of any items of Permitted Indebtedness provided that the principal amount is not increased or the terms modified to impose more burdensome terms upon Borrower.

"Permitted Investment" means:

(a) Investments existing on the Closing Date disclosed in the Schedule; and

(b)(i) marketable direct obligations issued or unconditionally guaranteed by the United States of America or any agency or any State thereof maturing within one (1) year from the date of acquisition thereof, (ii) commercial paper maturing no more than one (1) year from the date of creation thereof and currently having rating of at least A-2 or P-2 from either Standard & Poor's Corporation or Moody's Investors Service, (iii) certificates of deposit maturing no more than one (1) year from the date of investment therein issued by Bank, (iv) Bank's money market accounts, and (v) similar marketable direct obligations as permitted under Borrower's investment policy as approved by Borrower's board of directors from time to time and reasonably acceptable to Bank.

"Permitted Liens" means the following:

(a) Any Liens existing on the Closing Date and disclosed in the Schedule or arising under this Agreement or the other Loan Documents;

(b) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings, provided the same have no priority over any of Bank's security interests;

(c) Liens (i) upon or in any equipment which was not financed by Bank acquired or held by Borrower or any of its Subsidiaries to secure the purchase price of such equipment or indebtedness incurred solely for the purpose of financing the acquisition of such equipment, or (ii) existing on such equipment at the time of its acquisition, provided that the Lien is confined solely to the property so acquired and improvements thereon, and the proceeds of such equipment;

(d) Liens incurred in connection with the extension, renewal or refinancing of the indebtedness secured by Liens of the type described in clauses (a) through (c) above, provided that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness being extended, renewed or refinanced does not increase;

(e) Liens of carriers, warehousemen, mechanics, materialmen, vendors, and landlords and other similar Liens imposed by law incurred in the ordinary course of business for sums not overdue more than 45 days or being contested in good faith, provided that adequate reserves for the payment thereof have been established in accordance with GAAP;

(f) Deposits under workers' compensation, unemployment insurance and social security laws or to secure the performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, or to secure statutory obligations of surety or appeal bonds or to secure indemnity, performance or other similar bonds in the ordinary course of business; and

(g) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default.

"Person" means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or governmental agency.

"Prime Rate" means the greater of (i) the variable rate of interest, per annum, most recently announced by Bank, as its "prime rate," whether or not such announced rate is the lowest rate available from Bank and (ii) four percent (4.0%) per annum.

"Responsible Officer" means each of the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Controller of Borrower.

"Revolving Facility" means the facility under which Borrower may request Bank to issue Advances, as specified in Section 2.1(a) hereof.

"Revolving Line" means a credit extension of up to Ten Million Dollars ($10,000,000).

"Revolving Maturity Date" means March 10, 2011.

"Schedule" means the schedule of exceptions attached hereto and approved by Bank, if any.

"Subordinated Debt" means any debt incurred by Borrower that is subordinated to the debt owing by Borrower to Bank on terms reasonably acceptable to Bank (and identified as being such by Borrower and Bank).

"Subsidiary" means any corporation, company or partnership in which (i) any general partnership interest or (ii) more than 50% of the stock or other units of ownership which by the terms thereof has the ordinary voting power to elect the Board of Directors, managers or trustees of the entity, at the time as of which any determination is being made, is owned by Borrower, either directly or through an Affiliate.

"Trademarks" means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

1.2 Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP and all calculations made hereunder shall be made in accordance with GAAP. When used herein, the terms "financial statements" shall include the notes and schedules thereto.

2. LOAN AND TERMS OF PAYMENT.

2.1 Credit Extensions.

Borrower promises to pay to the order of Bank, in lawful money of the United States of America, the aggregate unpaid principal amount of all Credit Extensions made by Bank to Borrower hereunder. Borrower shall also pay interest on the unpaid principal amount of such Credit Extensions at rates in accordance with the terms hereof.

(a) Revolving Advances.

(i) Subject to and upon the terms and conditions of this Agreement, Borrower may request Advances in an aggregate outstanding amount not to exceed the lesser of (i) the Revolving Line or (ii) the Borrowing Base plus $5,000,000, *minus*, in each case, the aggregate face amount of all outstanding Letters of Credit that are not secured by cash, the Credit Card Exposure, the FX Reserve, and the amount used for Cash Management Services. Subject to the terms and conditions of this Agreement, amounts borrowed pursuant to this Section 2.1(a) may be repaid and reborrowed at any time prior to the Revolving Maturity Date, at which time all Advances under this Section 2.1(a) shall be immediately due and payable. Borrower may prepay any Advances without penalty or premium.

(ii) Whenever Borrower desires an Advance, Borrower will notify Bank by facsimile transmission or telephone no later than 3:00 p.m. Pacific time, on the Business Day that the Advance is to be made. Each such notification shall be promptly confirmed by a Payment/Advance Form in substantially the form of **Exhibit B** hereto. Bank is authorized to make Advances under this Agreement, based upon instructions received from a Responsible Officer or a designee of a Responsible Officer, or without instructions if in Bank's reasonable discretion such Advances are necessary to meet Obligations which have become due and remain unpaid. Bank shall be entitled to rely on any telephonic notice given by a person who Bank reasonably believes to be a Responsible Officer or a designee thereof, and Borrower shall indemnify and hold Bank harmless for any damages or loss suffered by Bank as a result of such reasonable reliance. Bank will credit the amount of Advances made under this Section 2.1(a) to Borrower's deposit account.

(b) Letters of Credit. Subject to availability under the Revolving Line and Borrowing Base, at any time prior to the Revolving Maturity Date, Bank agrees to issue letters of credit for the account of Borrower (each, a "Letter of Credit" and collectively, the "Letters of Credit") in an aggregate outstanding face amount not to exceed $1,000,000, *minus*, in each case, the Credit Card Exposure at any time, the amount used for Cash Management Services, and the FX Reserve. The aggregate amount of Advances which may be used for Letters of Credit, the Credit Card Exposure, the Cash Management Services and the FX Reserve shall not exceed $1,000,000. All Letters of Credit shall be, in form and substance, reasonably acceptable to Bank in its sole discretion

and shall be subject to the terms and conditions of Bank's form of standard application and letter of credit agreement (the "Application"), which Borrower hereby agrees to execute. On any drawn but unreimbursed Letter of Credit, the unreimbursed amount shall be deemed an Advance under Section 2.1(a). Prior to the Revolving Maturity Date, Borrower shall secure in cash all obligations under any outstanding Letters of Credit on terms reasonably acceptable to Bank. The obligation of Borrower to reimburse Bank for drawings made under Letters of Credit shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, the Application, and such Letters of Credit, under all circumstances whatsoever. Borrower shall indemnify, defend, protect, and hold Bank harmless from any loss, cost, expense or liability, including, without limitation, reasonable attorneys' fees, arising out of or in connection with any Letters of Credit, except for expenses caused by Bank's gross negligence or willful misconduct.

