

1. BUYER'S ACCEPTANCE OF SELLER'S TERMS AND CONDITIONS

Any order accepted by Seller is accepted with the understanding that Buyer assents to the terms and conditions set forth in this Quotation, regardless of the form or terms of Buyer's order. This document constitutes the terms of agreement in their entirety between Buyer and Seller with respect to any order Buyer places with Seller. Any additional or different terms stated in any purchase order or other document which Buyer presents to Seller shall be considered material alterations, will be of no binding effect and are hereby objected to and rejected. No course of dealing, usage of trade or course of performance will be relevant to, supplement or explain any terms used herein.

2. PRICES

Unless otherwise stated, quoted prices are those in effect at the time of quotation and are valid for sixty (60) days from issuance unless otherwise specified. The Goods shall be invoiced at Seller's prices in effect at date of shipment unless otherwise stated in a written quotation or proposal. All prices are subject to increases equal to any additional costs incurred by Seller as a result of any changes in laws, regulations or orders or raw material price increases.

3. DELIVERY DATE

Lead times and delivery dates may vary depending on many circumstances. Stated delivery dates are Seller's estimate of the time required to produce Buyer's order. Seller reserves the right to re-adjust shipment schedules. Acceptance by Buyer of the Goods when received waives any claim resulting from a delay. If shipment is delayed by Buyer, Buyer shall pay any costs incurred by Seller for handling, storage and timely processing of Buyer's order as well as demurrage and similar charges, if any.

4. PRODUCT SPECIFICATIONS AND QUALITY

Prices and delivery schedules are based upon Seller's standard specifications or upon product specifications and quality requirements submitted by Buyer. Any changes to those specifications or requirements will require review and possible adjustment of price and/or delivery schedules, and may result in additional charges tooling and other services or items needed to produce the finished product. Any changes in product specifications or quality requirements, and any consequent price changes which are mutually agreed to in writing by Seller and Buyer, shall become part of the Agreement between the parties and are incorporated herein by this reference.

5. SHIPPING QUANTITIES

Seller reserves the right to make partial shipments when necessary. Overruns and underruns may occur. Payment shall be due for quantities actually shipped. Buyer must notify Seller of any shortages within thirty (30) days of delivery or be barred from any recovery for shortages.

6. TAXES

The prices of the Goods and related services do not include any sales, use, excise or other tax, duty or charge now or hereafter imposed by any Federal, state or local governmental authority. Buyer agrees to pay or reimburse Seller for the full amount of any such taxes or other charges which Seller is required to pay, with the exception of sales or use taxes where Buyer provides Seller with a valid tax exemption certificate for such Goods.

7. LATE CHARGE FOR DELAYED PAYMENT

Prior to or at the time of the delivery of Goods, Seller shall submit invoices to Buyer stating amounts due. Seller's invoices are due and payable in one installment. Payment for Goods shall be made by Buyer in U.S. dollars. All payments shall be made free and clear of any deductions or withholdings. If payment in full of any invoice is not made by or before the net due date, Buyer agrees to pay a service charge on the unpaid balance at the lower of one and one-half percent (1½%) per month (i.e. 18% per annum), or the maximum rate permitted by law, from the due date until the invoice and all service charges thereon have been paid in full. If allowed by applicable law, Buyer shall also pay on demand any costs incurred by Seller (including reasonable attorneys' fees and legal expenses) in connection with the collection of any amounts due from Buyer to Seller which are not paid as agreed herein.

8. FREIGHT AND RISK OF LOSS

Except as otherwise stated herein, delivery of all Goods shall be F.O.B. Seller's plant, with freight charges paid by Buyer. Buyer assumes all risk of loss to the Goods from the time they are delivered to a carrier. Any claim for loss or damage in transit shall be against the carrier only. Method and route of shipment are at the discretion of Seller unless Buyer specifies otherwise. Buyer's right to any freight deductions is conditioned on the surrender of original paid freight bills.

