

L-3 Communications - General Terms and Conditions of Sale

1. **Acceptance of Orders: L-3 Communications Narda-MITEQ ("L-3")** All orders are subject to acceptance by both Buyer and Seller (collectively, "the parties").
2. **Software License (if applicable):** Subject to these terms and conditions, L-3 Grants to Buyer a limited, personal, non-exclusive license ("the "License") for use only with the Product. This license may be transferred only upon transfer of the Product.
3. **Changes:** Buyer may at any time request changes to the order within the general scope of work called for. If such changes cause an increase or decrease in the price of the items, Buyer shall be notified to this effect, and Seller shall not be obligated to proceed with such changes until it receives a written change order, and agrees in writing to accept such change. Seller shall also be entitled to an extension of the delivery schedule as a result of such change(s).
4. **Taxes:** Prices stated do not include local, state or federal taxes. The amount of any sales, use or similar tax applicable to the sale of the items herein or to the use of such goods by the Buyer shall be paid by the Buyer, or in lieu thereof the Buyer will provide Seller with a tax exemption certificate acceptable to the taxing authorities.
5. **Title and Risk of Loss:** Title to the material shipped and all risks of loss pass to Buyer upon Seller's delivery to common carrier at Seller's plant. Shipping shall be FCA Seller's Plant per the ICC INCOTERMS 2010.
6. **Packing, Packaging and Marking:** Seller will provide packing, packaging and marking in accordance with commercial practices at the quoted prices. Seller reserves the right to adjust the quoted price for any unique or special requirements requested by the Buyer.
7. **Disputes:** The parties agree that all disputes in any way relating to, arising under, connected with, or incident to this contract, and over which the federal courts have subject matter jurisdiction, shall be litigated, if at all, exclusively in the United States District Court for the State of New York, and if necessary, the corresponding appellate courts. The parties further agree that all disputes in any way relating to, arising under, connected with or incident to this contract, and over which the federal courts do not have subject matter jurisdiction, shall be litigated, if at all, exclusively in the Courts of the State of New York, in Kings County, and if necessary, the corresponding appellate courts. The parties also agree that New York law excluding conflicts of law, exclusively shall govern all terms of this contract, including the paragraph. The parties expressly submit themselves to the personal jurisdiction of the State of New York.
8. **Delivery:** The delivery date is L-3's best estimate of the time required to make shipment, but L-3 shall not be liable for loss or damage, direct, consequential or otherwise, for failure to meet this date. Seller reserves the right to deliver early. In no event shall L-3 be in default by reason of any failure or delay in its performance under this order arising from any cause beyond L-3's control and without its fault or negligence, including but not limited to acts or omissions of the Buyer, acts of God or the public enemy, acts of any government agency or authority, fires, floods, epidemics, quarantine restrictions, strikes, labor disturbances, freight embargoes, public disorders, riots or unusually severe weather, or subcontractor delays which are beyond the control of the subcontractor.
