

TeleCommunication Systems

Enabling Convergent Technologies

Space & Component Technology

Buyer hereby buys and Seller hereby sells all those items set forth on the face hereof subject to the terms and set forth below, together with such additional terms and conditions as may be specified on the face of this Purchase Order.

SECTION A - INSTRUCTIONS TO SELLER

A. PACKING LIST: Packing list is to accompany each shipment of goods and if such shipment completes the order, the following notation MUST appear thereon: "This shipment completes this order."

B. DISCOUNTS: Cash discount period shall commence with the date of actual receipt of correct invoice or actual receipt of acceptable goods ordered herein, whichever is later.

C. EQUAL OPPORTUNITY: All requirements associated with executive order 11246 are applicable to this purchase order.

D. ORDER OF PRECEDENCE: In the event of any inconsistency contained in any contractual documents referenced herein, the order of precedence is as follows. (i) type written instructions contained in the face of the purchase order (ii) statement of work and specification (iii) supplemental terms and conditions of purchase TeleCommunication Systems Form 2625 (iv) preprinted clauses in TeleCommunication Systems 1A1.

SECTION B - CLAUSES

1 - ACCEPTANCE: This order expressly limits acceptance to the terms stated herein and any additional or different terms proposed by the seller are rejected. This order becomes a contract subject to the terms and conditions set forth and incorporated herein by reference. When accepted by acknowledgement by Seller or commencement of performance by Seller, no change in, modification of, or revision of this order shall be valid unless agreed to in writing by Buyer.

2 - ENTIRE AGREEMENT: This purchase order sets forth the entire understanding of the parties hereto and supersedes all prior letters of intent, agreements, covenants, arrangements, communications, representations, or warranties, whether oral or written, by an officer, employee, or representative of either party relating thereto.

3 - DELIVERY: Time is of the essence in the performance of this order by the Seller. Deliveries are to be made both in quantities and at times specified herein. If Seller's deliveries shall fail to meet schedule, Buyer, without limiting its other rights or remedies, may direct expedited routing and any excess costs incurred thereby shall be debited to Seller's account. Buyer may in accordance with Clause 11 Termination, cancel all or part of this order in the event Seller fails to deliver goods as scheduled herein. Buyer shall not be liable for Seller's commitments or production arrangements in excess of the amount, or in advance of the time, necessary to meet Buyer's delivery schedule. Goods which are delivered in advance of schedule may, at Buyer's option, either (i) be returned at Seller's expense for proper delivery (ii) have payment therefor withheld by Buyer until the date that goods are actually scheduled for delivery, or (iii) place goods in storage for Seller's account until delivery date specified herein.

4 - INSPECTIONS AND TESTS: All goods ordered hereunder will be subject to inspection and test by Buyer and/or Buyer's Customer to the extent practicable at all times and places, including the period of manufacture and in any event prior to acceptance. Such goods will be subject to final inspection and acceptance by Buyer after delivery to Buyer. It is expressly agreed that inspection and/or payments prior to delivery will not constitute final acceptance. If the goods ordered herein do not meet the specifications or otherwise do not conform with the requirements of this order, Buyer and/or Buyer's Customer shall have the right to reject such goods. Goods which have been delivered and rejected may be returned to Seller for reimbursement, credit, replacement, or correction as Buyer may direct. If, after notice, Seller fails promptly to replace or correct such rejected items, same may be corrected (without thereby exercising wrongful ownership) and/or replaced by Buyer with cost of correction or replacement at the expense of Seller. Any goods rejected by Buyer and/or Buyer's Customer shall be at Seller's risk and expense and shall not thereafter be tendered for acceptance unless the former rejection or requirement of correction is disclosed. The packaging and handling expense incidental thereto, and the applicable transportation costs will be charged to Seller's account. Upon the non-acceptance repudiation or rejection of any goods, Buyer shall not be liable for any profit Seller would have made or for incidental damages. Seller agrees to provide and maintain an inspection and quality control system acceptable to Buyer and/or Buyer's Customer and to provide access to Seller's facilities at all reasonable times for inspection by Buyer's and/or Buyer's Customer agents or employees and will provide all tools, facilities, and assistance reasonably necessary for inspection relating to the performance of this order. Seller further agrees to maintain adequate authenticated inspection and test documents which relate to work performed under this order. Such records shall be retained by Seller for a period of five (5) years after completion of this order or to the period as specified in any applicable military standards, whichever is longer or as otherwise specified by Buyer and made available to Buyer and/or Buyer's Customer upon request. Seller agrees to supply Buyer and/or Buyer's Customer with inspection and test reports, affidavits, certifications, or any other documents as may be requested by them.