9. CANCELLATION

Except for a cancellation resulting from a default by Seller, Buyer may not cancel any order without Seller's prior written consent. In such event, Buyer shall pay Seller the contract price for all Goods which have been completed by Seller prior to termination and shall reimburse Seller for Seller's expenses for labor, material, unamortized tooling, overhead and any other commitments made and expenses incurred by Seller to date of cancellation for Goods not yet produced, in accordance with Seller's standard charges therefor. Split deliveries may not be cancelled if Seller has already produced the Goods and they are awaiting delivery. No cancellation by Buyer for a default by Seller shall be effective until Seller has failed for thirty (30) days from the date it receives written notice of a default to cure such default to Buyer's reasonable satisfaction. Shipping charges resulting from refused shipments will be immediately due and payable, including a twenty (20) percent restocking fee of Goods invoice amount.

Seller may cancel any order in whole or in part if: (i) Buyer breaches any term or condition herein; (ii) any material representation made by Buyer to Seller proves to be false or misleading; (iii) Buyer is insolvent; (iv) a case naming Buyer as "debtor" is commenced under any chapter of the United States Bankruptcy Code; (v) Buyer makes an assignment for the benefit of creditors; (vi) a receiver or trustee is appointed for Buyer's property; or (vii) a formal or informal proceeding for the dissolution, liquidation or winding up of affairs of Buyer is commenced. In the event of any cancellation by Seller for any of the foregoing reasons, Seller shall have the rights, in addition to its other rights, to (a) refuse to deliver Goods and/or perform hereunder, and (b) be reimbursed by Buyer for Seller's expenses for labor, material and overhead incurred by Seller to date of cancellation, in accordance with Seller's standard charges therefor.

10. FORCE MAJEURE

Seller will make a good faith effort to complete delivery of the products as indicated by Seller in writing. Seller shall have no liability hereunder to Buyer or to anyone presenting claims through Buyer for any delays in delivery or any breach, failure or omission on the part of Seller if caused by any law, rule, regulation, order or ruling of any Federal, state, or local governmental authority; any labor disturbances, riot, fire, flood, accident, delay of common carrier, or act of God; Seller's inability to obtain supplies, raw materials, component parts or services through its regular and usual sources of supply; delays in shipments or deliveries caused by Seller's manufacturers and suppliers; or any other cause beyond Seller's control. Where delivery is to be in installments, delay in delivery of any installment shall not relieve Buyer of its obligations to accept subsequent deliveries.

11. DELAY IN DELIVERY

IN NO CASE SHALL SELLER BE LIABLE TO BUYER, OR TO ANYONE PRESENTING CLAIMS THROUGH BUYER, FOR ANY INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES ARISING FROM ANY DELAY IN DELIVERY, OR ANY OTHER BREACH, FAILURE OR OMISSION BY SELLER, REGARDLESS OF THE CAUSE OR NATURE OF SUCH DELAY, BREACH, FAILURE OR OMISSION, AND SELLER'S LIABILITY IN ANY SUCH EVENT SHALL IN NO CASE EXCEED THE PURCHASE PRICE OF THE GOODS SOLD BY SELLER TO BUYER WITH RESPECT TO WHICH ANY DAMAGES ARE CLAIMED.

12. WARRANTY

Seller's Legacy Product(s), exclusive of software, will conform to Seller's then current drawings and specifications and be free from defects in material and workmanship under normal use for eighteen (18) months, beginning on the date the Product is delivered to the Buyer ("Warranty"). Seller reserves the right to repair and/or replace any repaired Product with new and/or reconditioned parts, components, or units at Seller's sole discretion. Seller's sole obligation, and Buyer's exclusive remedy, for breach of the Warranty is for Seller, at its sole option, to repair or replace the Product, or refund Buyer's purchase price for the Product(s), in the form of credit, for any part of the Product which fails to meet the Warranty. Repairs and/or replacements shall be returned to the location designated by Seller, with a written explanation of failure. Replacement components are warranted for ninety (90) calendar days or for the remainder of the in effect Product Warranty period, whichever is greater.