9. **Terms of Payment:** Unless stated differently on the face of this order, payment terms are net thirty (30) days from date of invoice, with no discount for earlier payment.
10. **Cancellation:** Orders accepted by Seller are not subject to cancellation by Buyer except with written consent of Seller. In the event of cancellation, Buyer will be advised of applicable cancellation charges, which may include charges for raw material, work in process and finished goods applicable to the order, together with applicable overhead and allowance for profit.
11. **Intellectual Property:** All rights and interest to the inventions, information, technical data or drawings, copyrights rights, patent rights, trademark rights, know-how, trade secrets, related intellectual property, intangible and proprietary rights throughout the world, relating to the Product or Software or disclosed to Buyer in connection with any order or proposal, are the exclusive property of Seller ("Owned Assets"). Buyer shall not (a) Decompile, reverse engineer, disassemble, trace or otherwise analyze the Product or Software, their content, operation, or functionality; (b) Modify, adapt, or translate the Product or Software, nor create derivative works based on the Product or Software; or (c) Disclose any proprietary information regarding the Owned Assets to any other persons or companies without Seller's prior written approval.
12. **Inspection and Acceptance:** Acceptance shall occur upon delivery to the FOB point and will be presumed unless Buyer demonstrates within fourteen (14) days thereafter that the Product does not conform to the Warranty set forth herein. Buyer agrees to make inspection of the Products delivered hereunder immediately upon receipt thereof.
13. **Buyer Property:** L-3 shall not be liable for loss or destruction or damage to Buyer property, including property which is the subject of this order, whether owned by Buyer, the US Government, or others, except to the extent that L-3 is reimbursed or compensated for any loss of or destruction of or damage to such Buyer property or which results from willful misconduct or lack of good faith on the part of L-3 managerial personnel.
14. **Export Control:** This Order is subject to all applicable US Laws and regulations relating to the export of the Product. Buyer shall not ship, transfer, export, or use the Product in violation of applicable export laws, regulations or restrictions.
15. **Indemnity:** Buyer shall defend, indemnify, and hold harmless L-3, its parents, subsidiaries and affiliates, and their respective directors, officers and employees and representatives, from and against any and all claims, suits, losses, obligations, causes of action, damages, and expenses (including attorney's fees) relating to or arising out of any use of the Product by Buyer to its Customers.
16. **Limitation of Liability:** IN NO EVENT SHALL SELLER BE LIABLE FOR INDIRECT, SPECIAL, CONSEQUENTIAL, MULTIPLE OR PUNITIVE DAMAGES, OR ANY DAMAGE DEEMED TO BE OF AN INDIRECT OR CONSEQUENTIAL NATURE ARISING OUT OF OR RELATED TO ITS PERFORMANCE UNDER THE CONTRACT, WHETHER BASED UPON BREACH OF CONTRACT, WARRANTY, NEGLIGENCE AND WHETHER GROUNDED IN TORT, CONTRACT, CIVIL LAW OR OTHER THEORIES OF LIABILITY, INCLUDING STRICT LIABILITY. TO THE EXTENT THAT THIS LIMITATION OF LIABILITY CONFLICTS WITH ANY OTHER PROVISION(S) OF THIS CONTRACT, SAID PROVISION(S) SHALL BE REGARDED AS AMENDED TO WHATEVER EXTENT REQUIRED TO MAKE SUCH PROVISION(S) CONSISTENT WITH THIS PROVISION. IN NO EVENT SHALL THE TOTAL CUMULATIVE LIABILITY OF SELLER OR ITS SUBCONTRACTORS OR SUPPLIERS OF ANY TIER WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE FOR THE PERFORMANCE OR BREACH OF