(c) Corporate Credit Cards. Subject to availability under the Revolving Line and Borrowing Base, until the Revolving Maturity Date, Borrower may request corporate credit cards from Bank (collectively, the "Credit Card Services"), provided that the aggregate limit of the corporate credit cards issued by Bank (the "Credit Card Exposure") shall not in any case exceed $1,000,000 at any time, *minus*, in each case, the face amount of all outstanding Letters of Credit, the amount used for Cash Management Services, and the FX Reserve. The aggregate amount of Advances which may be used for Letters of Credit, the Credit Card Exposure, the Cash Management Services and the FX Reserve shall not exceed $1,000,000. The terms and conditions (including repayment and fees) of such Credit Card Services shall be subject to the terms and conditions of the Bank's standard forms of application and agreement for the Credit Card Services, which Borrower hereby agrees to execute as a condition precedent to the use of the Credit Card Services. All corporate credit cards will be cancelled on and no further Credit Card Services will be provided after the Revolving Maturity Date.

(d) Foreign Exchange Facility. Subject to availability under the Revolving Line and Borrowing Base, Borrower may enter into foreign exchange forward contracts with Bank under which Borrower commits to purchase from or sell to Bank a set amount of foreign currency more than one business day after the contract date (the "FX Forward Contract"). Bank will subtract 10%, or such greater or lesser amount as determined by Bank, of each outstanding FX Forward Contract from the foreign exchange sublimit which is a maximum of $1,000,000 (the "FX Reserve") *minus*, in each case, the Credit Card Exposure at any time, the amount used for Cash Management Services, and the face amount of all outstanding Letters of Credit. The aggregate amount of Advances which may be used for Letters of Credit, the Credit Card Exposure, the Cash Management Services and the FX Reserve shall not exceed $1,000,000. The total FX Forward Contracts at any one time may not exceed 10 times the amount of the FX Reserve. Ten percent (10%) of the amount of each outstanding FX Forward Contract shall be treated as Advances hereunder and shall decrease, on a dollar-for-dollar basis, the amount available for other Advances. Bank may terminate the FX Forward Contracts if an Event of Default occurs. Each FX Forward Contract shall be subject to additional terms set forth in the applicable FX Forward Contract or other agreements executed in connection with the foreign exchange facility.

(e) Cash Management Services. Subject to availability under the Revolving Line and Borrowing Base, Borrower may use up to $1,000,000 for Bank's cash management services, which may include direct deposit of payroll, and check cashing services identified in various cash management services agreements related to such services (the "Cash Management Services") *minus*, in each case, the Credit Card Exposure at any time, the face amount of all outstanding Letters of Credit, and the FX Reserve. The aggregate amount of Advances which may be used for Letters of Credit, the Credit Card Exposure, the Cash Management Services and the FX Reserve shall not exceed $1,000,000. All amounts Bank pays for any Cash Management Services will be treated as Advances under the Revolving Line and shall decrease, on a dollar-for-dollar basis, the amount available for other Advances. The Cash Management Services shall be subject to additional terms set forth in applicable cash management services agreements.

2.2 Overadvances. If the aggregate amount of the outstanding Advances plus the aggregate face amount of all outstanding Letters of Credit, the Credit Card Exposure, the amount used for Cash Management Services, and the FX Reserve, exceeds the lesser of (a) the Revolving Line or (b) the Borrowing Base plus $5,000,000 at any time, Borrower shall immediately pay to Bank, in cash, the amount of such excess. Notwithstanding the foregoing, if the aggregate amount of the aggregate face amount of all outstanding Letters of Credit, the Credit Card Exposure, the amount used for Cash Management Services, and the FX Reserve, exceeds the

lesser of $1,000,000 or the Borrowing Base at any time, Borrower shall immediately pay to Bank, in cash, the amount of such excess.

2.3 Interest Rates, Payments, and Calculations

(a) Interest Rates.

(i) Advances. Except as set forth in Section 2.3(b), the Advances shall bear interest, on the outstanding Daily Balance thereof, at a rate equal to one-half of one percent (0.50%) above the Prime Rate.

(b) Late Fee; Default Rate. If any payment is not made within ten (10) days after the date such payment is due, Borrower shall pay Bank a late fee equal to the lesser of (i) five percent (5%) of the amount of such unpaid amount or (ii) the maximum amount permitted to be charged under applicable law. All Obligations shall bear interest, from and after the **occurrence** and during the continuance of an Event of Default, at a rate equal to five (5) percentage points above the interest rate applicable immediately prior to the occurrence of the Event of Default.

(c) Payments. Interest hereunder shall be due and payable on the tenth calendar day of each month during the term hereof. Bank shall, at its option, charge such interest, all Bank Expenses, and all Periodic Payments against any of Borrower's deposit accounts or against the Revolving Line, in which case those amounts shall thereafter accrue interest at the rate then applicable hereunder. Any interest not paid when due shall be compounded by becoming a part of the Obligations, and such interest shall thereafter accrue interest at the rate then applicable hereunder. All payments shall be free and clear of any taxes, withholdings, duties, impositions or other charges, to the end that Bank will receive the entire amount of any Obligations payable hereunder, regardless of source of payment. Payments will be made via auto debit from Borrower's account at Bank.

(d) Computation. In the event the Prime Rate is changed from time to time hereafter, the applicable rate of interest hereunder shall be increased or decreased, effective as of the day the Prime Rate is changed, by an amount equal to such change in the Prime Rate. All interest chargeable under the Loan Documents shall be computed on the basis of a three hundred sixty (360) day year for the actual number of days elapsed.

2.4 Crediting Payments. Prior to the occurrence of an Event of Default, Bank shall credit a wire transfer of funds, check or other item of payment to such deposit account or Obligation as Borrower specifies. After the occurrence of an Event of Default, the receipt by Bank of any wire transfer of funds, check, or other item of payment shall be immediately applied to conditionally reduce Obligations, but shall not be considered a payment on account unless such payment is of immediately available federal funds or unless and until such check or other item of payment is honored when presented for payment. Notwithstanding anything to the contrary contained herein, any wire transfer or payment received by Bank after 12:00 noon Pacific time shall be deemed to have been received by Bank as of the opening of business on the immediately following Business Day. Whenever any payment to Bank under the Loan Documents would otherwise be due (except by reason of acceleration) on a date that is not a Business Day, such payment shall instead be due on the next Business Day, and additional fees or interest, as the case may be, shall accrue and be payable for the period of such extension.

2.5 Fees. Borrower shall pay to Bank the following:

(a) Facility Fee. On the Closing Date, a facility fee equal to $15,000, which shall be nonrefundable; and

(b) Bank Expenses. On the Closing Date, all previously invoiced Bank Expenses incurred through the Closing Date not to exceed $12,500, including reasonable and documented attorneys' fees and expenses and, after the Closing Date, all Bank Expenses, including reasonable and documented attorneys' fees and expenses, as and when they are incurred and invoiced by Bank.

2.6 Term. This Agreement shall become effective on the Closing Date and, subject to Section 12.7, shall continue in full force and effect for so long as any Obligations remain outstanding or Bank has any obligation to make Credit Extensions under this Agreement. Notwithstanding the foregoing, Bank shall have the

right to terminate its obligation to make Credit Extensions under this Agreement immediately and without notice upon the occurrence and during the continuance of an Event of Default. Notwithstanding termination, Bank's Lien on the Collateral shall remain in effect for so long as any Obligations are outstanding.