The aforementioned Warranty shall not apply to Product(s):

(i) used for purposes for which they are not designated or intended, (ii) which have been repaired or altered without Seller's prior written consent, (iii) which have been damaged by acts of God and similar occurrences or have been subjected to misuse, negligence, accident or improper maintenance or installation, or (iv) upon Seller's examination, do not disclose to Seller's satisfaction nonconformance to the Warranty provisions herein.

Software, coterminous with the applicable Product Warranty period, shall function without material defect to Seller's then current specifications for such and Seller's only obligation for any portion of the Software that is non-functioning is the correction or replacement of the Software at Seller's sole option.

Notwithstanding the foregoing, Seller makes no guarantee as to the accuracy or operational capability of the Software.

Claims for damage, shortage or errors in shipping must be reported within one (1) day following delivery to Buyer. Buyer shall have ten (10) days from the date Buyer receives any products to inspect such products and services for defects and nonconformance which are not due to damage, shortage or errors in shipping and notify Seller, in writing, of any defects, nonconformance or rejection of such products. After such ten (10) day period, Buyer shall be deemed to have irrevocably accepted the products, if not previously accepted. After such acceptance, Buyer shall have no right to reject the products for any reason or to revoke acceptance. Buyer hereby agrees that such ten (10) day period is a reasonable amount of time for such inspection and revocation, otherwise upon notice and receipt of an RMA ("Returned Material Authorization") number, Buyer may return the Product for repair or replacement (at Seller's discretion), and such replacement shall not diminish the Warranty duration. Notwithstanding the foregoing, and in all instances unless otherwise authorized in writing, SELLER WILL NOT ACCEPT PRODUCT WARRANTY OR NON-WARRANTY RETURNS FOR CREDIT. Buyer will handle and be responsible for all warranty returns from its direct and indirect end users. Products obtained from Seller which do not comply with the Warranty, whether or not previously shipped to an end user on behalf of the Buyer, may only be returned to Seller by the Buyer during the applicable Warranty period for corrective action at Seller's sole discretion in conformance to the Warranty. Buyer shall bear all costs (e.g., freight and insurance) associated with returning all non-conforming Product(s) to Seller. Provided that Seller has provided Buyer with RMA number(s) to be used in returning non-conforming Products (covered by warranty) to Seller, Seller shall bear all costs associated with freight and insurance to return repaired or replaced Product(s) to Buyer's designated location. Any out-of-the-box damage to Product due to shipping or other causes must be reported to Seller within forty eight (48) hours of receipt of the product. After forty eight (48) hours no claim will be accepted by Seller. An RMA number must be provided by Seller to receive replacement product or repair. Any damaged product must be returned in the original container (with original packaging). The original packaging must be shipped in an over pack to eliminate any further damage. All costs associated with out of warranty Product returns will be borne by Buyer.

SPECIALLY FABRICATED OR ORDERED ITEMS MAY NOT BE CANCELED OR RETURNED, AND NO REFUND WILL BE MADE. The sole and exclusive remedy for merchandise alleged to be defective in workmanship or material will be the replacement of the merchandise subject to the manufacturer's inspection and warranty. THE FOREGOING WARRANTY IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Seller's products are sold with the understanding that Buyer will test them under actual conditions of use and be solely responsible to determine the suitability of the product for its intended use.

THE REMEDIES SET FORTH ABOVE SHALL CONSTITUTE BUYER'S EXCLUSIVE REMEDIES FOR SELLER'S BREACH OF ANY WARRANTY WITH RESPECT TO THE GOODS OR ANY OTHER LIABILITY

OF SELLER TO BUYER (OTHER THAN WARRANTIES RELATING TO TITLE AND INFRINGEMENT), INCLUDING ANY ARISING OUT OF THE NEGLIGENCE OF SELLER, STRICT LIABILITY IN TORT OR ANY OTHER LEGAL THEORY. ANY WARRANTIES SPECIFICALLY SET FORTH HEREIN, AND ANY LIABILITY OF SELLER FOR ANY BREACH OF WARRANTY, ARE CONDITIONED UPON PROPER STORAGE AND USE OF THE GOODS. IMPROPER STORAGE, HANDLING, ALTERATION OR USE OF THE GOODS WILL VOID ALL WARRANTIES CONTAINED HEREIN.

