AMENDMENT NO. 1 TO

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

VIASAT, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

2290 COSMOS COURT
CARLSBAD, CALIFORNIA 92009
(619) 438-8099

MARK D. DANKBERG
CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER

VIASAT, INC.

THOMAS A. EDWARDS, ESQ.
LATHAM & WATKINS
701 "B" STREET, SUITE 2100
SAN DIEGO, CALIFORNIA 92101
(619) 236-1234

GREGORY D. MONAHAN, ESQ.
VICE PRESIDENT, CHIEF FINANCIAL OFFICER

GARY APPEL, ESQ.
KAYE, SCHOLER, FIERMAN,
HAYS & HANDLER, LLP
1999 AVENUE OF THE STARS, SUITE 1600
LOS ANGELES, CALIFORNIA 90067
(310) 788-1000

COPIES TO:

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CARLSBAD, CALIFORNIA 92009
(619) 438-8099

(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

MARK D. DANKBERG
CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER

VIASAT, INC.

2290 COSMOS COURT
CARLSBAD, CALIFORNIA 92009
(619) 438-8099

(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:
APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [ ]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

CALCULATION OF REGISTRATION FEE

<table>
<thead>
<tr>
<th>TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED</th>
<th>AMOUNT TO BE REGISTERED(1)</th>
<th>PROPOSED MAXIMUM OFFERING PRICE PER SHARE(2)</th>
<th>PROPOSED MAXIMUM AGGREGATE OFFERING PRICE</th>
<th>AMOUNT OF REGISTRATION FEE(3)</th>
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<tbody>
<tr>
<td>Common Stock, $0.001 par value.....................</td>
<td>2,530,000 shares</td>
<td>$12.00</td>
<td>$30,360,000</td>
<td>$10,469</td>
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</tbody>
</table>

(1) Includes 330,000 shares subject to Underwriters' option to cover over-allotments.

(2) Estimated solely for the purpose of computing the registration fee pursuant to Rule 457 under the Securities Act of 1933.

(3) Previously paid.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

VIASAT, INC.

CROSS-REFERENCE SHEET SHOWING LOCATION IN PROSPECTUS OF INFORMATION REQUIRED BY ITEMS OF FORM S-1

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<tr>
<th>ITEM AND HEADING</th>
<th>PROSPECTUS CAPTIONS</th>
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<td>REGISTRATION STATEMENT</td>
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<tr>
<td>Section</td>
<td>Description</td>
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<td>------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
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<tr>
<td>1. Forepart of the Registration Statement and Outside Front Cover Page</td>
<td>Forepart of the Registration Statement and Outside Front Cover Page of Prospectus</td>
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<tr>
<td>2. Inside Front and Outside Back Cover Pages of Prospectus</td>
<td>Inside Front and Outside Back Cover Pages of Prospectus</td>
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<td>3. Summary Information, Risk Factors and Ratio of Earnings to Fixed</td>
<td>Prospectus Summary; Risk Factors; Selected Financial Data</td>
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<td>4. Use of Proceeds</td>
<td>Prospectus Summary; Use of Proceeds</td>
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<tr>
<td>5. Determination of Offering Price</td>
<td>Outside Front Cover; Risk Factors; Dilution</td>
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<tr>
<td>6. Dilution</td>
<td>Dilution</td>
</tr>
<tr>
<td>7. Selling Security Holders</td>
<td>Principal and Selling Stockholders</td>
</tr>
<tr>
<td>8. Plan of Distribution</td>
<td>Outside Front Cover Page of Prospectus;</td>
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<tr>
<td>9. Description of Securities to be Registered</td>
<td>Description of Capital Stock</td>
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<tr>
<td>10. Interests of Named Experts and Counsel</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>11. Information with Respect to the Registrant</td>
<td>Prospectus Summary; Risk Factors; Dividend Policy; Selected Financial Data;</td>
</tr>
<tr>
<td></td>
<td>Management's Discussion and Analysis of Financial Condition and Results of Operations; Business;</td>
</tr>
<tr>
<td></td>
<td>Management; Certain Transactions; Description of Capital Stock; Shares Eligible for Future Sale;</td>
</tr>
<tr>
<td>Liabilities</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

SUBJECT TO COMPLETION, DATED NOVEMBER 5, 1996

PROSPECTUS

2,200,000 SHARES

LOGO

COMMON STOCK

Of the 2,200,000 shares of Common Stock ("Common Stock") offered hereby, 1,650,000 shares are being sold by ViaSat, Inc. ("ViaSat" or the "Company") and 550,000 shares are being sold by certain stockholders of the Company (the "Selling Stockholders"). The Company will not receive any of the proceeds from the sale of shares by the Selling Stockholders. See "Principal and Selling
Prior to this offering, there has been no public market for the Common Stock. It is currently estimated that the initial public offering price will be between $10.00 and $12.00. See "Underwriting" for information relating to the determination of the initial public offering price. The Company has applied to have the Common Stock approved for quotation and trading on The Nasdaq National Market under the symbol "VSAT."

THE COMMON STOCK OFFERED HEREBY INVOLVES A HIGH DEGREE OF RISK.

SEE "RISK FACTORS" COMMENCING ON PAGE 7.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<table>
<thead>
<tr>
<th>PRICE TO PUBLIC</th>
<th>UNDERWRITING DISCOUNTS AND COMMISSIONS(1)</th>
<th>PROCEEDS TO COMPANY (2)</th>
<th>PROCEEDS TO SELLING STOCKHOLDERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Share</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Total (3)</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

(1) The Company and the Selling Stockholders have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."

(2) Before deducting offering expenses payable by the Company, estimated to be $650,000.

(3) The Company has granted the Underwriters a 30-day option to purchase up to an additional 330,000 shares of Common Stock solely to cover over-allotments, if any. See "Underwriting." If such option is exercised in full, the total Price to Public, Underwriting Discounts and Commissions and Proceeds to Company will be $ , $ and $ , respectively.

The shares of Common Stock are offered severally by the Underwriters when, as and if delivered to and accepted by them, subject to their right to withdraw, cancel or reject orders in whole or in part and subject to certain other conditions. It is expected that delivery of the certificates representing the shares will be made against payment on or about , 1996 at the office of Oppenheimer & Co., Inc., Oppenheimer Tower, World Financial Center, New York, New York 10281.

OPPENHEIMER & CO., INC.

NEEDHAM & COMPANY, INC.

UNTHERBERG HARRIS

The date of this Prospectus is , 1996.
AVAILABLE INFORMATION

The Company has filed with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-1 under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the Common Stock offered hereby. This Prospectus, which constitutes a part of the Registration Statement, does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto. For further information with respect to the Company and the Common Stock offered hereby, reference is hereby made to such Registration Statement, exhibits and schedules filed as part of the Registration Statement. Statements contained in this Prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, reference is made to the copy of such contract or document filed as an exhibit to the Registration Statement or such other document. Each such statement is qualified in all respects by such reference to such exhibit.

After consummation of the offering, the Company will be subject to the informational and reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith, will be required to file reports, proxy and information statements, and other information with the Commission. Such reports, proxy statements and other information, as well as the Registration Statement of which this Prospectus is a part and the exhibits and schedules thereto, can be inspected and copied at the public reference facilities maintained by the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, as well as at the following regional offices: 7 World Trade Center, Suite 1300, New York, New York 10048, and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such materials also can be obtained from the Public Reference Section of the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Electronic reports, proxy and information statements, and other information filed through the Commission's Electronic Data Gathering, Analysis and Retrieval system are publicly available through the Commission's Web site (http://www.sec.gov).

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK OF THE COMPANY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NASDAQ NATIONAL MARKET, OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN CONNECTION WITH THIS OFFERING, CERTAIN UNDERWRITERS AND SELLING GROUP MEMBERS (IF ANY) OR THEIR RESPECTIVE AFFILIATES MAY ENGAGE IN PASSIVE MARKET MAKING TRANSACTIONS IN THE COMMON STOCK ON THE NASDAQ NATIONAL MARKET IN ACCORDANCE WITH RULE 10B-6A UNDER THE SECURITIES EXCHANGE ACT OF 1934. SEE "UNDERWRITING."

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this
THE COMPANY

ViaSat designs, produces and markets advanced digital satellite telecommunications and wireless signal processing equipment. The Company has achieved ten consecutive years of internally generated revenue growth and nine consecutive years of profitability, primarily through defense-related applications. More recently, the Company has been developing and marketing its technology through strategic alliances for emerging commercial markets, such as rural telephony, alternative carrier access and Internet/intranet access by satellite to multiple servers. ViaSat is a leading provider of Demand Assigned Multiple Access ("DAMA") technology, which allows a large number of Very Small Aperture Terminal ("VSAT") subscribers to economically share common satellite transponders for high-performance voice, fax or data communications.

The Company believes that DAMA satellite technology is superior to other existing VSAT networking technologies. The existing Time Division Multiplex/Time Division Multiple Access ("TDM/TDMA") networking technology features a "hub and spoke" architecture which requires all transmissions to be routed through a central terrestrial hub. Unlike TDM/TDMA systems, DAMA provides direct, on-demand switched networking capabilities which do not require a terrestrial hub and allow faster and more efficient use of expensive satellite transponder resources. In addition, the Company believes that its DAMA products, commercially marketed under the tradename StarWire(TM), offer greater network flexibility and permit up to 50% greater satellite capacity than competing DAMA systems. See "Business -- The ViaSat Advantage" and "-- Technology."

ViaSat's DAMA products include satellite modems, networking processors and network control systems for managing large numbers of network subscribers. The Company's DAMA technology consists of proprietary real-time firmware and software designed to run on industry-standard digital signal processors. The Company also has developed DAMA network control software that operates on IBM-compatible personal computers running Windows NT(TM) operating systems. The Company's DAMA technology operates on satellites in the military UHF and SHF frequency bands, and commercial C and K(u) bands. In addition to DAMA products, the Company offers network information security products, communications simulation and test equipment, and spread spectrum digital radios for satellite and terrestrial data networks.

