



communications

Electrodynamics, Inc.

1200 Hicks Road, Rolling Meadows, IL 60008
847-259-0740 Fax: 847-255-3827

ACKNOWLEDGEMENT TERMS AND CONDITIONS

This order is accepted solely on the basis of Buyer's acceptance of the terms and conditions stated herein. Prices herein are based solely on performance to these terms and conditions and not to any conflicting or additional terms and conditions contained in Buyer's order, unless accepted in writing by Seller. In the event Buyer recites or incorporates Seller's prices into any documentation pertaining to this order, the reference to and incorporation of Seller's prices shall be deemed an acknowledgment by Buyer that only the terms and conditions stated herein apply, notwithstanding any other printed matter contained on said documentation.

1. PRICES

- a. Prices herein are based on part number description, quality system requirements (as identified in paragraph 9 herein), quantity and delivery schedule of items ordered, as noted on sellers, L-3 Electrodynamics, Inc., sales order. Seller reserves the right to review any written change requested by Buyer and provided to Seller, and will advise Buyer of any additional charges related to Buyer's request, act or default which affects the order as stated herein.
- b. Prices herein are F.O.B. Sellers's plant, and Buyer assumes title to all goods upon delivery to Buyer's specified carrier, or to a common carrier of Seller's choice.
- c. Prices herein are exclusive of any taxes now or hereafter enacted, which may apply to this order. Such taxes shall be Buyer's responsibility, and shall be added to the prices herein.

2. DELIVERY. Delivery schedules herein are based on planned manufacturing capacity. Seller reserves the right to make partial shipments or to allocate production among Seller's customers if circumstances require such action. Seller is not responsible for delivery delays caused by circumstances beyond Seller's control, including acts of God, fires, floods, strikes, defaults by suppliers, or compliance with any government regulation, whether valid or not.

3. PROPRIETARY RIGHTS. This order provides for sale of finished goods only. All design, manufacturing processes, manufacturing information, vendor sources, know-how, equipment, tooling or other hardware, software, or information acquired or utilized by Seller in the performance of this order are and shall hereinafter remain the exclusive property of Seller, and Buyer shall acquire or receive no rights or title therein or thereto as a result of this order whether or not this order provides for Seller's delivery of technical data, drawings or other information to Buyer in addition to the finished goods. Absent Seller's prior written consent, in no event shall Buyer permit such data, drawings or information to be: (1) disclosed to any third party other than Buyer's customer; (2) used by the Buyer or Buyer's customer for manufacture of like or similar goods; (3) used for the purpose of duplicating or reverse-engineering Seller's proprietary designs or processes; (4) used by a party other than the Buyer or Buyer's customer for any purpose.

4. INDEMNITY. Buyer hereby specifically agrees to indemnify and hold Seller harmless and indemnify Seller against all claims for damages, including all costs and attorney's fee incurred by Seller, resulting from any suit or suits arising from alleged infringement of patents, designs, copyrights or tradenames with respect to all goods manufactured, either in whole or in part, to Buyer's designs or specifications.

5. PAYMENT TERMS. Payment terms are net thirty (30) days from date of invoice, whether or not Buyer has inspected or tested the delivered products. Each shipment is a separate and independent transaction to be paid in accordance with these terms. In no event shall Buyer delay payment as a condition for completion of other elements of this order.

Seller reserves the right to change the foregoing terms of payment whenever Seller, at its sole discretion, becomes concerned regarding Buyer's ability to render payment in accordance with the payment terms above. In such event, Seller may suspend performance and shall not be liable for fulfillment of this order in whole or in part, until such time as it receives adequate assurances of Buyer's ability to render payment. However, Buyer shall at all times be responsible for payment to Seller for performance on this order including materials, work in process and finished goods.

6. SPECIAL CHARGES. Buyer agrees to pay for any special charges slated herein for any special services necessary to the performance of this order. Each such service shall be a separate and independent transaction, and upon its completion shall be paid for by Buyer per Seller's payment terms stated herein.



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7. **LIMITATION OF LIABILITY.** Seller's entire liability on any claim of any kind – whether founded in negligence, strict liability, tort, or contract, for any loss or damage arising out of, connected with, or resulting from: (1) this order; (2) the performance or nonperformance of this order; or (3) the manufacture, sale, delivery, resale, repair, use, performance or nonperformance of any equipment, material, product or part thereof which gives rise to the claim. In no event shall Seller be liable for: (1) any incidental, indirect, special or consequential damages, including but not limited to the loss of revenue from Buyer's resale or distribution of the goods to be delivered hereunder; (2) damages caused by Buyer's failure to perform its obligations under this order; (3) claims, demands or actions against Buyer by any other party; or (4) claims, demands or actions arising from or relating to any other actual, intended or anticipated use of the goods to be furnished hereunder.
8. **FEDERAL ACQUISITION REGULATIONS.** If this order is placed by a prime contractor or subcontractor pursuant to a prime contract with the U.S. Government, it is subject to only those Federal Acquisition Regulations and DOD FAR Supplemental Regulations specifically required by the prime contract for such orders, as agreed upon between the parties. In case of conflict with Seller's terms and conditions contained herein, Seller's terms and conditions shall take precedence.
9. **QUALITY REQUIREMENTS.** The part number, price and delivery stated on seller's Sales Order is based on, but not limited to the following Seller requirements: (1) Quality Management System being third-party certified to AS9100, (2) Calibration system being in compliance with ANSI-Z-540, (3) Soldering requirements being in compliance with ANSI-J-STD-001, Class 1 for all indicator components, and Class 3 for fuse and data recorder products, (4) Electrostatic Sensitive Device handling and packaging being in compliance with MIL-STD-1686, (5) First Article Inspection, Record Retention, and Packaging being in compliance with internally documented procedures, and (6) buyer's acceptance at product destination (i.e., no in-process surveillance or source inspection).

L-3 ELECTRODYNAMICS WARRANTY POLICY

Seller warrants to Buyer that products delivered shall, at the time the products leave Seller's plant and for a period of one (1) year thereafter, be free from defects in materials or workmanship and shall meet the agreed-to-specifications as set forth in the contract. In the event any such product proves defective due to faulty material or improper workmanship or in the event the product fails to conform to such specification, Seller's total liability shall be limited to repairing such product or replacing such product with one that does conform thereto, or at the option of Seller, to issuing credit to Buyer for the purchase price of such product if paid.

This warranty shall not be effective with respect to any product that has been altered or repaired by anyone except Seller's authorized employees or agents, or that has been tampered with or is defective or unworkable due to abuse or improper installation or application. The Buyer agrees that if the products sold hereunder are resold by the Buyer, the Buyer will include in the resale contract provisions which limit recoveries against Seller in accordance with provisions stated herein.

Prior to returning any product, a Return Material Authorization (RMA) must be issued by the Seller. The return procedure can be viewed in the Warranty Policy section on our website – www.l-3com.com/edi/. 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 #, Original Customer PO #, quantity of potentially defective parts, and details regarding the failure on the Return Paperwork, Shipping Documentation, and any resultant PO. Upon return authorization, such products shall be shipped to Seller prepaid. Upon receipt of the returned products, 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.

The foregoing obligations are in lieu of all other obligations and liabilities including negligence and of all warranties of merchantability, suitability for a particular use or otherwise, whether expressed or implied in fact or by law, and state Seller's entire and exclusive liability and Buyer's exclusive remedy for any claim of damages in connection with the sale or the furnishing of the products, or their design, suitability for use, installation or operation. Seller will in no event be liable for any special, incidental, or consequential damages whatsoever.