Unless otherwise expressly stated by JPS in writing, JPS warranty under these terms and conditions applies only to JPS manufactured, assembled, and/or brand name products. Third party products sold through JPS will only carry the warranty (if any) offered by the manufacturer of such products, pursuant to the written terms of any such warranty.

13. LIMITATION OF LIABILITY

EXCEPT FOR LIABILITY ARISING FROM A BREACH OF PROPRIETARY INFORMATION OR VIOLATION OF INTELLECTUAL PROPERTY RIGHTS, IN NO EVENT SHALL EITHER PARTY 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. SELLER'S LIABILITY FOR ANY CLAIMS, DAMAGES, LOSSES OR LIABILITIES ARISING OUT OF OR RELATING TO ITS PERFORMANCE OF AN ORDER MADE HEREUNDER SHALL NOT EXCEED THE PURCHASE PRICE OF THE GOODS SOLD PER SUCH ORDER.

14. CONFIDENTIALITY

All information furnished by Seller and all information learned or observed about Seller or its operations through the parties' performance hereunder is confidential, and Buyer shall not disclose any such information to any other person or use such information for any purpose other than the fulfillment of its obligations hereunder without Seller's prior written consent.

15. INTELLECTUAL PROPERTY RIGHTS

Notwithstanding any other provision herein, Seller (and its licensors or other suppliers, as applicable) retains (i) all copyrights, patent rights, trade secret rights as well as any and all other proprietary rights in or to the Products, software, all documentation and other related materials, and all copies and derivative works thereof (by whomever produced), (ii) all service marks, trademarks, trade names or any other designations of Seller, and (iii) all title to, and, except as expressly licensed herein, all rights to the software components and portions of the Products.

16. PATENTS/COPYRIGHTS

Seller shall indemnify Buyer against a claim, limited to the value of an applicable order, that Product(s) directly infringe a U.S. patent or copyright, except for any claim based upon the combination of the Product(s) with other elements if such

infringement would be avoided by the use of the Product alone, nor does the indemnity extend to any article of Buyer's design or formula or Products modified by Buyer and/or its customers. Buyer shall notify Seller promptly as to any known or reasonably suspected claims of infringement of any copyrights, patent rights other proprietary rights relating to the Products. Seller may, in its sole discretion, decide to take or not to take whatever course of action it deems appropriate in connection therewith. If Seller elects to protect or enforce such rights (whether identified by Buyer or otherwise) by taking legal action, Buyer agrees to provide reasonable cooperation at Seller's request and expense in connection with any such action. If Seller initiates and prosecutes any legal cause of action related to such infringement, all legal expenses (including court costs and attorneys' fees) shall be for Seller's account and Seller shall be entitled to all amounts awarded by way of judgment, settlement or compromise. Buyer warrants that the specifications and designs which it furnished (if any) to Seller are free from infringement of any patent, and Buyer will indemnify, defend and hold Seller harmless against any such claim which arises out of Seller's reliance on Buyer's specifications and/or design.

17. REVERSE ENGINEERING

Buyer agrees not to obtain information about the Equipment being purchased pursuant to this Agreement by cutting into, disassembling, inspecting the interiors of, or otherwise reverse engineering the Equipment; and Buyer further agrees not to use information obtained in such a manner to develop its own products. Buyer also agrees not to enable or assist others to so obtain or use such information. Nothing in this Paragraph shall be construed as preventing Buyer from developing and manufacturing its own products independently and without use of any such information.