The wireless communications industry has experienced significant worldwide growth in both the government and commercial markets during the past decade, primarily as a result of cost reductions and improvements in quality and performance. Although there can be no assurance that such growth will continue at a comparable rate or at all, service providers continue to expand the infrastructure associated with the wireless communications industry. A growing segment of such industry involves networked VSAT communication systems. The Company believes DAMA products offer customers using VSAT networks a more cost-effective opportunity than other existing VSAT networking technologies to expand and better utilize existing satellite capacity. The Company believes it can capitalize on this market opportunity through its leadership position with respect to DAMA technology and related networking and software products.
Maintain and Enhance Technology Leadership Position. The Company's strategy is to maintain and enhance its leadership position in DAMA-based satellite technology by continuing its participation in selected programs with the U.S. Department of Defense and its prime contractors (collectively, the "DOD") involving networking technology and other related real-time signal processing and networking software. The Company is also investing in proprietary research for commercial applications.

Leverage Technological Expertise into Commercial Markets. The Company's strategy is to continue using its technological expertise developed in defense applications to develop and market products to respond to the increasing demand for DAMA-based VSAT solutions for commercial voice and data applications. The Company is targeting commercial markets which it believes will offer high growth potential and where it believes ViaSat's technology will have competitive advantages, such as rural telephony, alternative carrier access and Internet/Intranet access by satellite to multiple servers.

Develop Broad Base of Innovative Proprietary Products. The Company's strategy is to continue to develop and market to both defense and commercial customers a broad variety of signal processing and networking software products.

Develop Strategic Alliances. The Company's strategy is to develop strategic alliances with leading prime defense contractors and major international telecommunications companies and equipment suppliers. The Company has entered into strategic alliances with defense companies, such as Hughes Defense Communications, formerly Magnavox Electronic Systems Co. ("Hughes Defense Communications"), and Lockheed Martin Corporation ("Lockheed Martin"), and commercial telecommunications companies, such as AT&T acting through its Tridom division ("AT&T Tridom"), Hutchison Corporate Access (HK) Limited ("Hutchison Telecommunications") and HCL Comnet Systems and Services Limited ("HCL Comnet").

Establish Global Presence. The Company's strategy is to develop its products so that they may be marketed and used throughout the world. The Company believes its focus on meeting applicable international communication standards and establishing key international strategic alliances will enable it to effectively penetrate foreign markets.

Address Rural Telephony Market. The Company believes there is a substantial unmet demand for rural telephony services, especially in developing countries. The Company's strategy is to capitalize on its networking software expertise to develop technology for establishing regional rural telephony network infrastructures of strategically located VSAT terminals capable of handling multiple satellite telephone calls ("Point-of-Entry Terminals"). The Company's strategy also includes seeking partnerships with regional and local service providers to create distribution channels for rural telephony infrastructures and to provide related retail distribution services, including sales of Company-designed subscriber terminals, installation and maintenance, as well as customer service, billing and revenue collection. To this end, the Company has recently entered into a contract with Hutchison Telecommunications for satellite telephony equipment which can serve as rural telephony infrastructure.

The Company was incorporated in California in 1986 and reincorporated in Delaware 1996. Its principal executive offices are located at 2290 Cosmos Court, Carlsbad, California 92009, and its telephone number is (619) 438-8099.


**THE OFFERING**

Common Stock Offered by the Company........... 1,650,000 Shares

Common Stock Offered by the Selling Stockholders............................... 550,000 Shares

Common Stock to be Outstanding After the Offering................................... 7,531,503 Shares(1)

Use of Proceeds.............................. For working capital and general corporate purposes. See "Use of Proceeds."

Proposed Nasdaq National Market Symbol...... VSAT

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(1) Based on shares outstanding as of October 25, 1996. Does not include 330,000 shares of Common Stock issuable upon the full exercise of the Underwriters' over-allotment option. Also does not include 369,348 shares of Common Stock issuable upon the exercise of outstanding options. See "Capitalization."

---

8

**SUMMARY FINANCIAL INFORMATION**

(IN THOUSANDS, EXCEPT PER SHARE DATA)

<table>
<thead>
<tr>
<th></th>
<th>SIX MONTHS ENDED</th>
<th>YEARS ENDED MARCH 31,</th>
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<tbody>
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</tr>
<tr>
<td>Revenues..........</td>
<td>$4,019</td>
<td>$5,072</td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>1,006</td>
<td>3,939</td>
</tr>
<tr>
<td>Gross profit......</td>
<td>1,013</td>
<td>1,133</td>
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<tr>
<td>Operating expenses:</td>
<td></td>
<td>--------</td>
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<tr>
<td>Selling, general and administrative......</td>
<td>503</td>
<td>740</td>
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<tr>
<td>Independent research and development......</td>
<td>59</td>
<td>134</td>
</tr>
<tr>
<td>Income from operations...</td>
<td>510</td>
<td>334</td>
</tr>
<tr>
<td>Interest income (expense)..............</td>
<td>7</td>
<td>(17)</td>
</tr>
<tr>
<td>Income before income taxes............</td>
<td>517</td>
<td>317</td>
</tr>
<tr>
<td>Provision (benefit) for income taxes.....</td>
<td>159</td>
<td>93</td>
</tr>
<tr>
<td>Net income.........</td>
<td>$ 358</td>
<td>$ 224</td>
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<tr>
<td>Pro forma net income per share(1).......</td>
<td>$ 0.28</td>
<td>$ 0.18</td>
</tr>
<tr>
<td>Shares used in per share calculations(1)........</td>
<td>5,876</td>
<td>6,121</td>
</tr>
</tbody>
</table>

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(1) Based on shares outstanding as of October 25, 1996. Does not include 330,000 shares of Common Stock issuable upon the full exercise of the Underwriters' over-allotment option. Also does not include 369,348 shares of Common Stock issuable upon the exercise of outstanding options. See "Capitalization."
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BALANCE SHEET DATA:
Cash and cash equivalents........  $ 101   $ 75   $  9  $2,731   $ 2,297   $ 1,186     $17,416
Working capital..................     912      964    1,486    2,808     4,651     4,969      21,199
Total assets.....................   1,750    2,550    4,986    9,377    13,262    16,412      32,642
Long-term debt, less current
portion.........................      50      124      297    1,220     1,747     1,512       1,512
Total stockholders' equity......   1,226    1,465    1,956    3,413     5,217     6,477      22,707

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(1) For an explanation of the determination of the number of shares used in
computing pro forma net income per share, see Note 1 of Notes to Financial
Statements.

(2) As adjusted to reflect the sale of 1,650,000 shares of Common Stock offered
by the Company hereby at an assumed offering price of $11.00 per share,
based on the midpoint of the offering price range set forth on the cover
page of this Prospectus, and the application of the net proceeds therefrom
as described under "Use of Proceeds." If the Company issues 1,980,000 shares
of Common Stock upon the full exercise of the Underwriters' option to cover
over-allotments, Cash and cash equivalents, Working capital, Total assets
and Total stockholders' equity would be $20,791, $24,574, $36,017 and
$26,082, respectively. See "Use of Proceeds" and "Capitalization."

RISK FACTORS

This Prospectus contains forward-looking statements within the meaning of
the Securities Act. Discussions containing such forward-looking statements may
be found throughout this Prospectus, including without limitation in the
materials set forth under "Summary," "Management's Discussion and Analysis of
Financial Condition and Results of Operations" and "Business." Actual events or
results may differ materially from those discussed in the forward-looking
statements as a result of various factors, including without limitation the risk
factors set forth below and the matters set forth in this Prospectus generally.

DEPENDENCE ON DEFENSE MARKET

Over 95% of the Company's revenues for the fiscal year ended March 31, 1996
and the six months ended September 30, 1996 were derived from U.S. government
defense applications. Although the Company has invested heavily in developing
commercial satellite products, there can be no assurance that the percentage of
the Company's commercial business will increase. In addition, there can be no
assurance that the Company's revenues from its government business will continue
to increase at historical rates or at all. U.S. government business is subject
to various risks including (i) unpredictable contract or project terminations,
reductions in funds available for the Company's projects due to government
policy changes, budget cuts and contract adjustments and penalties arising from
post-award contract audits, and incurred cost audits in which the value of the
contract may be reduced, (ii) risks of underestimating ultimate costs,
particularly with respect to software and hardware development, for work
performed pursuant to fixed-price contracts where the Company commits to achieve
specified deliveries for a predetermined fixed price, (iii) limited
profitability from cost-reimbursement contracts under which the amount of profit
attainable is limited to a specified negotiated amount and (iv) unpredictable
timing of cash collections of certain unbilled receivables as they may be
subject to acceptance of contract deliverables by the customer and contract
close-out procedures, including government approval of final indirect rates. See
"Business -- Government Contracts." In addition, substantially all of the
Company's backlog scheduled for delivery can be terminated at the convenience of
the government since orders are often made well in advance of delivery, and the Company's contracts typically provide that orders may be terminated with limited or no penalties. See "Business -- Backlog."