3. CONDITIONS OF LOANS.

3.1 Conditions Precedent to Initial Credit Extension. The obligation of Bank to make the initial Credit Extension is subject to the condition precedent that Bank shall have received, in form and substance reasonably satisfactory to Bank, the following:

(a) this Agreement;

(b) a certificate of the Secretary of Borrower with respect to incumbency and resolutions authorizing the execution and delivery of this Agreement;

(c) UCC National Form Financing Statement;

(d) an amended and restated intellectual property security agreement;

(e) an account control agreement with State Street Bank;

(f) agreement to provide insurance;

(g) payment of the fees and Bank Expenses then due specified in Section 2.5 hereof; and

(h) such other documents, and completion of such other matters, as Bank may reasonably deem necessary or appropriate.

3.2 Conditions Precedent to all Credit Extensions. The obligation of Bank to make each Credit Extension, including the initial Credit Extension, is further subject to the following conditions:

(a) timely receipt by Bank of the Payment/Advance Form as provided in Section 2.1; and

(b) the representations and warranties contained in Section 5 shall be true and correct in all material respects on and as of the date of such Payment/Advance Form and on the effective date of each Credit Extension as though made at and as of each such date, and no Event of Default shall have occurred and be continuing, or would exist after giving effect to such Credit Extension. The making of each Credit Extension shall be deemed to be a representation and warranty by Borrower on the date of such Credit Extension as to the accuracy of the facts referred to in this Section 3.2.

4. CREATION OF SECURITY INTEREST.

4.1 Grant of Security Interest. Borrower grants and pledges to Bank a continuing security interest in all presently existing and hereafter acquired or arising Collateral in order to secure prompt repayment of any and all Obligations and in order to secure prompt performance by Borrower of each of its covenants and duties under the Loan Documents. Except as set forth in the Schedule, such security interest constitutes a valid, first priority security interest in the presently existing Collateral, and will constitute a valid, first priority security interest in Collateral acquired after the date hereof.

4.2 Delivery of Additional Documentation Required. Borrower shall from time to time execute and deliver to Bank, at the request of Bank, all Negotiable Collateral, all financing statements and other documents that Bank may reasonably request, in form reasonably satisfactory to Bank, to perfect and continue the perfection of Bank's security interests in the Collateral and in order to fully consummate all of the transactions contemplated under the Loan Documents. Borrower from time to time may deposit with Bank specific time deposit accounts to secure specific Obligations. Borrower authorizes Bank to hold such balances in pledge and to decline to honor any

drafts thereon or any request by Borrower or any other Person to pay or otherwise transfer any part of such balances for so long as the Obligations are outstanding.

4.3 Right to Inspect. Bank (through any of its officers, employees, or agents) shall have the right, upon reasonable prior notice, from time to time during Borrower's usual business hours but no more than once a year (unless an Event of Default has occurred and is continuing), to inspect Borrower's Books and to make copies thereof and to check, test, and appraise the Collateral in order to verify Borrower's financial condition or the amount, condition of, or any other matter relating to, the Collateral.

5. REPRESENTATIONS AND WARRANTIES.

Borrower represents and warrants as follows:

5.1 Due Organization and Qualification. Borrower and each Subsidiary is a corporation duly existing under the laws of its state of incorporation and qualified and licensed to do business in any state in which the conduct of its business or its ownership of property requires that it be so qualified.

5.2 Due Authorization; No Conflict. The execution, delivery, and performance of the Loan Documents are within Borrower's powers, have been duly authorized, and are not in conflict with nor constitute a breach of any provision contained in Borrower's Articles of Incorporation or Bylaws, nor will they constitute an event of default under any material agreement to which Borrower is a party or by which Borrower is bound. Borrower is not in default under any material agreement to which it is a party or by which it is bound.

5.3 No Prior Encumbrances. Borrower has good and marketable title to its property, free and clear of Liens, except for Permitted Liens.

5.4 Bona Fide Eligible Accounts. The Eligible Accounts are bona fide existing obligations. The property and services giving rise to such Eligible Accounts has been delivered or rendered to the account debtor or to the account debtor's agent for immediate and unconditional acceptance by the account debtor. Borrower has not received notice of actual or imminent Insolvency Proceeding of any account debtor that is included in any Borrowing Base Certificate as an Eligible Account.

5.5 Merchantable Inventory. All Inventory is in all material respects of good and marketable quality, free from all material defects, except for Inventory for which adequate reserves have been made.

5.6 Intellectual Property Collateral. Borrower is the sole owner of the Intellectual Property Collateral, except for non-exclusive licenses granted by Borrower to its customers in the ordinary course of business. Each of the Patents is valid and enforceable, and no part of the Intellectual Property Collateral has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the Intellectual Property Collateral violates the rights of any third party. Except as set forth in the Schedule, Borrower's rights as a licensee of intellectual property do not give rise to more than five percent (5%) of its gross revenue in any given month, including without limitation revenue derived from the sale, licensing, rendering or disposition of any product or service. Except as set forth in the Schedule, Borrower is not a party to, or bound by, any agreement that restricts the grant by Borrower of a security interest in Borrower's rights under such agreement.

5.7 Name; Location of Chief Executive Office. Except as disclosed in the Schedule, Borrower has not done business under any name other than that specified on the signature page hereof. The chief executive office of Borrower is located at the address indicated in Section 10 hereof. All Borrower's Inventory and Equipment is located only at the location set forth in Section 10 hereof, in transit to such location or to a customer of Borrower, or at Borrower's existing co-location facilities.

5.8 Litigation. Except as set forth in the Schedule, there are no actions or proceedings pending by or against Borrower or any Subsidiary before any court or administrative agency in which could be determined adversely to Borrower and if adversely determined could reasonably be expected to have a Material Adverse Effect, or a material adverse effect on Borrower's interest or Bank's security interest in the Collateral.

5.9 No Material Adverse Change in Financial Statements All consolidated and consolidating financial statements related to Borrower and any Subsidiary that Bank has received from Borrower fairly present in all material respects Borrower's financial condition as of the date thereof and Borrower's consolidated and consolidating results of operations for the period then ended. There has not been a material adverse change in the consolidated or the consolidating financial condition of Borrower since the date of the most recent of such financial statements submitted to Bank.

5.10 Solvency, Payment of Debts. Borrower is solvent and able to pay its debts (including trade debts) as they mature.

5.11 Regulatory Compliance. Borrower and each Subsidiary have met the minimum funding requirements of ERISA with respect to any employee benefit plans subject to ERISA, and no event has occurred resulting from Borrower's failure to comply with ERISA that could result in Borrower's incurring any material liability. Borrower is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940. Borrower is not engaged principally, or as one of the important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations T and U of the Board of Governors of the Federal Reserve System). Borrower has complied with all the provisions of the Federal Fair Labor Standards Act. Borrower has not violated any statutes, laws, ordinances or rules applicable to it, violation of which could reasonably be expected to have a Material Adverse Effect.