5 - CHANGES: Buyer may at any time, by a written order and without notice to the sureties, make changes within the general scope of this order, in any one or more of the following: (i) Drawings, designs or specifications, where the supplies to be furnished are to be specially manufactured for Buyer in accordance therewith; (ii) method of shipment or packing; (iii) place of delivery; (iv) the period of performance of work; and (v) contract clauses and Seller shall comply therewith. If any such change causes an increase or decrease in the cost of, or the time required for the performance of any part of the work under this order, an equitable adjustment shall be made in the order price or delivery schedule, or both, and the order shall be modified in writing accordingly. Any claim by Seller for adjustment under this clause must be asserted within ten (10) days from the date of receipt by Seller of the notification of change: provided, however, that Buyer, if it decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this order. Where the cost of property made obsolete or excess as a result of a change is included in Seller's claim for adjustment, Buyer shall have the right to prescribe the manner of disposition of such property. Failure to agree on any claim for equitable adjustment under this clause shall be a dispute and the Seller may thereupon pursue any remedy which it may have in any court of competent jurisdiction. Pending the resolution of any such dispute, the Seller shall diligently pursue the performance of the order as changed.

6 - DRAWINGS/SPECS REVIEW: If during the term of this order, Buyer representatives review drawings, specifications, or other data developed by Seller in connection with this order and make suggestions or comments or approve such documents and data, such action is only an expression of opinion by Buyer and shall not serve to relieve Seller of any responsibility for the reliability, quality, rate of output, delivery, performance, or any other requirements of this order.

7 - DRAWINGS AND DATA: Seller shall keep confidential all information, drawings, specifications, or data, and return upon request, all documents furnished or funded by Buyer and marked proprietary to Buyer, and shall not divulge or use such information for the benefit of any other party. Except as required for the efficient performance of this order, Seller shall not make copies or permit copies to be made and shall thereafter make no further use, either directly or indirectly, of any such data or any information derived therefrom without obtaining Buyer's written consent. Experimental, developmental, or research work, in consideration of the funds provided by the Buyer and all improvements, inventions, discoveries, tooling, drawings, specifications, or data, first conceived and/or reduced to practice whether or not patentable, in the performance of this contract shall become the property of Buyer. Seller shall thereafter make no further use, either directly or indirectly, of any information derived therefrom without obtaining Buyer's written consent.

8 - USE OF INFORMATION: Seller agrees that all information heretofore or hereafter furnished or disclosed to the Buyer by the Seller, in connection with the placing or filling of this order, is furnished or disclosed as a part of the consideration for this order, that such information is not, unless otherwise agreed to by the Buyer in writing, to be treated as confidential or proprietary, and that Seller shall assert no claims (other than for patent infringement) by reason of the use or disclosure of such information by the Buyer, its assigns or its customers. No employee of the Buyer has the authority to make an agreement providing for the confidential treatment of, or limiting the use or disclosure of, information so furnished or disclosed, unless such agreement is made in writing and signed by Buyer's cognizant general manager. In the event that this clause should conflict with the provisions of any patent rights or data rights clause of this order, the latter shall prevail.

9 - DISCLOSURE OF INFORMATION: Seller shall not in any manner advertise or publish the fact that it has furnished, or contracted to furnish Buyer the goods or services herein mentioned, without prior written consent of Buyer. Seller shall not disclose any details in connection with this order to any party except as may be otherwise provided.

10 - TOOLING: Unless otherwise specified in this order, all tooling and/or all other articles required for the performance hereof shall be furnished by Seller, and shall be maintained in good condition and replaced when necessary at Seller's expense. If Buyer agrees to pay Seller for "Special Tooling" and/or other such articles either separately or as a stated part of the unit price of goods purchased herein, title to same shall pass to Buyer upon payment therefor.

11 - TERMINATION: Buyer may terminate work under this order, in whole or in part, in accordance with the provisions of Section 52.249, Termination of Contracts, of the Federal Acquisition Regulation. This provision is also applicable to commercial and non-U.S. Government orders.

12 - INDEMNIFICATION: To the extent that Seller's agents, employees, or subcontractors enter upon premises occupied by or under the control of Buyer, or any of its customers, or suppliers, in the course of the performance of this order, Seller shall take all necessary precautions to prevent the occurrence of any injury (including death) to any persons, or of any damage to any property arising out of any act or omission of such agents, employees or subcontractor, and except to the extent that any such injury or damage is due directly and solely to Buyer's negligence shall indemnify, defend and hold Buyer, its officers, employees, and agents, harmless from any and all costs, losses, expense, damages, claims, suit or any liability whatsoever, including attorney's fees, arising out of any act or omission of Seller, employees or subcontractors. Seller shall maintain and require its subcontractors to maintain (i) public liability and property damage insurance including contractual liability (both general and vehicle) in amounts satisfactory to Buyer, to cover the obligations set forth above, and (ii) workmen's compensation and employers liability insurance covering all employees engaged in the performance of this order for claims arising under any applicable Worker's Compensation and Occupational Disease Acts. Seller shall furnish certificates evidencing such insurance which expressly provide that no expiration termination or modification shall take place without thirty (30) days written notice to Buyer.