Certain of the Company's contracts individually contribute a significant percentage of the Company's revenues. For the fiscal year ended March 31, 1996 and the six months ended September 30, 1996, the Company's largest contracts (by revenues) were contracts related to the Company's UHF DAMA technology, which generated approximately 42.8% and 71.2% of the Company's total revenues for such periods, respectively, including a contract with Hughes Defense Communications which generated approximately 9.4% and 26.5% of the Company's total revenues for such periods, respectively. Scheduled deliveries pursuant to firm purchase orders under this contract are to be completed in June 1997. Hughes Defense Communications is an affiliate of Hughes Network Systems (HNS), which is the Company's principal competitor in the commercial DAMA market. See "Business -- Competition." The Company's five largest contracts (by revenues) generated approximately 36.5% and 63.2% of the Company's total revenues for the fiscal year ended March 31, 1996 and the six months ended September 30, 1996, respectively. The Company expects revenues to continue to be concentrated in a relatively small number of large U.S. government contracts. Termination or disruption of such contracts, especially the Company's largest contract, or the Company's inability to renew or replace such contracts when they expire, could have a material adverse effect on the Company's business, financial condition and results of operations.

PENETRATION OF COMMERCIAL MARKETS; NEW PRODUCT INTRODUCTIONS

The Company's ability to grow will depend substantially on its and its customers' ability to apply its expertise and technologies to existing and emerging commercial wireless communications markets. The Company's efforts to penetrate commercial markets has resulted, and the Company anticipates that it will continue to result, in increased sales and marketing and research and development expenses. If the Company's net revenues do not correspondingly increase, the Company's business, financial condition and results of operations could be materially adversely affected. The Company's success in penetrating commercial markets also depends upon the success of new product introductions by the Company, which will be dependent upon several factors, including timely completion and introduction of new product designs, achievement of acceptable product costs, establishment of close working relationships with major customers for the design of their new wireless communications systems incorporating the Company's products and market acceptance. Sales of the Company's commercial StarWire(TM) products (see "Business -- Commercial Markets, Products and Customers -- Commercial Products") have not yet achieved profitability. The Company believes that as the market expands for the StarWire(TM) products, average production costs for such products should decrease and sales of such products should become profitable. However, there can be no assurance that the market for such products will expand or that average production costs will decrease. If the Company is unable to design, manufacture and market profitable new products for existing or emerging commercial markets, its business, financial condition and results of operations will be adversely affected. No assurance can be given that the Company's product development efforts for commercial products will be successful or that any new commercial products it develops will achieve market acceptance. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business -- Commercial Markets, Products and Customers."

DEVELOPMENT CONTRACTS

The telecommunications industry is characterized by rapid technological change. As a result, many companies involved in the telecommunications industry, including the Company, are often parties to governmental and commercial
contracts which involve development of various products. Pursuant to such contracts, the company performing the development services typically must agree to meet strict performance covenants and project milestones which there is a risk it may not be able to satisfy. Under the terms of such contracts, the failure by a company to meet such performance covenants and milestones permit the other party to terminate the contract and, under certain circumstances, recover liquidated damages or other penalties from the breaching party. The Company is currently a party to a number of such contracts with a number of customers including, but not limited to, Hutchison Telecommunications, HCL Comnet, Hughes Defense Communications and the DOD. See "Business -- Commercial Markets, Products and Customers -- Commercial Customers" and " -- Government Markets, Products and Customers -- Government Customers." In substantially all of these contracts, the Company is not currently or in the past has not been in compliance with every outstanding performance covenant and project milestone. While the Company's past experience has been that in situations where the Company has not met all performance covenants and project milestones generally the other party has not elected to terminate such contracts or seek liquidated damages from the Company, there can be no assurance that this will not occur in the future with respect to current or future contracts and that such termination or damages would not have a material adverse effect on the Company.

FLUCTUATIONS IN RESULTS OF OPERATIONS

The Company has experienced and expects to continue to experience significant fluctuations in quarterly and annual revenues, gross margins and operating results. The procurement process for most of the Company's current and potential customers is complex and lengthy, and the timing and amount of revenues is difficult to predict reliably. The Company recognizes a majority of its revenues under the percentage of completion method which requires estimates regarding costs that will be incurred over the life of a specific contract. Actual results may differ from those estimates. In such event, the Company has been and may in the future be required to adjust revenues in subsequent periods relating to revisions of prior period estimates, resulting in fluctuations in the Company's results of operations from period to period. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Quarterly Results of Operations." In addition, a single customer's order scheduled for delivery in a quarter can represent a significant portion of the Company's potential revenues for such quarter. The Company has at times failed to receive expected orders, and delivery schedules have been deferred as a result of, among other factors, changes in customer requirements or parts shortages. Currently, approximately 26.5% of the Company's revenues are dependent on its largest contract. Any disruption with respect to this contract could have a material adverse effect on the Company in any period where such a disruption occurs. See "Business -- Government Markets, Products and Customers -- Government Customers." As a result of the foregoing and other factors, the Company's operating results for particular periods have in the past been and may in the future be materially adversely affected by a delay, rescheduling or cancellation of even one purchase order. Moreover, purchase orders are often received and accepted substantially in advance of delivery, and the failure to reduce actual costs to the extent anticipated or an increase in anticipated costs before delivery could materially adversely affect the gross margins for such orders, and as a result, the Company's results of operations. There can be no assurance that the Company will continue to realize positive gross margins or operating results in the future, and even if so realized, there can be no assurance as to the level of such gross margins and operating results.

A large portion of the Company's expenses are fixed and difficult to reduce should revenues not meet the Company's expectations, thus magnifying the material adverse effect of any revenue shortfall. Furthermore, announcements by the Company or its competitors of new products and technologies could cause customers to defer or cancel purchases of the Company's products and services, which could materially adversely affect the Company's business, financial condition and results of operations or result in fluctuations in the Company's results of operations from period to period. Additional factors that may cause
the Company's revenues, gross margins and results of operations to vary significantly from period to period include mix of products and services sold; manufacturing efficiencies, costs and capacity; price discounts; market acceptance and the timing of availability of new products by the Company or its customers; usage of different distribution and sales channels; warranty and customer support expenses; customization of products and services; and general economic and political conditions. In addition, the Company's results of operations are influenced by competitive factors, including the pricing and availability of, and demand for, competitive products. All of the above factors are difficult for the Company to forecast, and these and other factors could materially adversely affect the Company's business, financial condition and results of operations or result in fluctuations in the Company's results of operations from period to period. As a result, the Company believes that period-to-period comparisons are not necessarily meaningful and should not be relied upon as indications of future performance. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Quarterly Results of Operations."

CONTRACT PROFIT EXPOSURE

The Company's products and services are provided primarily through three types of contracts: fixed-price, time-and-materials and cost-reimbursement contracts. Approximately 56.3% and 56.9% of the Company's total revenues for the fiscal year ended March 31, 1996 and for the six months ended September 30, 1996, respectively, were derived from fixed-price contracts which require the Company to provide products and services under a contract at a stipulated price. The Company derived approximately 5.0% and 5.8% of its revenues during such periods from time-and-materials contracts which reimburse the Company for the number of labor hours expended at an established hourly rate negotiated in the contract, plus the cost of materials utilized in providing such products or services. The balance of the Company's revenues for the fiscal year ended March 31, 1996 and the six months ended September 30, 1996, respectively, were derived from cost-reimbursement contracts under which the Company is reimbursed for actual costs incurred in performing the contract to the extent that such costs are within the contract ceiling and allowable, allocable and reasonable under the terms of the contract, plus a fee or profit. See "Business -- Government Contracts."

The Company assumes greater financial risk on fixed-price contracts than on either time-and-materials or cost-reimbursement contracts. As the Company increases its manufacturing business, it believes that an increasing percentage of its contracts will be fixed-priced. Failure to anticipate technical problems, estimate costs accurately or control costs during performance of a fixed-price contract may reduce the Company's profit or cause a loss. In addition, greater risks are involved under time-and-materials contracts than under cost-reimbursement contracts because the Company assumes the responsibility for the delivery of specified products or services at a fixed hourly rate. Although management believes that it adequately estimates costs for fixed-price and time-and-materials contracts, no assurance can be given that such estimates are adequate or that losses on fixed-price and time-and-materials contracts will not occur in the future.

To compete successfully for business, the Company must satisfy client requirements at competitive rates. Although the Company continually attempts to lower its costs, there are other companies that may provide the same or similar products or services at comparable or lower prices than the Company. There can be no assurance that the Company will be able to compete effectively on pricing or other requirements, and as a result, the Company could lose clients or be unable to maintain historic gross margin levels or to operate profitably. See "Business -- Competition."

DECLINING AVERAGE SELLING PRICES; FLUCTUATIONS IN GROSS MARGINS
Average selling prices for the Company's products may fluctuate from period to period due to a number of factors, including product mix, competition and unit volumes. In particular, the average selling prices of a specific product tend to decrease over that product's life. To offset such decreases, the Company intends to rely primarily on obtaining yield improvements and corresponding cost reductions in the manufacture of existing products and on introducing new products that incorporate advanced features and therefore can be sold at higher average selling prices. However, there can be no assurance that the Company will be able to obtain any such yield improvements or cost reductions or introduce any such new products in the future. To the extent that such cost reductions and new product introductions do not occur in a timely manner or the Company's or its customers' products do not achieve market acceptance, the Company's business, financial condition and results of operations could be materially adversely affected. See "Business -- Manufacturing."

The Company's gross margins in any period are affected by a number of different factors. Because of the different gross margins on various products, changes in product mix can impact gross margins in any particular period. In addition, in the event that the Company is not able to adequately respond to pricing pressures, the Company's current customers may decrease, postpone or cancel current or planned orders, and the Company may not be able to secure new customers or orders. As a result, the Company may not be able to achieve desired production volumes or gross margins.