18. INTENDED USE

The Buyer acknowledges that it uses the Equipment for business purposes and therefore agrees that all consumer protection terms implied by law shall not apply. The Buyer acknowledges the standard equipment is not designed or intended for use in on-line control of aircraft, air traffic, aircraft navigation or aircraft communications; intrinsically safe environments (unless intrinsically safe equipment is specifically ordered and supplied and used in accordance with the supplied instructions) or in the design, construction, operation or maintenance of any nuclear facility. JPS disclaims any express or implied warranty of fitness for such uses. The Customer will not use or resell Products for such purposes.

19. ACCEPTANCE OF MERCHANDISE

The Goods described herein constitute a single commercial unit. The Goods shall be deemed accepted by Buyer when Buyer (i) notifies Seller of acceptance in writing, (ii) uses the Goods or permits use by others, (iii) remits payment for the Goods to Seller, or (iv) fails to notify Seller of rejection within ten (10) days after Buyer takes possession of the Goods.

20. DELIVERY DELAYS AND STORAGE

If any Goods are not shipped within 30 days after notification to Buyer that they are ready for shipment, for any reason beyond Seller's reasonable control, including Buyer's failure to give shipping instructions, Seller may terminate the order, or store such Goods at Buyer's risk in a warehouse or yard or upon Seller's premises and Buyer shall pay all handling, transportation and storage costs at the prevailing commercial rates.

If Buyer causes or request a significant delay in shipment, Seller may, at its discretion, terminate the order without incurring any liability to Buyer.

21. CANCELLED OR MODIFIED ORDERS

In the event Buyer finds it necessary to cancel or reduce the quantities in certain purchase orders, Buyer shall be responsible for Seller's out of pocket cost for labor, equipment and materials. Seller shall use its best efforts to mitigate such cost, but Seller may charge a cancellation fee of up to twenty (20) percent of the value of the cancelled purchase order in addition to the above mentioned out- of-pocket cost.

22. MODIFICATION OF TERMS AND CONDITIONS

Except as otherwise expressly set forth herein this document is the final written expression of all of the terms of the agreement between Buyer and Seller with respect to the sale of the Goods. No terms or conditions other than those stated herein, and no written or oral agreement or understanding which in any way purports to waive or modify these terms or conditions, whether made by any agent, representative or salesperson of Seller or contained in Buyer's purchase order, shipping release form or elsewhere, shall be binding on Seller unless agreed to in writing by an authorized representative of Seller.

23. NO WAIVER

Seller's failure to insist upon performance of any of the terms and conditions set forth herein or to exercise any right hereunder on any one or more occasions shall not be deemed to be a waiver of such terms, conditions or rights, nor shall it be deemed to be a waiver of any other term, condition or right set forth herein.

24. APPLICABLE LAW

THE TERMS AND CONDITIONS SHALL BE INTERPRETED IN THE ENGLISH LANGUAGE, GOVERNED BY AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF NORTH CAROLINA, U.S.A, AND EXCLUDES APPLICATION OF THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS. Both parties consent to North Carolina as the sole jurisdiction and venue for actions arising hereunder.

25. DISPUTES AND ARBITRATION

It is the intention of both parties that all disputes, which may arise under or in connection with this Quotation, shall if possible be settled by amicable agreement. If this is not possible such disputes will be submitted and finally settled as set forth below. Any dispute, controversy or claim arising out of or related to this agreement, or the breach, termination, or invalidity thereof shall be settled by arbitration in the City of Raleigh, North Carolina in the United States of America before a panel of three Arbitrators under the prevailing commercial rules of conciliation and arbitration of the American Arbitration Association. Judgment upon the arbitration award or decision may be entered in any court having jurisdiction thereof. Any award rendered by the Arbitrators may include compensatory damages and costs against either party **but under no circumstances are the Arbitrators authorized or empowered to award punitive or multiple monetary damages against either party** Notwithstanding any other provisions of this order, either party may seek injunctive relief in any court of competent jurisdiction

for improper use or disclosure of the other party's proprietary data.