13 - BUYER'S PROPERTY: Title to all property (including drawings and data) furnished to Seller by Buyer or paid for (including progress payments) by Buyer, shall remain with Buyer. Seller shall not alter or use such property for any purpose, other than that specified by Buyer, or for any other person without the prior written consent of Buyer. Seller shall keep adequate records which shall be made available to Buyer upon request, and shall store, protect, preserve, repair, and maintain such property in accordance with sound industrial practice, all at Seller's expense. In the event that Buyer's property becomes lost or damaged to any extent for any cause, while in Seller's possession, Seller agrees to repair or replace such property, at Seller's expense, in accordance with Buyer's request. At the completion or termination of goods or services requested by Buyer in this order for which Buyer's property was required, Seller shall request disposition instructions for all such property, or the remainder thereof, whether in its original form or in semi-processed form. Seller agrees to make such property available to Buyer at Buyer's request, in the manner requested by Buyer, including preparation, packaging and shipping as directed.

14 - COMPLIANCE WITH LAWS: Seller shall, in the performance of work or services under this order, fully comply with all applicable Federal, State or Local Laws, Rules, Regulations, or Ordinances of the state identified in Buyer's address in the Purchase Order and shall be governed by and construed according to the laws thereof.

15 - TAXES: Seller's prices shall be exclusive of any Federal, State, or Local Sales, Use or Excise taxes levied upon, or measured by, the sale, the sales price, or use of goods required in the performance of this order. Seller shall list separately on its invoice any such tax lawfully applicable to any such goods, and payable by Buyer, with respect to which Buyer does not furnish to Seller lawful evidence of exemption. Seller's prices shall not include any taxes on property owned by the United States Government unless authorized in writing by Buyer. Seller agrees to comply with any reasonable request by Buyer regarding payments under protest, and regarding any refunds, claims, litigation, or proceedings with respect to any such taxes and to make appropriate adjustments to afford Buyer the benefit of any refund or reduction in such taxes.

16 - REMEDIES: The remedies provided Buyer herein shall be cumulative and in addition to any other remedies provided by law or equity. A waiver of a breach of any provision hereof shall not constitute a waiver of any other breach. This order is governed by the laws of the state shown in the Buyer's address on the face of this order.

17 - ASSIGNMENT: This order or any interest therein, including any claims for monies due or to become due with respect thereto, may only be assigned upon the written consent of Buyer. Any payment to any assignee of any claim under this order, in consequence of such consent, shall be subject to set-off, recoupment or other reduction for any claim which Buyer may have against Seller.

18 - NOTICE OF DELAY: Whenever Seller has knowledge of any event that threatens to delay the timely performance of this order, Seller shall immediately give written notice thereof, including all relevant information with respect thereto to the Buyer.

19 - WARRANTIES: Seller expressly warrants that all items delivered hereunder will be free from defects, of good materials and workmanship, and will conform to applicable specifications, drawings, samples, and performance specifications whether set forth in this order or in Seller's sales literature. In the event of conflict between the terms of this order, and such sales literature, the terms of this order shall prevail. The foregoing warranties shall survive inspection and acceptance of and payment for the items delivered hereunder and shall run to Buyer, its successors, assignees, and customers. Said warranties shall not be deemed to limit any warranties of additional scope given to Buyer by Seller, and not to limit Buyer's rights or Seller's obligations under any other provision of this order in law or in equity. No warranties are waived by the Buyer supplying plans, specifications or data or inspecting or accepting the goods. When Buyer furnishes specifications to the Seller, Seller shall immediately notify Buyer of any infringement claim and Buyer may defend or negotiate the disposition of any such claims. Items repaired or replaced pursuant to this clause by Seller shall, unless otherwise provided herein, be subjected by Seller to the same qualification/acceptance test as applicable to the item(s) at the time of original delivery to Buyer.

20 - SELLER'S LIABILITY: Seller's financial responsibility includes but is not limited to the total price of replacement parts including die/package parts and packaging associated with Seller's processing and workmanship.

21 - ANTI-KICKBACK ACT: Seller warrants that it is in full compliance with the provisions of the Anti-Kickback Act of 1986 41U.S.C.51-58 and shall hold Buyer harmless from any monetary loss Buyer may suffer resulting from failure of such compliance.

22 - DISCLOSURE OR TRANSFER OF TECHNICAL DATA TO FOREIGN PERSONS: The disclosure or transfer of technical data to foreign persons is prohibited or restricted by United States law (15 CFR Part 120). Only persons who are U.S. citizens, or have been lawfully admitted for residency under the Immigration and Naturalization Act (8 USC 1101), shall be given access under this order to such technical data furnished by, generated specifically for, or under the control of Buyer without the prior written approval of Buyer.

23 - INTELLECTUAL PROPERTY INDEMNITY: Seller warrants that the sale, use or incorporation into manufactured products of all machines, devices, material, software, and firmware which are not of Buyer's design, composition, or manufacture shall be free and clear of infringement of any valid U.S. patent (to the extent the Authorization and Consent clause is not included in this Subcontract), copyright, trademark, mask works, or any other proprietary rights. Seller shall hold Buyer, its customers, and lessees harmless from any and all expenses, liability, and loss of any kind, including but not limited attorney's fees, all costs, expenses, and fees growing out of claims, suits, or actions alleging such infringement, which claims, suits, or actions Seller agrees to defend.