GOVERNMENT REGULATIONS

The Company's products are incorporated into wireless communications systems that are subject to various government regulations. Regulatory changes, including changes in the allocation of available frequency spectrum and in the military standards and specifications ("MIL-STDs") which define the current satellite networking environment, could significantly impact the Company's operations by restricting development efforts by the Company's customers, making current products obsolete or increasing the opportunity for additional competition. There can be no assurance that regulatory bodies will not promulgate new regulations that could have a material adverse effect on the Company's business, financial condition and results of operations. Changes in, or the failure by the Company to comply with, applicable domestic and international regulations could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, the increasing demand for wireless communications has exerted pressure on regulatory bodies worldwide to adopt new standards for such products and services, generally following extensive investigation of and deliberation over competing technologies. The delays inherent in this governmental approval process have caused and may continue to cause the cancellation, postponement or rescheduling of the installation of communications systems by the Company's customers, which in turn may have a material adverse effect on the sale of products by the Company to such customers. See "Business -- Government Regulations."

The Company has benefitted and continues to benefit from the Small Business Innovation Research ("SBIR") program, through which the government provides research and development funding for companies with fewer than 500 employees. While the Company has already harvested significant benefits from the SBIR program throughout the initial developmental stages of its core technology base, the Company believes that its business, financial condition and results of operations would not be materially adversely affected if the Company were to lose its SBIR funding status. See "Business -- Research and Development."

EMERGING MARKETS IN WIRELESS COMMUNICATIONS

A number of the commercial markets for the Company's products in the wireless communications area, including its DAMA products, have only recently begun to develop. Because these markets are relatively new, it is difficult to predict the rate at which these markets will grow, if at all. If the markets for the Company's products in the commercial wireless communications area fail to grow, or grow more slowly than anticipated, the Company's business, financial condition and
results of operations could be materially adversely affected. Conversely, to the extent that growth in these markets results in capacity limitations in the wireless communications area, the Company's business, financial condition and results of operations could also be materially adversely affected. See "Business -- Commercial Markets, Products and Customers."

RURAL TELEPHONY MARKET

The Company's strategy includes focusing on establishing rural telephony networking infrastructure for developing countries through strategic alliances with regional and local service providers (see "Business -- Strategy -- Address Rural Telephony Market"). There can be no assurance that a substantial market for rural telephony equipment in developing countries will ever develop, or if such a market does develop that fixed-site DAMA VSAT-based equipment will capture a significant portion of that market. The Company's ability to penetrate such markets will be dependent upon its ability to develop equipment and software which can be utilized by the regional and local service providers to develop and implement such infrastructure and for such service providers to market and sell the use of such systems. Furthermore, there can be no assurance that the regional and local service providers will be able to successfully market subscriber terminals to rural subscribers. The development and implementation of such rural telephony systems will be dependent upon, among other things, the continued development of the necessary hardware and software technologies (including the necessary expenditures of a large amount of funds and resources), the implementation of cost-effective systems, market acceptance for such systems and approval by the appropriate regulatory agencies. There can be no assurance that the Company will be able to develop equipment and software which can be utilized in such rural telephony systems and accepted by regional and local service providers or that any regional or local service providers will be able to develop, implement and market rural telephony systems. Furthermore, if the Company successfully introduces such products and the regional and local service providers successfully develop and implement such systems, there is no assurance that the Company will generate enough revenues to cover the Company expenditures in the development and marketing of such products. Even if the Company is able to realize sales of such products, the Company believes it is not likely that the Company will realize any significant revenues from rural telephony applications any time in the foreseeable future, including at least the next two years.

DEPENDENCE ON CONTRACT MANUFACTURERS; RELIANCE ON SOLE OR LIMITED SOURCES OF SUPPLY

The Company's internal manufacturing capacity is limited. The Company has recently begun to utilize contract manufacturers to produce its products and expects to rely increasingly on such manufacturers in the future. The Company also relies on outside vendors to manufacture certain components and subassemblies, including printed wiring boards. Certain components, subassemblies and services necessary for the manufacture of the Company's products are obtained from a sole supplier or a limited group of suppliers. In particular, Texas Instruments is a sole source supplier of digital signal processing chips, which are critical components used by the Company in substantially all of its products. There can be no assurance that the Company's internal manufacturing capacity and that of its contract manufacturers and suppliers will be sufficient to timely fulfill the Company's orders. See "Business -- Manufacturing."

The Company's reliance on contract manufacturers and on sole suppliers or a limited group of suppliers involves several risks, including a potential inability to obtain an adequate supply of required components, and reduced control over the price, timely delivery, reliability and quality of finished products. From time to time, the Company enters into long-term supply agreements with its manufacturers and suppliers. See Note 9 of Notes to Financial Statements. Manufacture of the Company's products and certain of its components and subassemblies is an extremely complex process, and the Company has from time to time experienced and may in the future experience delays in the delivery of and quality problems with products and certain components and subassemblies from vendors. Certain of the Company's suppliers have relatively limited financial and other resources. Any inability to obtain timely deliveries of components and subassemblies of acceptable quality or any other circumstance that would require the Company to seek alternative sources of supply, or to manufacture its finished products or such components and subassemblies internally, could delay
Company from timely delivery of its systems or raise issues regarding quality, which could damage relationships with current or prospective customers and have a material adverse effect on the Company's business, financial condition and results of operations.

COMPETITION

The markets for the Company's products and services are extremely competitive, and the Company expects that competition will increase in such markets. Many of the Company's competitors have entrenched market positions, established patents, copyrights, tradenames, trademarks, service marks and intellectual property rights and substantial technological capabilities. The Company's existing and potential competitors include large and emerging domestic and international companies, many of which have significantly greater financial, technical, manufacturing, marketing, sales and distribution resources and management expertise than the Company. The Company believes that its ability to compete successfully in the markets for its products and services depends upon a number of factors within and outside its control, including price, quality, availability, product performance and features, timing of new product introductions by the Company, its customers and competitors, and customer service and technical support. The Company's customers continuously evaluate whether to develop and manufacture their own products and could elect to compete with the Company at any time. Price competition in the markets in which the Company currently competes is likely to increase, which could have a material adverse effect on the Company's business, financial condition and results of operations. See "Business -- Competition."

LIMITED PROTECTION OF THE COMPANY'S INTELLECTUAL PROPERTY

The Company's ability to compete may depend, in part, on its ability to obtain and enforce intellectual property protection for its technology in the United States and internationally. The Company relies on a combination of trade secrets, copyrights, trademarks, service marks and contractual rights to protect its intellectual property. There can be no assurance that the steps taken by the Company will be adequate to deter misappropriation or impede third party development of the Company's technology. In addition, the laws of certain foreign countries in which the Company's products are or may be sold do not protect the Company's intellectual property rights to the same extent as do the laws of the United States. The failure of the Company to protect its proprietary information could have a material adverse effect on the Company's business, financial condition and results of operations. See "Business -- Intellectual Property."

Litigation may be necessary to protect the Company's intellectual property rights and trade secrets, to determine the validity and scope of the proprietary rights of others or to defend against claims of infringement or invalidity. Such litigation could result in substantial costs and diversion of resources and could have a material adverse effect on the Company's business, financial condition and results of operations. There can be no assurance that infringement, invalidity, right to use or ownership claims by third parties or claims for indemnification resulting from infringement claims will not be asserted against the Company in the future. If any claims or actions are asserted against the Company, the Company may seek to obtain a license under a third party's intellectual property rights. There can be no assurance, however, that a license will be available under reasonable terms or at all. In addition, should the Company decide to litigate such claims, such litigation could be extremely expensive and time consuming and could materially adversely affect the Company's business, financial condition and results of operations, regardless of the outcome of the litigation. If the Company's products are found to infringe upon the rights of third parties, the Company may be forced to incur substantial costs to develop alternative products. There can be no assurance that the Company would be able to develop such alternative products or that if such alternative products were developed, they would perform as required or be accepted in the applicable markets.
REQUIREMENT FOR RESPONSE TO RAPID TECHNOLOGICAL CHANGE AND REQUIREMENT FOR
FREQUENT NEW PRODUCT INTRODUCTIONS

The wireless communications market is subject to rapid technological
change, frequent new product introductions and enhancements, product
obsolescence and changes in end-user requirements. The Company's ability to be
competitive in this market will depend in significant part upon its ability to
successfully develop,

introduce and sell new products and enhancements on a timely and cost-effective
basis that respond to changing customer requirements. Any success of the Company
in developing new and enhanced products will depend upon a variety of factors,
including new product selection, integration of the various elements of its
complex technology, timely and efficient completion of product design, timely
and efficient implementation of manufacturing and assembly processes and its
cost reduction efforts, development and completion of related software tools,
product performance, quality and reliability and development of competitive
products by competitors. The Company may experience delays from time to time in
completing development and introduction of new products. Moreover, there can be
no assurance that the Company will be successful in selecting, developing,
manufacturing and marketing new products or enhancements. There can be no
assurance that errors will not be found in the Company's products after
commencement of deliveries, which could result in the loss of or delay in market
acceptance. The inability of the Company to introduce in a timely manner new
products that achieve market acceptance and thereby contribute to revenues could
have a material adverse effect on the Company's business, financial condition
and results of operations. See "Business -- Research and Development."

INTERNATIONAL OPERATIONS; RISKS OF DOING BUSINESS IN DEVELOPING COUNTRIES

The Company anticipates that international sales will account for an
increasing percentage of its revenues for the foreseeable future. The Company's
international sales may be denominated in foreign or U.S. currencies. The
Company does not currently engage in foreign currency hedging transactions. As a
result, a decrease in the value of foreign currencies relative to the U.S.
dollar could result in losses from transactions denominated in foreign
currencies. With respect to the Company's international sales that are U.S.
dollar-denominated, such a decrease could make the Company's products less
price-competitive. Additional risks inherent in the Company's international
business activities include various and changing regulatory requirements, cost
and risks of localizing systems in foreign countries, increased sales and
marketing and research and development expenses, availability of suitable export
financing, timing and availability of export licenses, tariffs and other trade
barriers, political and economic instability, difficulties in staffing and
managing foreign operations, difficulties in managing distributors, potentially
adverse taxes, complex foreign laws and treaties and the possibility of
difficulty in accounts receivable collections. Certain of the Company's customer
purchase agreements are governed by foreign laws, which may differ significantly
from U.S. laws. Therefore, the Company may be limited in its ability to enforce
its rights under such agreements and to collect damages, if awarded. There can
be no assurance that any of these factors will not have a material adverse
effect on the Company's business, financial condition and results of operations.