5.12 Environmental Condition. Except as disclosed in the Schedule, none of Borrower's or any Subsidiary's properties or assets has ever been used by Borrower or any Subsidiary or, to the best of Borrower's knowledge, by previous owners or operators, in the disposal of, or to produce, store, handle, treat, release, or transport, any hazardous waste or hazardous substance other than in accordance with applicable law; to the best of Borrower's knowledge, none of Borrower's properties or assets has ever been designated or identified in any manner pursuant to any environmental protection statute as a hazardous waste or hazardous substance disposal site, or a candidate for closure pursuant to any environmental protection statute; no lien arising under any environmental protection statute has attached to any revenues or to any real or personal property owned by Borrower or any Subsidiary; and neither Borrower nor any Subsidiary has received a summons, citation, notice, or directive from the Environmental Protection Agency or any other federal, state or other governmental agency concerning any action or omission by Borrower or any Subsidiary resulting in the releasing, or otherwise disposing of hazardous waste or hazardous substances into the environment.

5.13 Taxes. Borrower and each Subsidiary have filed or caused to be filed all tax returns required to be filed, and have paid, or have made adequate provision for the payment of all taxes reflected therein (other than taxes the amount or validity of which are immaterial and being contested in good faith by appropriate proceedings).

5.14 Subsidiaries. Borrower does not own any stock, partnership interest or other equity securities of any Person, except for Permitted Investments.

5.15 Government Consents. Borrower and each Subsidiary have obtained all material consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all governmental authorities that are necessary for the continued operation of Borrower's business as currently conducted.

5.16 Accounts. Section 5.16 of the Schedule sets forth all of Borrower's accounts maintained outside of Bank. Other than Borrower's account at State Street Bank which is covered by an Account Control Agreement acceptable to Bank, none of Borrower's nor any Subsidiary's property is maintained or invested with a Person other than Bank.

5.17 Full Disclosure. No representation, warranty or other statement made by Borrower in any certificate or written statement furnished to Bank contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained in such certificates or statements not misleading.

6. AFFIRMATIVE COVENANTS.

Borrower shall do all of the following:

6.1 Good Standing. Borrower shall maintain its and each of its Subsidiaries' corporate existence and good standing in its jurisdiction of incorporation and maintain qualification in each jurisdiction in which it is required under applicable law. Borrower shall maintain, and shall cause each of its Subsidiaries to maintain, in force all licenses, approvals and agreements, the loss of which could reasonably be expected to have a Material Adverse Effect.

6.2 Government Compliance. Borrower shall meet, and shall cause each Subsidiary to meet, the minimum funding requirements of ERISA with respect to any employee benefit plans subject to ERISA. Borrower shall comply, and shall cause each Subsidiary to comply, with all statutes, laws, ordinances and government rules and regulations to which it is subject, noncompliance with which could reasonably be expected to have a Material Adverse Effect.

6.3 Financial Statements, Reports, Certificates. Borrower shall deliver the following to

Bank: (a) as soon as available, but in any event within thirty (30) days after the end of each calendar month, a company prepared consolidated balance sheet, income, and cash flow statement covering Borrower's consolidated operations during such period, prepared in accordance with GAAP (subject to the absence of footnotes and normal year-end adjustments), consistently applied, in a form reasonably acceptable to Bank and certified by a Responsible Officer; (b) as soon as available, but in any event within one hundred eighty (180) days after the end of Borrower's fiscal year, audited consolidated financial statements of Borrower prepared in accordance with GAAP, consistently applied, together with an unqualified opinion on such financial statements of an independent certified public accounting firm reasonably acceptable to Bank; (c) copies of all statements, reports and notices sent or made available generally by Borrower to its security holders or to any holders of Subordinated Debt and, if applicable, all reports on Forms 10-K and 10-Q filed with the Securities and Exchange Commission; (d) promptly upon receipt of notice thereof, a report of any legal actions pending or threatened against Borrower or any Subsidiary that could result in damages or costs to Borrower or any Subsidiary of One Hundred Thousand Dollars ($100,000) or more; (e) an operating budget for the following fiscal year within the earlier to occur of (i) ten (10) days after approval by Borrower's board of directors or (ii) thirty (30) days after the end of Borrower's fiscal year; and (f) such sales projections, operating plans or other financial information as Bank may reasonably request from time to time.

Within twenty (20) days after the last day of each month, Borrower shall deliver to Bank a Borrowing Base Certificate signed by a Responsible Officer in substantially the form of **Exhibit C** hereto, together with aged listings of accounts receivable and accounts payable. Additionally, within (5) days following Bank's reasonable request, Borrower shall deliver a report of aged listings of accounts receivable and accounts payable.

Borrower shall deliver to Bank with the monthly financial statements a Compliance Certificate signed by a Responsible Officer in substantially the form of **Exhibit D** hereto.

Bank shall have a right from time to time hereafter to audit Borrower's Accounts and appraise Collateral at Borrower's expense, provided that such audits will be conducted no more often than every twelve (12) months and the expense of each audit shall not exceed $5,000, unless an Event of Default has occurred and is continuing.

6.4 Inventory; Returns. Borrower shall keep all Inventory in good and marketable condition, free from all material defects except for Inventory for which adequate reserves have been made. Returns and allowances, if any, as between Borrower and its account debtors shall be on the same basis and in accordance with the usual customary practices of Borrower, as they exist at the time of the execution and delivery of this Agreement. Borrower shall promptly notify Bank of all returns and recoveries and of all disputes and claims, where the return, recovery, dispute or claim involves more than Fifty Thousand Dollars ($50,000).

6.5 Taxes. Borrower shall make, and shall cause each Subsidiary to make, due and timely payment or deposit of all material federal, state, and local taxes, assessments, or contributions required of it by law, and will execute and deliver to Bank, on demand, appropriate certificates attesting to the payment or deposit thereof; and Borrower will make, and will cause each Subsidiary to make, timely payment or deposit of all material tax payments and withholding taxes required of it by applicable laws, including, but not limited to, those laws

concerning F.I.C.A., F.U.T.A., state disability, and local, state, and federal income taxes, and will, upon request, furnish Bank with proof satisfactory to Bank indicating that Borrower or a Subsidiary has made such payments or deposits; provided that Borrower or a Subsidiary need not make any payment if the amount or validity of such payment is contested in good faith by appropriate proceedings and is reserved against (to the extent required by GAAP) by Borrower.

6.6 Insurance.

(a) Borrower, at its expense, shall keep the Collateral insured against loss or damage by fire, theft, explosion, sprinklers, and all other hazards and risks, and in such amounts, as ordinarily insured against by other owners in similar businesses conducted in the locations where Borrower's business is conducted on the date hereof. Borrower shall also maintain insurance relating to Borrower's business, ownership and use of the Collateral in amounts and of a type that are customary to businesses similar to Borrower's.

(b) All such policies of insurance shall be in such form, with such companies, and in such amounts as are reasonably satisfactory to Bank. All such policies of property insurance shall contain a lender's loss payable endorsement, in a form reasonably satisfactory to Bank, showing Bank as an additional loss payee thereof, and all liability insurance policies shall show the Bank as an additional insured and shall specify that the insurer must give at least twenty (20) days notice to Bank before canceling its policy for any reason. Upon Bank's request, Borrower shall deliver to Bank certified copies of such policies of insurance and evidence of the payments of all premiums therefor. All proceeds payable under any such policy shall, at the option of Bank, be payable to Bank to be applied on account of the Obligations.