THE CONTRACT OR ANYTHING DONE IN CONNECTION THEREWITH EXCEED THE CONTRACT PRICE. NOTWITHSTANDING ANYTHING ELSE IN THE CONTRACT TO THE CONTRARY, THE STATED MONETARY LIMITATION HEREINABOVE IS THE MAXIMUM LIABILITY SELLER HAS TO THE BUYER.

17. **Applicable Law:** This Purchase Order shall be governed by the Laws of the State of NEW YORK, United States of America.

18. **Warranty:**

a. L-3 warrants to the purchaser that each of its products, when shipped will be free from defects in material and workmanship and will perform in full accordance with applicable specifications. The limit of liability under this warranty is at L-3's option to repair or replace any product or part thereof within one year of delivery unless otherwise specified on individual purchase orders. Products shall be returned by the purchaser to L-3 Narda-MITEQ, at 435 Moreland Rd., Hauppauge, New York, 11788, and shall, as determined by examination by L-3, prove defective in material and/or workmanship. Warranty returns must first be authorized in writing by L-3. Disassembly of any L-3 product by anyone other than an authorized representative of L-3 voids this warranty in its entirety. L-3 reserves the right to make changes in any of its products without incurring any obligation to make the same changes on previously delivered products.

b. Components and subsystems having been repaired by L-3 shall be warranted for that repair for ninety (90) days. For products that are still within the original warranty period as described above, the original warranty (if longer) will take precedence. For all SATCOM products, that portion of the system that is repaired, will be warranted for one year.

c. As a condition to the warranties provided for herein, the Buyer will prepay the shipping charges for all products returned to L-3 for repair and L-3 will pay the return shipping with the exception of rack mountable hardware returned from outside the United States in which case the Buyer will pay the shipping charges.

d. The Buyer will pay the cost of inspecting and testing any goods returned under the warranty or otherwise which are found to meet the applicable specifications or which are not defective or not covered by the warranty.

e. Products sold by L-3 shall not be considered defective or non-conforming to the Buyers' order if they (a) satisfactorily fulfill the performance requirements that were (i) provided by the Buyer to L-3 or (ii) as published in the sellers's product specification literature, or (b) or in accordance with any written or verbal agreement between the Buyer and L-3, or (c) are in accordance with samples approved by the Buyer. This warranty shall not apply to any products or parts thereof which have been subject to accident, negligence, alteration, abuse, or misuse. L-3 makes no warranty whatsoever in respect to accessories or parts not supplied by it.

f. Limitations of Warranty, Damages and Liability **EXCEPT AS EXPRESSLY SET FORTH HEREIN, THERE ARE NO WARRANTIES, CONDITIONS, GUARANTEES OR REPRESENTATIONS AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHER WARRANTIES, CONDITIONS, GUARANTEES OR REPRESENTATIONS, WHETHER EXPRESSED OR IMPLIED, IN LAW OR IN FACT, ORAL OR IN WRITING.**

L-3'S AGGREGATE LIABILITY IN DAMAGES OR

OTHERWISE SHALL NOT EXCEED THE PAYMENT, IF ANY, RECEIVED BY L-3 FOR THE UNIT OF PRODUCT OR SERVICE FURNISHED OR TO BE FURNISHED, AS THE CASE MAY BE, WHICH IS THE SUBJECT OF CLAIM OR DISPUTE. IN NO EVENT SHALL L-3 BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES, HOWSOEVER CAUSED.

g. All matters regarding this warranty shall be interpreted in accordance with the laws of the State of New York and any controversy that cannot be settled directly shall be settled by arbitration in New York, New York in accordance with the rules then prevailing of the American Arbitration Association, and judgment upon the award rendered may be entered in any court having jurisdiction thereof.

19. **Obsolescence of Parts:** While Seller intends to provide parts in accordance with original design requirements, Seller reserves the right to make part substitutions provided the substituted part has the same form, fit and function as the item it replaces.

20. **General:** The provisions of this Agreement are severable and the invalidity, illegality or unenforceability of any one or more of its provisions shall not affect the validity and enforceability of any other provisions. If any provision of this Agreement is declared to be invalid, illegal, or unenforceable the parties agree that the court of competent jurisdiction should substitute a valid and enforceable provision that, to the maximum extent possible in accordance with all applicable law, preserves the legal and economic positions of each party as intended in this Agreement. Headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement. Buyer shall not assign or otherwise transfer, whether by contract, operation of law or otherwise, this Agreement or any of the rights or duties set forth herein without the prior written consent of L-3, which consent may be withheld by L-3 in its sole discretion. A waiver of L-3 of any default by Buyer or of any of the terms and conditions shall not be deemed to be a continuing waiver or a waiver of any other default or of any other of these terms and conditions. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supercedes and merges all prior or contemporaneous proposals, negotiations, understandings and agreement, whether oral or written, relating to the subject matter hereof. This Agreement shall not be released, discharged, waived, abandoned or modified, in whole or in part, except by a written instrument duly executed by both parties.

21. **Amendments of These Terms:** These terms can only be changed by mutual agreement of the parties