ABSENCE OF PUBLIC MARKET; POSSIBLE VOLATILITY OF STOCK PRICE

Prior to this offering, there has been no public market for the Common
Stock, and there can be no assurance that a viable public market for the Common
Stock will develop or be sustained after this offering. The Company believes
that factors such as announcements of developments related to the Company's
business, announcements of technological innovations or new products or
enhancements by the Company or its competitors, developments in the Company's
relationships with its customers, partners, distributors and suppliers, changes
in analysts' estimates, regulatory developments, fluctuations in results of
operations and general conditions in the Company's market or the markets served
by the Company's customers or the economy could cause the price of the Common
Stock to fluctuate, perhaps substantially. In addition, in recent years the
stock market in general, and technology companies in particular have been
subject to significant price fluctuations, which have often been unrelated to
the operating performance of affected companies. Such fluctuations could
adversely affect the market price of the Common Stock. There can be no assurance
that the market price of the Common Stock will not experience significant
fluctuations in the future, including fluctuations that are unrelated to the
Company's performance.

CONTROL BY EXISTING STOCKHOLDERS

Following the completion of this offering, members of the Board of
Directors and the executive officers of the Company, together with members of
their families and entities that may be deemed affiliates of or related
to such persons or entities, will beneficially own approximately 36.4% of the
outstanding shares of Common Stock of the Company. Accordingly, these
stockholders may be able to elect all members of the Company's Board of
Directors and determine the outcome of corporate actions requiring stockholder
approval, such as mergers and acquisitions. This level of ownership may have a
significant effect in delaying, deferring or preventing a change in control of
the Company and may adversely affect the voting and other rights of other
holders of the Common Stock. See "Management -- Executive Officers and
Directors" and "Principal and Selling Stockholders."

BENEFITS OF OFFERING TO EXISTING STOCKHOLDERS

The existing stockholders of the Company will receive certain benefits from
the sale of the Common Stock offered hereby. The offering will establish a
public market for the Common Stock and provide increased liquidity to the
existing stockholders for the shares of Common Stock they will own after the
offering, subject to certain limitations. See "Shares Eligible for Future Sale."
The Selling Stockholders are selling 550,000 shares of Common Stock in the
offering and, at an assumed offering price of $11.00 per share, will receive
approximately $6.1 million. See "Principal and Selling Stockholders." In
addition, immediately following the offering existing stockholders, assuming an
offering price of $11.00 per share, will have an average unrealized gain over
the original cost of the shares that will continue to be held by them of $10.76
per share or an aggregate unrealized gain of approximately $57.3 million. See
"Dilution."

ANTI-TAKEOVER EFFECTS OF CERTAIN CHARTER PROVISIONS

Certain provisions of the Company's Amended and Restated Certificate of
Incorporation and Bylaws could discourage potential acquisition proposals, could
delay or prevent a change in control of the Company and could make removal of
management more difficult. Such provisions could diminish the opportunities for
a stockholder to participate in tender offers, including tender offers that are
priced above the then current market value of the Common Stock. The provisions
also may inhibit increases in the market price of the Common Stock that could
result from takeover attempts. Additionally, the Board of Directors of the
Company, without further stockholder approval, may issue up to 5,000,000 shares
of Preferred Stock, in one or more series, with such terms as the Board of
Directors may determine, including rights such as voting, dividend and
conversion rights which could adversely affect the voting power and other rights
of the holders of Common Stock. Preferred Stock may be issued quickly with terms
which delay or prevent the change in control of the Company or make removal of
management more difficult. Also, the issuance of Preferred Stock may have the
effect of decreasing the market price of the Common Stock. Other than as set
forth under "Description of Capital Stock," the Company does not currently
intend to adopt any anti-takeover provisions. See "Description of Capital
Stock -- Preferred Stock" and "-- Business Combinations; Certain Charter and
Bylaw Provisions."

DEPENDENCE ON KEY PERSONNEL
The Company's future success depends in large part on the continued service of its key technical, marketing and management personnel and on its ability to continue to attract and retain qualified employees, particularly its Chief Executive Officer, Mark D. Dankberg, and those highly skilled design, process and test engineers involved in the manufacture of existing products and the development of new products and processes. The competition for such personnel is intense, and the loss of key employees could have a material adverse effect on the Company's business, financial condition and results of operations. The Company does not have employment agreements with any of its officers or employees. The Company has obtained, however, a key man insurance policy on the life of Mr. Dankberg in the amount of $500,000, of which the Company is the sole beneficiary. See "Business -- Employees" and "Management."

MANAGEMENT'S DISCRETION OVER PROCEEDS OF THE OFFERING

The Company has no current specific plan for the net proceeds of this offering, other than for working capital and general corporate purposes. As a consequence, the Company's management will have discretion over the proceeds for the foreseeable future. There can be no assurance that the proceeds can or will be invested to yield a return as great as the Company has historically experienced or any significant return at all. See "Use of Proceeds."

DILUTION

The initial public offering price is expected to be substantially higher than the net tangible book value per share of the Common Stock. Investors purchasing shares of Common Stock in this offering will therefore incur immediate and substantial net tangible book value dilution. To the extent that stock options (currently outstanding or subsequently granted) to purchase Common Stock are exercised, there will be further dilution. See "Dilution."

SHARES ELIGIBLE FOR FUTURE SALE

Sales of substantial amounts of shares in the public market or the prospect of such sales could adversely affect the market price of the Common Stock. Upon completion of this offering, the Company will have outstanding 7,531,503 shares of Common Stock. Immediately upon the effectiveness of this offering, the 2,200,000 shares offered hereby (plus any shares issued upon exercise of the Underwriters' over-allotment option) will be freely tradeable. Of the remaining shares, 4,491,822 are subject to lock-up agreements pursuant to which the holders of such shares have agreed not to sell or otherwise dispose of such shares for a period of 180 days after the date of the offering without the prior written consent of the representatives of the Underwriters. The shares not subject to lock-up agreements may be freely sold after the offering, subject to certain volume and other limitations of Rule 144 under the Securities Act. The Company intends to file a registration statement under the Securities Act after this offering covering the sale of 1,369,348 shares of Common Stock under the Company's 1993 Stock Option Plan, 1996 Equity Participation Plan and Employee Stock Purchase Plan. See "Management -- 1993 Stock Option Plan," "-- 1996 Equity Participation Plan," "-- Employee Stock Purchase Plan," "Shares Eligible for Future Sale" and "Underwriting."

CAPITALIZATION

The following table sets forth as of September 30, 1996 (i) the Company's actual capitalization (as if the 0.7335-for-one reverse stock split of the Common Stock effected on November 4, 1996 had occurred prior to September 30, 1996) and (ii) capitalization as adjusted to reflect the conversion of all outstanding shares of Preferred Stock into Common Stock upon the closing of this
offering, the amendments to the Company's Certificate of Incorporation to
increase the Company's authorized capital stock and the sale of the 1,650,000
shares of Common Stock offered by the Company hereby at an assumed offering
price of $11.00 per share, based on the midpoint of the offering price range set
forth on the cover page of this Prospectus (after deduction of the underwriting
discounts and commissions and estimated offering expenses), and the application
of the net proceeds therefrom as described under "Use of Proceeds."

AS OF SEPTEMBER 30, 1996

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<th></th>
<th>ACTUAL</th>
<th>AS ADJUSTED(2)</th>
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<td>Total long-term debt, less current portion</td>
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<td>Stockholders' equity(1):</td>
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<tr>
<td>Preferred stock, $0.0001 par value, 3,225,000 shares authorized,</td>
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<td></td>
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<tr>
<td>3,225,000 shares issued and outstanding actual; 5,000,000 shares authorized, no shares issued or outstanding as adjusted</td>
<td>32,000</td>
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<tr>
<td>Common stock, $0.0001 par value, 7,335,000 shares authorized,</td>
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<td>80,000</td>
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<tr>
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<td>(311,000)</td>
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<td>5,484,000</td>
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<tr>
<td>Retained earnings</td>
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<tr>
<td>Total stockholders' equity</td>
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<td>$ 24,219,000</td>
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<tr>
<td>Total capitalization</td>
<td>$7,989,000</td>
<td>$ 24,219,000</td>
</tr>
</tbody>
</table>

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(1) Excludes 330,000 shares of Common Stock issuable by the Company upon the full exercise of the Underwriters' over-allotment option. Also excludes 375,509 shares of Common Stock issuable upon exercise of options outstanding as of September 30, 1996 at an average exercise price of $1.87 per share. See "Management -- 1993 Stock Option Plan," "-- 1996 Equity Participation Plan" and Note 6 of Notes to Financial Statements.

(2) Common Stock, Paid-in capital, Total stockholders' equity and Total capitalization would be $80,000, $20,829,000, $26,082,000 and $27,594,000, respectively, if the Underwriters' over-allotment option is exercised in full.

USE OF PROCEEDS

The net proceeds to the Company from the sale of the 1,650,000 shares of Common Stock being offered by the Company are estimated to be $16,230,000 ($19,605,000 if the Underwriters' over-allotment option is exercised in full), based on an assumed offering price of $11.00 per share and after deducting the underwriting discounts and commissions and estimated offering expenses payable by the Company. The Company intends to use the net proceeds of this offering for working capital and general corporate purposes. Pending their use, the proceeds will be invested in short-term, investment-grade, interest-bearing securities. The Company will not receive any of the proceeds from the sale of Common Stock by the Selling Shareholders. See "Principal and Selling Stockholders."