6.7 Accounts. Borrower shall maintain and shall cause each of its Subsidiaries to maintain its primary depository and operating accounts with Bank. The aggregate balance in those accounts shall be not less than the lesser of (i) $5,000,000 or (ii) 75% of all of Borrower's cash. Notwithstanding any other provisions of this Agreement, Borrower may maintain a balance of up to $500,000 at a deposit account with Bank of America, and is not required to obtain an account control agreement in respect of that account.

6.8 Minimum Asset Coverage Ratio or Cash Balance. Borrower shall maintain at all times (i) an Asset Coverage Ratio of at least 1.75 to 1.00 or (ii) Unrestricted cash and cash equivalents maintained with Bank plus Eligible Outside Cash solely held with Bridge Investment Services of at least $10,000,000. "Asset Coverage Ratio" is the ratio of (a) Unrestricted cash and cash equivalents maintained with Bank, plus Eligible Outside Cash (including, but not limited to cash held at State Street Bank or with Bridge Investment Services) plus Eligible Accounts to (b) Indebtedness owing to Bank. Eligible Outside Cash is unrestricted cash and cash equivalents maintained outside of Bank that are subject to an account control agreement which agreement includes, in part, provisions that provide Bank with on-line "view only" access to such accounts that allow Borrower to transfer funds only to its operating account with Bank.

6.9 Intellectual Property Rights.

(a) Borrower shall promptly give Bank written notice of any applications or registrations of intellectual property rights filed with the United States Patent and Trademark Office, including the date of such filing and the registration or application numbers, if any. Borrower shall (i) give Bank not less than 10 Business Days prior written notice of the filing of any applications or registrations with the United States Copyright Office, including the title of such intellectual property rights to be registered, as such title will appear on such applications or registrations, and the date such applications or registrations will be filed, and (ii) prior to the filing of any such applications or registrations, shall execute such documents as Bank may reasonably request for Bank to maintain its perfection in such intellectual property rights to be registered by Borrower, and upon the request of Bank, shall file such documents simultaneously with the filing of any such applications or registrations. Upon filing any such applications or registrations with the United States Copyright Office, Borrower shall promptly provide Bank with (i) a copy of such applications or registrations, without the exhibits, if any, thereto, (ii) evidence of the filing of any documents requested by Bank to be filed for Bank to maintain the perfection and priority of its security interest in such intellectual property rights, and (iii) the date of such filing.

(b) Bank may audit Borrower's Intellectual Property Collateral to confirm compliance with this Section, provided such audit may not occur more often than once per year, unless an Event of Default has occurred and is continuing. Bank shall have the right, but not the obligation, to take, at Borrower's sole expense, any actions that Borrower is required under this Section to take but which Borrower fails to take, after 15 days' notice to Borrower. Borrower shall reimburse and indemnify Bank for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this Section.

6.10 Further Assurances. At any time and from time to time Borrower shall execute and deliver such further instruments and take such further action as may reasonably be requested by Bank to effect the purposes of this Agreement.

7. NEGATIVE COVENANTS.

Borrower will not do any of the following:

7.1 Dispositions. Convey, sell, lease, transfer or otherwise dispose of (collectively, a "Transfer"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, other than: (i) Transfers of Inventory in the ordinary course of business; (ii) Transfers of non-exclusive licenses and similar arrangements for the use of the property of Borrower or its Subsidiaries in the ordinary course of business; (iii) Transfers of worn-out, surplus or obsolete Equipment which was not financed by Bank; or (iv) other assets of Borrower or its Subsidiaries that do not in the aggregate exceed $100,000 during any fiscal year.

7.2 Change in Business; Change in Control or Executive Office. Engage in any business, or permit any of its Subsidiaries to engage in any business, other than the businesses currently engaged in by Borrower and any business substantially similar or related thereto (or incidental thereto); or cease to conduct business in the manner conducted by Borrower as of the Closing Date; or suffer or permit a Change in Control without the prior written consent of Bank, which shall not be unreasonably withheld; or without thirty (30) days prior written notification to Bank, relocate its chief executive office or state of incorporation or change its legal name; or without Bank's prior written consent, change the date on which its fiscal year ends.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with or into any other business organization, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person.

7.4 Indebtedness. Create, incur, assume or be or remain liable with respect to any Indebtedness, or permit any Subsidiary so to do, other than Permitted Indebtedness.

7.5 Encumbrances. Create, incur, assume or suffer to exist any Lien with respect to any of its property, or assign or otherwise convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries so to do, except for Permitted Liens, or agree with any Person other than Bank not to grant a security interest in, or otherwise encumber, any of its property, or permit any Subsidiary to do so.

7.6 Distributions. Pay any dividends or make any other distribution or payment on account of or in redemption, retirement or purchase of any capital stock, or permit any of its Subsidiaries to do so, except that Borrower may repurchase the stock of former employees, consultants or directors pursuant to stock repurchase agreements as long as an Event of Default does not exist prior to such repurchase or would not exist after giving effect to such repurchase.

7.7 Investments. Directly or indirectly acquire or own, or make any Investment in or to any Person, or permit any of its Subsidiaries so to do, other than Permitted Investments; or maintain or invest any of its property with a Person other than Bank or permit any of its Subsidiaries to do so unless such Person has entered into an account control agreement with Bank in form and substance reasonably satisfactory to Bank; or suffer or permit any Subsidiary to be a party to, or be bound by, an agreement that restricts such Subsidiary from paying dividends or otherwise distributing property to Borrower.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower except for transactions that are in the ordinary course of Borrower's

business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person.

7.9 Subordinated Debt. Make any payment in respect of any Subordinated Debt, or permit any of its Subsidiaries to make any such payment, except in compliance with the terms of such Subordinated Debt, or amend any provision contained in any documentation relating to the Subordinated Debt without Bank's prior written consent.

7.10 Inventory and Equipment. Store the Inventory or the Equipment with a bailee, warehouseman, or other third party with a value in excess of $50,000 unless the third party has been notified of Bank's security interest and Bank (a) has received an acknowledgment from the third party that it is holding or will hold the Inventory or Equipment for Bank's benefit or (b) is in pledge possession of the warehouse receipt, where negotiable, covering such Inventory or Equipment. Store or maintain any Equipment or Inventory at a location other than the location set forth in Section 10 of this Agreement (except for laptop computers and similar Equipment consisting of moveable goods with an aggregate value not to exceed $50,000 at any time).

7.11 Compliance. Become an "investment company" or be controlled by an "investment company," within the meaning of the Investment Company Act of 1940, or become principally engaged in, or undertake as one of its important activities, the business of extending credit for the purpose of purchasing or carrying margin stock, or use the proceeds of any Credit Extension for such purpose. Fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur, fail to comply with the Federal Fair Labor Standards Act or violate any law or regulation, which violation could reasonably be expected to have a Material Adverse Effect, or a material adverse effect on the Collateral or the priority of Bank's Lien on the Collateral, or permit any of its Subsidiaries to do any of the foregoing.