26. PARTIES, ASSIGNMENT

As used herein, "Buyer" and "Seller" include their respective heirs, executors, personal representatives, successors and assigns. No right or interest arising under this document shall be assigned by Buyer and no delegation of any obligation owed by Buyer shall be made without the prior written permission of Seller.

27. RECIPROCAL WAIVER OF CLAIMS

Where the qualified anti-terrorism technologies ("QATT") has been deployed in defense against, response to or recovery from an act of terrorism as that latter term is defined under the U.S. Department of Homeland Securities' SAFETY Act, the Seller and Buyer of the QATT agree to waive all claims against each other, including their officers, directors, agents or other representatives, arising out of the manufacture, sale, use or operation of the QATT, and further agree that each is responsible for losses, including business interruption losses, that it sustains, or for losses sustained by its own employees resulting from an activity arising out of such act of terrorism.

28. NOTICE

Notice shall be deemed effective when received or refused, if sent to the other party at the address provided by the other party. Unless otherwise advised in writing the address to which any notice to the Seller should be sent is: Raytheon JPS Communications, Inc., 5800 Departure Drive, Raleigh, NC 27616.

29. EXPORT COMPLIANCE

If this transaction involves an export of items (including, but not limited to, commodities, software or technology) subject to the Export Administration Regulations, such items shall be exported from the United States by Seller in accordance with the Export Administration Regulations. Buyer agrees that it will not divert, use, export or re-export such items contrary to United States law. Buyer expressly acknowledges and agrees that it will not export, re-export, or provide such items to any entity or person within any country that is subject to United States economic sanctions imposing comprehensive embargoes without obtaining prior authorization from the United States Government. Buyer expressly acknowledges and agrees that it will not export, re-export, or provide such items to entities and persons that are ineligible under United States law to receive such items, including but not limited to, any person or entity on the United States Treasury Department's list of Specially Designated Nationals or on the United States Commerce Department's Denied Persons List, Entity List, or Unverified List. In addition, manufacturers' warranties for exported Products may vary or may be null and void for Products exported outside the United States.

30. SUBSEQUENT ORDERS FROM BUYER

If Buyer submits subsequent orders for additional quantities of the products described herein (and whether such additional orders are at the same or a different price), such additional orders shall be subject to the terms and conditions contained herein. THE TERMS AND CONDITIONS SET FORTH HEREIN WILL GOVERN ALL REORDERS AND ADDITIONAL ORDERS FOR GOODS OF THE KIND DESCRIBED HEREIN. ANY TERMS OR CONDITIONS CONTAINED IN ANY REORDER OR ADDITIONAL

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ORDER WHICH ARE DIFFERENT FROM OR ADDITIONAL TO THESE TERMS AND CONDITIONS WILL BE OF NO BINDING EFFECT AND ARE HEREBY REJECTED. Seller reserves the right to make changes in the design or specifications of any of its standard products at any time without notice to Buyer.

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**Important Information about These Terms and Conditions**

These Terms and Conditions constitute a binding contract between Buyer and Seller and are referred to herein as either "Terms and Conditions" or this "Agreement". Buyer accepts these Terms and Conditions by making a purchase from or placing an order with Seller or otherwise requesting products (the "Goods") or engaging Seller to perform or procure any Services. These Terms and Conditions are subject to change without prior notice, except that the Terms and Conditions provided to the Buyer at the time Buyer places an order or signs a Statement of Work will govern the order in question, unless otherwise agreed in writing by Seller and Buyer.

Buyer may issue a purchase order for administrative purposes only. Additional or different terms and conditions contained in any such purchase order will be null and void. No course of prior dealings between the parties and no usage of trade will be relevant to determine the meaning of these Terms and Conditions or any purchase order or invoice, or any document in electronic or written form that is signed and delivered by each of the parties for the performance of Services other than Third Party Services (each, a "Statement of Work"). This Agreement contains the entire understanding of the parties with respect to the matters contained herein and supersedes and replaces in its entirety any and all prior communications and contemporaneous agreements and understandings, whether oral, written, electronic or implied, if any, between the parties with respect to the subject matter hereof.

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