DIVIDEND POLICY

To date, the Company has neither declared nor paid any dividends on the Common Stock. The Company currently intends to retain all future earnings, if any, for use in the operation and development of its business and, therefore, does not expect to declare or pay any cash dividends on the Common Stock in the
foreseeable future. In addition, an equipment financing agreement of the Company prohibits the payment of any cash dividends on the Company's capital stock.

DILUTION

The pro forma net tangible book value of the Company as of September 30, 1996 was $6,352,000 or $1.08 per share. Pro forma net tangible book value per share represents the amount of total tangible assets of the Company reduced by the amount of its total liabilities, divided by the total number of shares of Common Stock outstanding, including shares of Common Stock resulting from the conversion of the Preferred Stock. After giving effect to the net proceeds from the sale of 1,650,000 shares of Common Stock offered by the Company at an assumed offering price of $11.00 per share, the pro forma net tangible book value of the Company as of September 30, 1996 would have been $22,707,000 or $3.02 per share of Common Stock. This represents an immediate increase in net tangible book value of $1.94 per share to existing stockholders and an immediate dilution of $7.98 per share to new investors. See "Risk Factors -- Benefits of Offering to Existing Stockholders." The following table illustrates the per share dilution in net tangible book value to new investors.

| Assumed initial public offering price per share | $11.00 |
| Net tangible book value per share | $1.08 |
| Increase per share attributable to new investors | 1.94 |
| Pro forma net tangible book value per share after the offering(1) | 3.02 |
| Dilution per share to new investors(1) | $ 7.98 |

(1) If the Underwriters had exercised their over-allotment option at September 30, 1996, pro forma net tangible book value per share after the offering would have been $3.26, representing an increase in pro forma net tangible book value per share of $2.24 to existing stockholders and an immediate dilution of $7.68 per share to new investors. Additionally, had all options for the purchase of Common Stock outstanding at September 30, 1996 been exercised at such date, pro forma net tangible book value per share after the offering (and the assumed exercise of the Underwriters' over-allotment option) would have been $3.26, representing an increase in pro forma net tangible book value per share of $2.18 to existing stockholders and an immediate dilution of $7.74 per share to new investors.

The following table summarizes, on a pro forma basis, as of September 30, 1996, the differences in total consideration paid and the average price per share paid by existing stockholders and new investors with respect to the number of shares of Common Stock purchased from the Company assuming an offering price of $11.00 per share:

<table>
<thead>
<tr>
<th>SHARES PURCHASED</th>
<th>TOTAL CONSIDERATION</th>
<th>AVERAGE PRICE PAID</th>
</tr>
</thead>
<tbody>
<tr>
<td>NUMBER PERCENT</td>
<td>AMOUNT PERCENT</td>
<td>PER SHARE</td>
</tr>
<tr>
<td>Existing stockholders(1)</td>
<td>5,875,342 78%</td>
<td>$ 1,304,000 7%</td>
</tr>
<tr>
<td>New investors(2)</td>
<td>1,650,000 22%</td>
<td>$18,150,000 93</td>
</tr>
<tr>
<td>Total(2)</td>
<td>7,525,342 100%</td>
<td>$19,454,000 100%</td>
</tr>
</tbody>
</table>
(1) Sales by Selling Stockholders in this offering will reduce the number of shares of Common Stock held by existing stockholders to 5,325,342 or approximately 70.8% (5,325,342 shares or approximately 67.8% if the Underwriters' over-allotment option is exercised in full) and will increase the number of shares of Common Stock held by new investors to 2,200,000 or approximately 29.2% (2,530,000 shares or approximately 32.2% if the Underwriters' over-allotment option is exercised in full) of the total number of shares of Common Stock outstanding after the closing of this offering.

(2) The Company has granted the Underwriters an option to purchase up to 330,000 shares of Common Stock to cover over-allotments, if any. If the Underwriters' over-allotment option is exercised in full, the Company will issue an aggregate of 1,980,000 shares of Common Stock to new investors (25.2% of the total of 7,855,342 shares outstanding) and the total consideration from new investors will be $21,780,000 (94.4% of the total of $23,084,000 consideration paid for all shares outstanding).

The information presented with respect to existing stockholders assumes no exercise of the Underwriters' over-allotment option and no exercise of outstanding options after September 30, 1996. As of September 30, 1996, options to purchase 375,509 shares of Common Stock were outstanding. An additional 750,000 shares of Common Stock are reserved for issuance under the 1996 Equity Participation Plan and 250,000 shares are reserved for issuance under the Employee Stock Purchase Plan. The issuance of Common Stock under these plans could result in further dilution to new investors. See "Management -- 1993 Stock Option Plan," "-- 1996 Equity Participation Plan" and "-- Employee Stock Purchase Plan."

SELECTED FINANCIAL DATA
(IN THOUSANDS, EXCEPT PER SHARE DATA)

The following selected financial data as of March 31, 1995 and 1996 and for the years ended March 31, 1994, 1995 and 1996 have been derived from, and are qualified by reference to, the audited financial statements of the Company included elsewhere in this Prospectus. The selected financial data as of March 31, 1992, 1993 and 1994 and for the years ended March 31, 1992 and 1993 have been derived from the audited financial statements of the Company not included herein. The selected financial data as of September 30, 1996 and for the six months ended September, 30 1995 and 1996 have been prepared on a basis consistent with the audited financial statements and derived from unaudited financial statements also appearing herein which, in the opinion of management, include all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the financial position and results of operations of the Company for the unaudited interim periods. The statement of operations data for any particular period are not necessarily indicative of the results of operations for any future period, including the Company's fiscal year ending March 31, 1997. The data set forth below are qualified by reference to, and should be read in conjunction with, the Financial Statements and Notes thereto and the discussion thereof included elsewhere in this Prospectus.
STATEMENT OF INCOME DATA:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$4,019</td>
<td>$5,072</td>
<td>$11,579</td>
<td>$22,341</td>
<td>$29,017</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cost of revenues</strong></td>
<td>3,006</td>
<td>3,939</td>
<td>9,033</td>
<td>16,855</td>
<td>20,983</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>1,013</td>
<td>1,133</td>
<td>2,546</td>
<td>5,486</td>
<td>8,034</td>
<td>4,046</td>
<td>6,249</td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling, general and</td>
<td>503</td>
<td>740</td>
<td>1,554</td>
<td>2,416</td>
<td>3,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>administrative</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent research</td>
<td>59</td>
<td>134</td>
<td>788</td>
<td>2,820</td>
<td>1,186</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>**Income from operations</td>
<td>510</td>
<td>334</td>
<td>858</td>
<td>2,282</td>
<td>1,098</td>
<td>1,718</td>
<td></td>
</tr>
<tr>
<td><strong>Interest income</strong></td>
<td>7</td>
<td>(17)</td>
<td>(45)</td>
<td>(87)</td>
<td>(231)</td>
<td>(86)</td>
<td>(56)</td>
</tr>
<tr>
<td><strong>Interest income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income before income</strong></td>
<td>517</td>
<td>317</td>
<td>813</td>
<td>2,195</td>
<td>1,012</td>
<td>1,662</td>
<td></td>
</tr>
<tr>
<td><strong>taxes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Provision (benefit)</strong></td>
<td>159</td>
<td>93</td>
<td>328</td>
<td>888</td>
<td>1,186</td>
<td>580</td>
<td></td>
</tr>
<tr>
<td><strong>Provision (benefit)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$358</td>
<td>$224</td>
<td>$485</td>
<td>$1,307</td>
<td>$1,633</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pro forma net income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>per share(1)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Shares used in per share</td>
<td></td>
<td></td>
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<tr>
<td>calculations(1)</td>
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<td></td>
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</tr>
</tbody>
</table>

MARCH 31, SEPTEMBER 30, 1996

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<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BALANCE SHEET DATA:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$101</td>
<td>$75</td>
<td>$9</td>
<td>$2,731</td>
<td>$2,297</td>
<td>$1,186</td>
</tr>
<tr>
<td>Working capital</td>
<td>912</td>
<td>964</td>
<td>1,486</td>
<td>2,808</td>
<td>4,651</td>
<td>4,969</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,786</td>
<td>2,550</td>
<td>4,986</td>
<td>9,377</td>
<td>13,262</td>
<td>16,412</td>
</tr>
<tr>
<td>Long-term debt, less current portion</td>
<td>50</td>
<td>124</td>
<td>297</td>
<td>1,220</td>
<td>1,747</td>
<td>1,512</td>
</tr>
<tr>
<td>Total stockholders' equity</td>
<td>1,226</td>
<td>1,465</td>
<td>1,956</td>
<td>3,413</td>
<td>5,217</td>
<td>6,477</td>
</tr>
</tbody>
</table>

- ---------------

(1) For an explanation of the determination of the number of shares used in computing pro forma net income per share, see Note 1 of Notes to Financial Statements.

(2) As adjusted to reflect the sale of 1,650,000 shares of Common Stock offered by the Company hereby at an assumed offering price of $11.00 per share, and the application of the net proceeds therefrom as described under "Use of Proceeds." If the Company issues 1,980,000 shares of Common Stock upon the full exercise of the Underwriters' option to cover over-allotments, Cash and cash equivalents, Working capital, Total assets and Total stockholders' equity would be $20,791, $24,574, $36,017 and $26,082, respectively. See "Use of Proceeds" and "Capitalization."

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Prospectus contains forward-looking statements within the meaning of the Securities Act. Discussions containing such forward-looking statements may be found throughout this Prospectus, including without limitation in the materials set forth under "Summary," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." Actual events or results may differ materially from those discussed in the forward-looking statements as a result of various factors, including without limitation the risks set forth under "Risk Factors" and the matters set forth in this Prospectus generally.