8. EVENTS OF DEFAULT.

Any one or more of the following events shall constitute an Event of Default by Borrower under this Agreement:

8.1 Payment Default. If Borrower fails to pay, when due, any of the Obligations;

8.2 Covenant Default.

(a) If Borrower fails to perform any obligation under Article 6 or violates any of the covenants contained in Article 7 of this Agreement; or

(b) If Borrower fails or neglects to perform or observe any other material term, provision, condition, covenant contained in this Agreement, in any of the Loan Documents, or in any other present or future agreement between Borrower and Bank and as to any default under such other term, provision, condition or covenant that can be cured, has failed to cure such default within ten days after an officer of Borrower receives notice thereof or any officer of Borrower becomes aware thereof; provided, however, that if the default cannot by its nature be cured within the ten day period or cannot after diligent attempts by Borrower be cured within such ten day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional reasonable period (which shall not in any case exceed 30 days) to attempt to cure such default, and within such reasonable time period the failure to have cured such default shall not be deemed an Event of Default but no Credit Extensions will be made;

8.3 Investor Abandonment. Bank determines that it is the intention of Borrower's main investors to not continue to fund Borrower in the amounts and timeframe necessary to enable Borrower to maintain its business operations or satisfy the Obligations as they become due and payable; or

8.4 Attachment. If any portion of Borrower's assets is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any trustee, receiver or person acting in a similar capacity and such attachment, seizure, writ or distress warrant or levy has not been removed, discharged or rescinded within ten (10) days, or if Borrower is enjoined, restrained, or in any way prevented by court order from

continuing to conduct all or any material part of its business affairs, or if a judgment or other claim becomes a lien or encumbrance upon any material portion of Borrower's assets, or if a notice of lien, levy, or assessment is filed of record with respect to any of Borrower's assets by the United States Government, or any department, agency, or instrumentality thereof, or by any state, county, municipal, or governmental agency, and the same is not paid within ten (10) days after Borrower receives notice thereof, provided that none of the foregoing shall constitute an Event of Default where such action or event is stayed or an adequate bond has been posted pending a good faith contest by Borrower (provided that no Credit Extensions will be required to be made during such cure period);

8.5 Insolvency. If Borrower becomes insolvent, or if an Insolvency Proceeding is commenced by Borrower, or if an Insolvency Proceeding is commenced against Borrower and is not dismissed or stayed within thirty (30) days (provided that no Credit Extensions will be made prior to the dismissal of such Insolvency Proceeding);

8.6 Other Agreements. If there is a default or other failure to perform in any agreement to which Borrower is a party or by which it is bound resulting in a right by a third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount in excess of Two Hundred Fifty Thousand Dollars ($250,000) or that would reasonably be expected to have a Material Adverse Effect; or if Borrower fails to perform any material obligation after giving effect to any applicable cure periods with respect to SoundExchange, Inc. pursuant to Borrower's election to be treated as a "Commercial Webcaster" as set forth in Section 2.2 of Exhibit A to the Pureplay Commercial Webcaster Settlement Agreements by and between SoundExchange, Inc. and Radio IO, Digitally Imported, Inc., and AccuRadio, each dated as of July 6, 2009;

8.7 Judgments. If a judgment or judgments for the payment of money in an amount, individually or in the aggregate, of at least Two Hundred Fifty Thousand Dollars ($250,000) shall be rendered against Borrower (and not covered by independent third-party insurance as to which liability has been acknowledged and accepted by such insurance carrier) and shall remain unsatisfied and unstayed for a period of ten (10) days (provided that no Credit Extensions will be made prior to the satisfaction or stay of such judgment); or

8.8 Misrepresentations. If any material misrepresentation or material misstatement exists now or hereafter in any warranty or representation set forth herein or in any certificate delivered to Bank by any Responsible Officer pursuant to this Agreement or to induce Bank to enter into this Agreement or any other Loan Document.

9. BANK'S RIGHTS AND REMEDIES.

9.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Bank may, at its election, without notice of its election and without demand, do any one or more of the following, all of which are authorized by Borrower:

(a) Declare all Obligations, whether evidenced by this Agreement, by any of the other Loan Documents, or otherwise, immediately due and payable (provided that upon the occurrence of an Event of Default described in Section 8.5, all Obligations shall become immediately due and payable without any action by Bank);

(b) Cease advancing money or extending credit to or for the benefit of Borrower under this Agreement or under any other agreement between Borrower and Bank;

(c) Settle or adjust disputes and claims directly with account debtors for amounts, upon terms and in whatever order that Bank reasonably considers advisable;

(d) Make such payments and do such acts as Bank considers necessary or reasonable to protect its security interest in the Collateral. Borrower agrees to assemble the Collateral if Bank so requires, and to make the Collateral available to Bank as Bank may designate. Borrower authorizes Bank to enter the premises where the Collateral is located, to take and maintain possession of the Collateral, or any part of it, and to pay, purchase, contest, or compromise any encumbrance, charge, or lien which in Bank's determination appears to be prior or superior to its security interest and to pay all expenses incurred in connection therewith. With respect to any

of Borrower's owned premises, Borrower hereby grants Bank a license to enter into possession of such premises and to occupy the same, without charge, in order to exercise any of Bank's rights or remedies provided herein, at law, in equity, or otherwise;

(e) Set off and apply to the Obligations any and all (i) balances and deposits of Borrower held by Bank, or (ii) indebtedness at any time owing to or for the credit or the account of Borrower held by Bank;

(f) Ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell (in the manner provided for herein) the Collateral. Bank is hereby granted a license or other right, solely pursuant to the provisions of this Section 9.1, to use, without charge, Borrower's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section 9.1, Borrower's rights under all licenses and all franchise agreements shall inure to Bank's benefit;

(g) Dispose of the Collateral by way of one or more contracts or transactions, for cash or on terms, in such manner and at such places (including Borrower's premises) as Bank determines is commercially reasonable, and apply any proceeds to the Obligations in whatever manner or order Bank deems appropriate;

(h) Bank may credit bid and purchase at any public sale; and

(i) Any deficiency that exists after disposition of the Collateral as provided above will be paid immediately by Borrower.

9.2 Power of Attorney. Effective only upon the occurrence and during the continuance of an Event of Default, Borrower hereby irrevocably appoints Bank (and any of Bank's designated officers, or employees) as Borrower's true and lawful attorney to: (a) send requests for verification of Accounts or notify account debtors of Bank's security interest in the Accounts; (b) endorse Borrower's name on any checks or other forms of payment or security that may come into Bank's possession; (c) sign Borrower's name on any invoice or bill of lading relating to any Account, drafts against account debtors, schedules and assignments of Accounts, verifications of Accounts, and notices to account debtors; (d) dispose of any Collateral; (e) make, settle, and adjust all claims under and decisions with respect to Borrower's policies of insurance; (f) settle and adjust disputes and claims respecting the accounts directly with account debtors, for amounts and upon terms which Bank determines to be reasonable; and (g) to file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral. The appointment of Bank as Borrower's attorney in fact, and each and every one of Bank's rights and powers, being coupled with an interest, is irrevocable until all of the Obligations have been fully repaid and performed and Bank's obligation to provide Credit Extensions hereunder is terminated.

