

L-3 Electroynamics Inc. General Terms and Conditions

1. **Acceptance of Orders: Electroynamics, Inc., a wholly owned subsidiary of L-3 Communications Corporation ("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 EXWORKS Seller's Plant per the ICC 2000 INCO Terms.
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 state of New York, 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:** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, L-3 SHALL NOT BE LIABLE UNDER ANY THEORY AT LAW, IN EQUITY OR OTHERWISE FOR ANY SPECIAL, EXEMPLARY, PUNITIVE, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES (EVEN IF L-3 HAS BEEN ADVISED OF SAME) INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR REVENUES, THE ENTIRE LIABILITY OF L-3 FOR ANY CLAIM, LOSS, OR DAMAGES UNDER ANY THEORY AT LAW, IN EQUITY, OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO CONTRACT, TORT, (INCLUDING INTELLECTUAL PROPERTY INFRINGEMENT, AND NEGLIGENCE), AND STRICT LIABILITY, ARISING OUT OF THIS AGREEMENT OR ANY INDEMNIFICATION OBLIGATION THEREOF, THE PERFORMANCE OR BREACH THEREOF, OR THE SUBJECT MATTER SHALL NOT IN ANY EVENT EXCEED THE SUM OF PAYMENTS ACTUALLY MADE BY BUYER TO L-3 PURSUANT TO THIS AGREEMENT, ANY ACTION AGAINST L-3 MUST BE BROUGHT WITHIN ONE (1) YEAR AFTER THE CLAIM AROSE.

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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) Seller warrants its products to be free from defects in material and workmanship for a period of twelve (12) months from the date of shipment. Seller's liability shall be limited to the repair or replacement of the defective item, at the Seller's sole option, provided: (1) Seller is promptly notified in writing upon the discovery of any defect; (2) Buyer assumes payment of all transportation charges; and (3) Any part/item alleged to be defective shall be returned to L-3 for inspection, properly packed and all expenses prepaid by Buyer. L-3 will not assume any expense or liability for modifications or repairs made by other than L-3, or their authorized agents. This warranty shall not apply to any part which has been damaged, subjected to misuse, or installed or operated not in accordance with any L-3 instructions which may have been provided.
- b) Prior to returning any product, a Return Material Authorization (RMA) must be issued by the Seller. Any returns without an RMA may not be accepted by the Seller. International return shipments require authorization to ensure that the shipment complies with U.S. Customs Regulations. Once an RMA is assigned, the Buyer will be required to list the RMA Number, Original Customer Purchase Order Number, quantity of potentially defective parts, and details regarding the failure on the Return Paperwork, Shipping Documentation, and any resultant Purchase Order. Seller will review returned part(s) and validate the Buyer's reported failure. If it is determined that the product is defective and within the warranty period, the Seller will fulfill its responsibilities under the Warranty clause as set forth above and will issue credit for freight charges associated with the return of the defective products to Seller. In the event there are any failures that are determined to be caused by the Buyer (i.e., mishandling, misuse, and/or negligence), or the warranty period has expired, the Seller reserves the right to charge a service fee for the time and labor to perform the investigation.
- c) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, BUYER'S SOLE AND EXCLUSIVE REMEDY UNDER THIS WARRANTY WILL BE LIMITED TO THE REPAIR OR REPLACEMENT, AT L-3'S OPTION OF THE DEFECTIVE PARTS. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS, OR IMPLIED, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND WARRANTIES ARISING FROM COURSE OF DEALING PERFORMANCE OR CUSTOM AND USAGE IN THE TRADE. L-3 SHALL HAVE NO OTHER LIABILITY UNDER ANY THEORY AT LAW, INEQUITY, OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, CONTRACT, TORT, (INCLUDING INTELLECTUAL PROPERTY INFRINGEMENT AND NEGLIGENCE), AND STRICT LIABILITY, FOR ANY LOSS OR DAMAGES INCLUDING, BUT NOT LIMITED TO, SPECIAL, EXEMPLARY, PUNITIVE, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES (EVEN IF L-3 HAS BEEN ADVISED OF SAME) INCLUDING WITHOUT

LIMITATION, LOST PROFITS OR REVENUES. ANY ACTION AGAINST L-3 MUST BE BROUGHT WITHIN ONE (1) YEAR AFTER THE CLAIM AROSE.

- d) In the event Seller repairs or replaces a defective item under the foregoing warranty, the warranty period for the repaired or replacement item shall extend for the remaining warranty period of the original product. However, the original warranty period shall be extended by the number of calendar days required to repair or replace the defective item, calculated from the date of receipt of the defective item by the Seller until return of the repaired or replacement item to the Buyer.
- 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 supersedes 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