Historically, the Company's revenues have been principally derived from contracts with the DOD. The Company's DOD revenues have continued to grow.
significantly despite government budgetary constraints. Since 1992, such revenues have grown at a compounded annual growth rate of 63.9%. DOD revenues amounted to $11.1 million, $21.2 million and $28.3 million for the fiscal years ended March 31, 1994, 1995 and 1996, respectively, and $13.9 million and $21.4 million for the six months ended September 30, 1995 and 1996, respectively. The Company has achieved this growth rate entirely through internal growth, and not through acquisitions. See "Risk Factors -- Fluctuations in Results of Operations."

The Company's products and services are provided primarily through three types of contracts: fixed-price, time-and-materials and cost-reimbursement contracts. Approximately 56.3% and 56.9% of the Company's total revenues for the fiscal year ended March 31, 1996 and for the six months ended September 30, 1996, respectively, were derived from fixed-price contracts which require the Company to provide products and services under a contract at a stipulated price. The Company derived approximately 5.0% and 5.8% of its revenues during such periods from time-and-materials contracts which reimburse the Company for the number of labor hours expended at an established hourly rate negotiated in the contract, plus the cost of materials utilized in providing such products or services. The balance of the Company's revenues for the fiscal year ended March 31, 1996 and the six months ended September 30, 1996, respectively, were derived from cost-reimbursement contracts under which the Company is reimbursed for all actual costs incurred in performing the contract to the extent that such costs are within the contract ceiling and allowable under the terms of the contract, plus a fee or profit. See "Risk Factors -- Contract Profit Exposure."

As of September 30, 1996, the Company had firm backlog of $43.5 million, of which $40.1 million was funded. Of the $43.5 million in firm backlog, approximately $24.0 million is expected to be delivered in the fiscal year ending March 31, 1997, approximately $17.4 million is expected to be delivered in the fiscal year ending March 31, 1998 and the balance is expected to be delivered in the fiscal year ending March 31, 1999. Such backlog includes $37.6 million in awards received during the six months ended September 30, 1996, consisting of $24.8 million in UHF DAMA satellite communications awards, $4.5 million in awards for the defense simulator business, $5.6 million in other defense awards and $2.7 million in commercial satellite communications awards. The Company's $43.5 million in firm backlog does not include an additional $26.9 million of customer options. See "Business -- Backlog."

Historically, a significant portion of the Company's revenue has been derived from research and development contracts with the DOD. The research and development efforts are conducted in direct response to the specific requirements of a customer's order and, accordingly, expenditures related to such efforts are included in cost of sales when incurred and the related funding (which includes a profit component) is included in net revenues at such time. Revenues are recognized using the percentage of completion method on these long-term development contracts. Revenues for funded research and development during the fiscal years ended March 31, 1994, 1995 and 1996 and the six months ended September 30, 1996 were approximately $9.7 million, $20.7 million, $19.5 million and $11.6 million, respectively. See "Business -- Research and Development."

Beginning in fiscal 1995, production contracts for delivery of previously developed equipment became a more significant percentage of total revenues. Production contracts amounted to approximately 6.5% of fiscal 1995 total revenues, approximately 19.4% of fiscal 1996 total revenues and approximately 35.1% of total revenues for the six months ended September 30, 1996.

The Company invests in independent research and development ("IR&D"), which is not directly funded by a third party. The Company expenses IR&D costs as they are incurred. IR&D expenses consist primarily of salaries and other
personnel-related expenses, supplies and prototype materials related to research
and development programs. IR&D expenses for governmental and commercial applications were minimal prior to fiscal 1995. In the fourth quarter of fiscal 1995, the Company began investing a significant amount of IR&D funds primarily in the development of satellite telephony and other satellite DAMA products. The Company expended 9.7% and 10.3% of revenues in IR&D, respectively, in the fiscal year ended March 31, 1996 and for the six months ended September 30, 1996. The Company expects that IR&D expenditures will continue to increase in order to fund growth in governmental and commercial applications. As a government contractor, the Company is able to recover a portion of its IR&D expenses pursuant to its government contracts.

RESULTS OF OPERATIONS

The following table sets forth, as a percentage of total revenues, certain income data for the periods indicated.

<table>
<thead>
<tr>
<th></th>
<th>SIX MONTHS ENDED SEPTEMBER 30,</th>
<th>FISCAL YEARS ENDED MARCH 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>78.0</td>
<td>75.4</td>
</tr>
<tr>
<td>Gross profit</td>
<td>22.0</td>
<td>24.6</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>13.4</td>
<td>10.8</td>
</tr>
<tr>
<td>Independent research and development</td>
<td>1.2</td>
<td>3.5</td>
</tr>
<tr>
<td>Income from operations</td>
<td>7.4</td>
<td>10.3</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>7.0</td>
<td>9.9</td>
</tr>
<tr>
<td>Net income</td>
<td>4.2</td>
<td>5.9</td>
</tr>
</tbody>
</table>

SIX MONTHS ENDED SEPTEMBER 30, 1996 VS. SIX MONTHS ENDED SEPTEMBER 30, 1995

Revenues. Revenues increased 52.5% from $14.2 million for the six months ended September 30, 1995 to $21.6 million for the six months ended September 30, 1996. This increase was primarily due to a $6.6 million increase in revenues generated by contracts with the U.S. Air Force for UHF DAMA network control stations and modems, and Enhanced Manpack UHF Terminal ("EMUT") DAMA modem production of $5.7 million, offset in part by reduced activity in other product lines and the completion of certain contracts.

Gross Profit. Gross profit increased 54.4% from $4.0 million (28.6% of revenues) for the six months ended September 30, 1995 to $6.2 million (29.0% of revenues) for the six months ended September 30, 1996.

Selling, General and Administrative Expenses. Selling, general and administrative ("SG&A") expenses increased 31.3% from $1.8 million (12.4% of revenues) for the six months ended September 30, 1995 to $2.3 million (10.7% of revenues) for the six months ended September 30, 1996. This decrease in SG&A expenses as a percentage of revenues reflects an increased expense in connection with a large bid and proposal effort in the six months ended September 30, 1995 and the impact of a 52.5% growth in revenues between the two periods. SG&A expenses consist primarily of personnel costs and expenses for business development, marketing and sales, finance, contract administration and general management. They also include bid and proposal costs. Certain SG&A expenses are difficult to predict and vary based on specific government and commercial sales opportunities.
Independent Research and Development. IR&D expenses increased 87.0% from $1.2 million (8.4% of revenues) in the six months ended September 30, 1995 to $2.2 million (10.3% of revenues) in the six months ended September 30, 1996. This increase resulted primarily from higher IR&D expenses related to the Company's StarWire(TM) DAMA product, which represented approximately 87.6% of total IR&D.

Interest Expense. Interest expense increased 20.2% from $104,000 for the six months ended September 30, 1995 to $125,000 for the six months ended September 30, 1996. Interest expense relates to loans for the purchase of capital equipment, which are generally four year fixed-rate term loans, and to short-term borrowings under the Company's line of credit to cover working capital requirements. Total outstanding equipment loans were $2.2 million at September 30, 1995 and $2.5 million at September 30, 1996. The Company owed no amounts on its line of credit at the end of either period.

Interest Income. Interest income increased 283.3% from $18,000 for the six months ended September 30, 1995 to $69,000 for the six months ended September 30, 1996. Interest income related to interest earned on short-term deposits of cash.

 Provision (Benefit) for Income Taxes. The income tax benefit in the six months ended September 30, 1995 was primarily attributable to the utilization of research and development credits generated during the period and the impact of a United States Federal judicial decision which clarified the tax law related to the utilization of research and development credits generated from funded research and development. As of September 30, 1996, all of such income tax benefit was utilized by the Company. The Company's effective tax rate for the six months ended September 30, 1996 was 35.0%.

FISCAL YEAR ENDED MARCH 31, 1996 VS. FISCAL YEAR ENDED MARCH 31, 1995

Revenues. The Company's revenues increased 29.9% from $22.3 million in fiscal 1995 to $29.0 million in fiscal 1996. This increase reflects the growth in defense related production contracts, primarily associated with the Company's EMUT DAMA modem products, which experienced a $5.3 million increase, and Advanced Data Controller ("ADC") products, which experienced a $1.5 million increase. Revenues from production orders (compared to funded research and development) increased from $1.4 million (6.5% of revenues) in fiscal 1995 to $5.6 million (19.4% of revenues) in fiscal 1996.

Revenues from UHF DAMA satellite communications products increased to 42.8% of revenues in fiscal 1996. This increase was due to the first EMUT DAMA modem production deliveries in the fourth quarter of 1996. UHF DAMA business area revenues grew from $7.1 million (31.7% of revenues) in fiscal 1995 to $12.4 million (42.8% of revenues) in fiscal 1996.

Gross Profit. Gross profit increased 46.4% from $5.5 million (24.6% of revenues) in fiscal 1995 to $8.0 million (27.7% of revenues) in fiscal 1996. This increase primarily reflects higher prices related to the recovery of allowable IR&D costs under certain government contracts and improved contract profitability under certain production contracts.

Selling, General and Administrative Expenses. SG&A expenses increased 40.7% from $2.4 million (10.8% of revenues) in fiscal 1995 to $3.4 million (11.7% of revenues) in fiscal 1996. Increased spending was offset somewhat by the continuing revenue growth. The Company continued to increase staff to support IR&D related to its StarWire(TM) DAMA product, increased its business
development staff for defense programs, and added to finance and administrative staffing. Bid and proposal efforts increased from $321,000 in fiscal 1995 to $1.0 million in fiscal 1996.