9.3 Accounts Collection. At any time after the occurrence of an Event of Default, Bank may notify any Person owing funds to Borrower of Bank's security interest in such funds and verify the amount of such Account. Borrower shall collect all amounts owing to Borrower for Bank, receive in trust all payments as Bank's trustee, and immediately deliver such payments to Bank in their original form as received from the account debtor, with proper endorsements for deposit.

9.4 Bank Expenses. If Borrower fails to pay any amounts or furnish any required proof of payment due to third persons or entities, as required under the terms of this Agreement, then Bank may do any or all of the following after reasonable notice to Borrower: (a) make payment of the same or any part thereof; (b) set up such reserves under a loan facility in Section 2.1 as Bank deems necessary to protect Bank from the exposure created by such failure; or (c) obtain and maintain insurance policies of the type discussed in Section 6.6 of this Agreement, and take any action with respect to such policies as Bank deems prudent. Any amounts so paid or deposited by Bank shall constitute Bank Expenses, shall be immediately due and payable, and shall bear interest at the then applicable rate hereinabove provided, and shall be secured by the Collateral. Any payments made by Bank shall not constitute an agreement by Bank to make similar payments in the future or a waiver by Bank of any Event of Default under this Agreement.

9.5 Bank's Liability for Collateral. So long as Bank complies with reasonable banking practices, Bank shall not in any way or manner be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage thereto occurring or arising in any manner or fashion from any cause; (c) any diminution in the value thereof; or (d) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other person whomsoever. All risk of loss, damage or destruction of the Collateral shall be borne by Borrower.

9.6 Remedies Cumulative. Bank's rights and remedies under this Agreement, the Loan Documents, and all other agreements shall be cumulative. Bank shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise by Bank of one right or remedy shall be deemed an election, and no waiver by Bank of any Event of Default on Borrower's part shall be deemed a continuing waiver. No delay by Bank shall constitute a waiver, election, or acquiescence by it. No waiver by Bank shall be effective unless made in a written document signed on behalf of Bank and then shall be effective only in the specific instance and for the specific purpose for which it was given.

9.7 Demand; Protest. Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees at any time held by Bank on which Borrower may in any way be liable.

10. NOTICES.

Unless otherwise provided in this Agreement, all notices or demands by any party relating to this Agreement or any other agreement entered into in connection herewith shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by a recognized overnight delivery service, certified mail, postage prepaid, return receipt requested, or by telefacsimile to Borrower or to Bank, as the case may be, at its addresses set forth below:

If to Borrower:	PANDORA MEDIA, INC. 360 22nd Street, Suite 440 Oakland, CA 94612 Attn: Joseph Kennedy, President and CEO FAX: (510) 451-4286
If to Bank:	Bridge Bank, National Association 55 Almaden Blvd, Suite 100 San Jose, CA 95113 Attn: Mike Lederman FAX: (408) 282-1681

The parties hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other.

11. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.

This Agreement and all Loan Documents unless otherwise specified therein shall be governed by, and construed in accordance with, the internal laws of the State of California, without regard to principles of conflicts of law. Each of Borrower and Bank hereby submits to the exclusive jurisdiction of the state and Federal courts located in the County of Santa Clara, State of California. BORROWER AND BANK EACH HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND

VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

If the jury waiver set forth in Section is not enforceable, then any dispute, controversy or claim arising out of or relating to this Agreement, the Loan Documents or any of the transactions contemplated therein shall be settled by judicial reference pursuant to Code of Civil Procedure Section 638 et seq. before a referee sitting without a jury, such referee to be mutually acceptable to the parties or, if no agreement is reached, by a referee appointed by the Presiding Judge of the California Superior Court for Santa Clara County. This Section shall not restrict a party from exercising remedies under the Code or from exercising pre-judgment remedies under applicable law.

12. GENERAL PROVISIONS.

12.1 Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and permitted assigns of each of the parties; provided, however, that neither this Agreement nor any rights hereunder may be assigned by Borrower without Bank's prior written consent, which consent may be granted or withheld in Bank's sole discretion. Bank shall have the right without the consent of or notice to Borrower to sell, transfer, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights and benefits hereunder.

12.2 Indemnification. Borrower shall defend, indemnify and hold harmless Bank and its officers, employees, and agents against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Agreement; and (b) all losses or Bank Expenses in any way suffered, incurred, or paid by Bank as a result of or in any way arising out of, following, or consequential to transactions between Bank and Borrower whether under this Agreement, or otherwise (including without limitation reasonable attorneys' fees and expenses), except for losses caused by Bank's gross negligence or willful misconduct.

12.3 Time of Essence. Time is of the essence for the performance of all obligations set forth in this Agreement.

12.4 Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

12.5 Amendments in Writing, Integration. Neither this Agreement nor the Loan Documents can be amended or terminated orally. All prior agreements, understandings, representations, warranties, and negotiations between the parties hereto with respect to the subject matter of this Agreement and the Loan Documents, if any, are merged into this Agreement and the Loan Documents.

12.6 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement.

12.7 Survival. All covenants, representations and warranties made in this Agreement shall continue in full force and effect so long as any Obligations remain outstanding or Bank has any obligation to make Credit Extensions to Borrower. The obligations of Borrower to indemnify Bank with respect to the expenses, damages, losses, costs and liabilities described in Section 12.2 shall survive until all applicable statute of limitations periods with respect to actions that may be brought against Bank have run.

12.8 Confidentiality. In handling any confidential information Bank and all employees and agents of Bank, including but not limited to accountants, shall exercise the same degree of care that it exercises with respect to its own proprietary information of the same types to maintain the confidentiality of any non-public information thereby received or received pursuant to this Agreement except that disclosure of such information may be made (i) to the subsidiaries or affiliates of Bank in connection with their present or prospective business relations with Borrower, (ii) to prospective transferees or purchasers of any interest in the Credit Extensions, provided that they have entered into a comparable confidentiality agreement in favor of Borrower and have delivered a copy to Borrower, (iii) as required by law, regulations, rule or order, subpoena, judicial order or similar order, (iv) as may be required in connection with the examination, audit or similar investigation of Bank and (v) as Bank may determine

in connection with the enforcement of any remedies hereunder. Confidential information hereunder shall not include information that either: (a) is in the public domain or in the knowledge or possession of Bank when disclosed to Bank, or becomes part of the public domain after disclosure to Bank through no fault of Bank; or (b) is disclosed to Bank by a third party, provided Bank does not have actual knowledge that such third party is prohibited from disclosing such information.

12.9 Effect of Amendment and Restatement. Except as otherwise set forth herein, this Agreement is intended to and does completely amend and restate, without novation, the Original Agreement. All security interests granted under the Original Agreement are hereby confirmed and ratified and shall continue to secure all Obligations under this Agreement.

12.10 Patriot Act. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

PANDORA MEDIA, INC.

By: /s/ William M. McDonagh
Title: CFO

BRIDGE BANK, NATIONAL ASSOCIATION

By: /s/ Michael Lederman
Title: SVP

DEBTOR **PANDORA MEDIA, INC.**

SECURED PARTY: **BRIDGE BANK, NATIONAL ASSOCIATION**

EXHIBIT A

COLLATERAL DESCRIPTION ATTACHMENT
TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

All personal property of Borrower (herein referred to as "Borrower" or "Debtor") whether presently existing or hereafter created or acquired, and wherever located, including, but not limited to:

(a) all accounts (including health-care-insurance receivables), chattel paper (including tangible and electronic chattel paper), all commercial tort claims, deposit accounts, documents (including negotiable documents), equipment (including all accessions and additions thereto), general intangibles (including intellectual property, payment intangibles and software), goods (including fixtures), instruments (including promissory notes), inventory (including all goods held for sale or lease or to be furnished under a contract of service, and including returns and repossessions), investment property (including securities and securities entitlements), letter of credit rights, money, and all of Debtor's books and records with respect to any of the foregoing, and the computers and equipment containing said books and records;

(b) any and all cash proceeds and/or noncash proceeds of any of the foregoing, including, without limitation, insurance proceeds, and all supporting obligations and the security therefor or for any right to payment. All terms above have the meanings given to them in the California Uniform Commercial Code, as amended or supplemented from time to time.

Notwithstanding the foregoing, "Collateral" shall not include any Equipment subject to a security interest pursuant to that certain Equipment Loan and Security Agreement dated as of September 4, 2009 with Pinnacle Ventures, LLC (the "Pinnacle Agreement"), to the extent the granting of a security interest therein (i) would be contrary to applicable law or (ii) is prohibited or would constitute a default under such agreement; provided that upon the termination or lapsing of any such prohibition, such property shall automatically be part of the Collateral; and provided further that the provisions of this paragraph shall in no case exclude from the definition of "Collateral" any Accounts, proceeds of the disposition of any property (other than Equipment financed pursuant under the Pinnacle Agreement), or general intangibles consisting of rights to payment, all of which shall at all times constitute "Collateral."

EXHIBIT B

ADVANCE REQUEST FORM

(To be submitted no later than 2:00 PM to be considered for same day processing)

To: Bridge Bank, National Association

Fax: (408) 282-1681

Date: _____

From: PANDORA MEDIA, INC.
Borrower's Name

Authorized Signature

Authorized Signer's Name (please print)

Phone Number

To Account # _____

Borrower hereby requests funding in the amount of $____ in accordance with the Advance as defined in the Amended and Restated Loan and Security Agreement dated September 10, 2009.

Borrower hereby authorizes Lender to rely on facsimile stamp signatures and treat them as authorized by Borrower for the purpose of requesting the above advance.

All representations and warranties of Borrower stated in the Amended and Restated Loan and Security Agreement are true, correct and complete in all material respects as of the date of this Advance Request: provided that those representations and warranties expressly referring to another date shall be true, correct and complete in all material respects as of such date.

Capitalized terms used herein and not otherwise defined have the meanings set forth in the Loan and Security Agreement.

EXHIBIT C
BORROWING BASE CERTIFICATE

Borrower: PANDORA MEDIA, INC.
Commitment Amount: $10,000,000

Lender: Bridge Bank, National Association

ACCOUNTS RECEIVABLE			
1.	Accounts Receivable Book Value as of__		$_____
2.	Additions (please explain on reverse)		$_____
3.	TOTAL ACCOUNTS RECEIVABLE		
ACCOUNTS RECEIVABLE DEDUCTIONS (without duplication)			
4.	Amounts over 90 days due	$_____	
5.	Balance of 35% over 90 day accounts	$_____	
6.	Concentration Limits	$_____	
7.	Foreign Accounts	$_____	
8.	Governmental Accounts	$_____	
9.	Contra Accounts	$_____	
10.	Demo Accounts	$_____	
11.	Intercompany/Employee Accounts	$_____	
12.	Other (please explain on reverse)	$_____	
13.	TOTAL ACCOUNTS RECEIVABLE DEDUCTIONS		$_____
14.	Eligible Accounts (#3 minus #13)		$_____
15.	LOAN VALUE OF ACCOUNTS (80% of #14)		$_____
BALANCES			
16.	Maximum Loan Amount		$_____
17.	Total Funds Available [Lesser of #16 or #15] plus $5,000,000		$_____
18.	Present balance owing on Line of Credit (including non-formula Advances)		$_____
19.	Outstanding under Sublimits (Letters of Credit, Cash Management Services, Credit Card Exposure, FX Reserve)		$_____
20.	RESERVE POSITION (#17 minus #18 and #19)		$_____

The undersigned represents and warrants that the foregoing is true, complete and correct, and that the information reflected in this Borrowing Base Certificate complies with the representations and warranties set forth in the Amended and Restated Loan and Security Agreement between the undersigned and Bridge Bank, National Association.

PANDORA MEDIA, INC.

By: _____
Authorized Signer

EXHIBIT D
COMPLIANCE CERTIFICATE

TO: BRIDGE BANK, NATIONAL ASSOCIATION

FROM: PANDORA MEDIA, INC.

The undersigned authorized officer of PANDORA MEDIA, INC. hereby certifies that in accordance with the terms and conditions of the Amended and Restated Loan and Security Agreement between Borrower and Bank (the "Agreement"), (i) Borrower is in complete compliance for the period ending _____ with all required covenants except as noted below and (ii) all representations and warranties of Borrower stated in the Agreement are true and correct as of the date hereof. Attached herewith are the required documents supporting the above certification. The Officer further certifies that these are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are consistently applied from one period to the next except as explained in an accompanying letter or footnotes.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenant	Required		Complies
Monthly financial statements	Monthly within 30 days	Yes	No
Annual (CPA Audited)	FYE within 180 days	Yes	No
10K and 10Q	(as applicable)	Yes	No
A/R & A/P Agings	Monthly within 20 days, or within 5 days of Bank's request	Yes	No
Borrowing Base Certificate	Monthly within 20 days	Yes	No
A/R Audit	Annual	Yes	No
IP Report	Quarterly within 30 days	Yes	No
Deposit balances with Bank	$ ____		
Deposit balances outside Bank	$ ____		

Financial Covenant	Required	Actual		Complies
Minimum Asset Coverage Ratio	1.75:1.00	_____ : 1.00	Yes	No
or Minimum Cash	$10,000,000	$ _____	Yes	No
Minimum Cash at Bank	Lesser of $5,000,000 or 75% of total Cash	$ _____	Yes	No

Comments Regarding Exceptions: See Attached.

Sincerely,

_____
SIGNATURE

_____
TITLE

_____
DATE

BANK USE ONLY
Received by: _____
AUTHORIZED SIGNER

Date: _____
Verified: _____
AUTHORIZED SIGNER

Date: _____
Compliance Status Yes No

SCHEDULE OF EXCEPTIONS

Permitted Indebtedness (Section 1.1)

Indebtedness not to exceed $2,000,000 pursuant to that certain Equipment Loan and Security Agreement dated as of September 4, 2009 with Pinnacle Ventures, LLC

Permitted Investments (Section 1.1)

Permitted Liens (Section 1.1)

Liens on Equipment in connection with the indebtedness incurred pursuant to that certain Equipment Loan and Security Agreement dated as of September 4, 2009 with Pinnacle Ventures, LLC

Inbound Licenses (Section 5.6)

Prior Names (Section 5.7)

Litigation (Section 5.8)

Accounts (Section 5.16)