Independent Research and Development. IR&D expenses increased 257.9% from $788,000 (3.5% of revenues) in fiscal 1995 to $2.8 million (9.7% of revenues) in fiscal 1996. Expenditures on the development of the Company's StarWire(TM) DAMA product began in the last quarter of fiscal 1995 and have been steadily increasing.

Interest Expense. Interest expense increased 128.1% from $114,000 in fiscal 1995 to $260,000 in fiscal 1996. Total outstanding equipment loans for the periods were $1.7 million at the end of fiscal 1995 and $2.5 million at the end of fiscal 1996. There were no amounts outstanding under the Company's line of credit at the end of either fiscal year.

Interest Income. Interest income increased 7.4% from $27,000 in fiscal 1995 to $29,000 in fiscal 1996. Interest income related to interest earned on short-term deposits of cash.

Provision (Benefit) for Income Taxes. The income tax provision in fiscal 1995 approximated the combined federal and state statutory rate of 40.0%. The income tax benefit in fiscal 1996 was primarily attributable to the utilization of research and development credits generated during the current period and the impact of a United States Federal judicial decision which clarified the tax law related to the utilization of research and development credits generated from funded research and development.

FISCAL YEAR ENDED MARCH 31, 1995 VS. FISCAL YEAR ENDED MARCH 31, 1994

Revenues. The Company's revenues increased 92.9% from $11.6 million in fiscal 1994 to $22.3 million in fiscal 1995. Funded development in the UHF DAMA business area had the largest impact on revenue growth. Revenues for the UHF DAMA business area increased 317.1% from $1.7 million (14.7% of revenues) in fiscal 1994 to $7.1 million (31.7% of revenues) in fiscal 1995. Other increases occurred in the simulator business area which increased from $2.2 million (18.9% of revenues) in fiscal 1994 to $4.0 million (18.0% of revenues) in fiscal 1995, and in the Joint Tactical Information Distribution System ("JTIDS") business area which increased from $1.3 million (10.9% of revenues) in fiscal 1994 to $2.6 million (11.8% of revenues) in fiscal 1995.

Gross Profit. Gross profit increased 115.5% from $2.5 million (22.0% of revenues) in fiscal 1994 to $5.5 million (24.6% of revenues) in fiscal 1995. This increase primarily reflects higher prices related to the recovery of allowable IR&D costs under certain government contracts and improved contract profitability under certain contracts.

Selling, General and Administrative Expenses. SG&A expenses increased 55.5% from $1.6 million (13.4% of revenues) in fiscal 1994 to $2.4 million (10.8% of revenues) in fiscal 1995. This decrease in SG&A expenses as a percentage of revenues was due to the larger growth in revenues during the period. Near the end of fiscal 1995 the Company added administrative staff to support increasing revenue and the associated increase in direct labor. The Company added other indirect staff in both years to support the commercial DAMA business. Bid and proposal efforts in fiscal 1995 were minimal due to the concentration on performance in the existing defense backlog.

Independent Research and Development. IR&D expenses increased 488.1% from $134,000 (1.2% of revenues) in fiscal 1994 to $788,000 (3.5% of revenues) in fiscal 1995. Expenditures on the development of the Company's StarWire(TM) DAMA product began in the last quarter of fiscal 1995, accounting for most of the increase.

Interest Expense. Interest expense increased 142.6% from $47,000 in fiscal 1994 to $114,000 in fiscal 1995. Total outstanding equipment loans for the periods were $392,000 at the end of fiscal 1994 and $1.7 million at the end of
fiscal 1995, reflecting an increase in purchases of capital equipment to support the increased requirements of development programs. There was $350,000 outstanding under the Company’s line of credit at the end of fiscal 1994, and no amounts outstanding at the end of fiscal 1995.

Interest Income. There was no material interest income in fiscal 1994 and $27,000 of interest income in fiscal 1995, which related to interest earned on short-term deposits of cash.

Provision (Benefit) for Income Taxes. The income tax provisions in fiscal 1994 and 1995 approximated the combined federal and state statutory rate of 40.0%.

QUARTERLY RESULTS OF OPERATIONS

The following table sets forth certain financial information for each of the Company's last ten quarters. The information for each of these quarters is unaudited but includes all adjustments, consisting only of normal recurring adjustments, which the Company considers necessary for a fair presentation of this information when read in conjunction with the Financial Statements and Notes thereto appearing elsewhere in this Prospectus. The results of operations for any quarter and any quarter-to-quarter trends are not necessarily indicative of the results to be expected for any future periods.

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</thead>
<tbody>
<tr>
<td></td>
<td>MARCH 31, 1995(1)</td>
<td>1996</td>
<td>1996</td>
</tr>
</tbody>
</table>

(IN THOUSANDS, EXCEPT PER SHARE DATA)

State the above unaudited quarterly financial information as a percentage of total net revenues.

(1) The Company experienced reduced revenues, gross profit and income from operations for the third quarter of fiscal 1996 due primarily to delays on the EMUT contract. Production deliveries were scheduled to begin in the third quarter of fiscal 1996, but were delayed at the customer’s request. Deliveries began instead in the fourth quarter of fiscal 1996.

The following table sets forth the above unaudited quarterly financial information as a percentage of total net revenues.

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(IN THOUSANDS, EXCEPT PER SHARE DATA)
Historically, development contracts have been a significant source of revenue. The Company recognizes a majority of its revenues under the percentage of completion method which requires engineering estimates and assumptions regarding costs that will be incurred over the life of a specific contract. Actual results may differ from those estimates. In such event, the Company has been required to adjust revenues in subsequent periods relating to revisions of prior period estimates, resulting in fluctuations in the Company's results of operations from period to period. See "Risk Factors -- Fluctuations in Results of Operations.” 

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date primarily from cash flow from operations, bank line of credit financing and loans for the purchase of capital equipment. Cash provided from operations for the fiscal years ended March 31, 1994, 1995 and 1996 was $183,000, $3.3 million and $456,000, respectively, and cash used in operating activities was $39,000 for the six months ended September 30, 1996. The relative decrease in cash generated from operations in fiscal 1996 compared to fiscal 1995 was due to higher levels of accounts receivable and inventory. The increase in accounts receivable resulted from an increase in revenues. The growing share of revenues from production contracts led to the need to build inventory levels to support production demands. The Company anticipates that in future periods the level of inventories will be higher than historical levels.

Cash provided by financing activities, principally from equipment financing and to a lesser extent from the sale of Common Stock, was $262,000 in fiscal 1994, $1.1 million in fiscal 1995, $1.0 million in fiscal 1996 and $188,000 for the six months ended September 30, 1996. Purchases of property and equipment, primarily consisting of test equipment and computers, were $511,000, $1.7 million and $1.9 million, respectively, in fiscal 1994, 1995 and 1996, and $1.3 million in the six months ended September 30, 1996.

At September 30, 1996, the Company had $1.2 million in cash and cash equivalents, $4.9 million in working capital and $2.5 million in long-term debt, consisting of equipment financing, and no amounts outstanding under the Company's line of credit. In September 1995, the Company entered into a credit facility with Union Bank, which includes a $4.0 million line of credit and $4.0 million in commitments for equipment financing. The line of credit allows the Company to borrow, for general working capital purposes, the greater of $1.0 million or 50.0% of eligible inventory, plus 50.0% of the Company's eligible accounts receivable, up to $2.0 million while limiting borrowings to an 80.0% advance against the purchase price, net of sales tax.
delivery and insurance. All borrowings under the first loan were made before September 15, 1996, at which time all unpaid principal under such loan was converted into a fully amortizing loan for a period of 36 months with a maturity date of September 15, 1999. All borrowings under the second loan must be made before September 15, 1997, at which time all unpaid principal under such loan will be converted into a fully amortizing loan for a period of 36 months with a maturity date of September 15, 2000. As of September 30, 1996, there was approximately $1.1 million outstanding under the first loan and no amounts outstanding under the second loan. The equipment loans accrue interest at the bank's prime rate plus 0.35% per annum, or 8.6% as of September 30, 1996.

The credit agreement with Union Bank contains affirmative and negative covenants, including, among others, financial covenants regarding the maintenance of stated net worth amounts, net income levels and specific liquidity and long-term solvency ratios. In addition, the credit agreement restricts the Company's ability to borrow money, except in the ordinary course of business or pursuant to agreements made with Union Bank. Amounts borrowed are secured by substantially all of the Company's assets.

In October 1996, the Company received a commitment for a new credit facility with Union Bank, which includes a $6.0 million line of credit and $4.5 million in commitments for equipment financing. The line of credit allows the Company to borrow, for general working capital purposes, the greater of $2.0 million or 80.0% of eligible accounts receivable, plus 50.0% of the Company's eligible inventory to a maximum of $2.0 million. It is an interest only loan which matures on September 15, 1998. The equipment line consists of two loans, each of which limits borrowings to an 80.0% advance against the purchase price, net of sales tax, delivery and insurance. All borrowings under the first loan, which may not exceed $2.0 million, must be made before September 15, 1997, at which time all unpaid principal under such loan will be converted into a fully amortizing loan for a period of 36 months with a maturity date of September 15, 2000. All borrowings under the second loan, which may not exceed $2.5 million, must be made before September 15, 1998, at which time all unpaid principal under such loan will be converted into a fully amortizing loan for a period of 36 months with a maturity date of September 15, 2001.

The Company's future capital requirements will depend upon many factors, including the progress of the Company's research and development efforts, expansion of the Company's marketing efforts, and the nature and timing of commercial orders. The Company believes that the net proceeds from the sale of the Common Stock offered hereby, together with its current cash balances, amounts available under its credit facility and net cash provided by operating activities, will be sufficient to meet its working capital and capital expenditure requirements for at least the next 12 months. Management intends to invest the Company's cash in excess of current operating requirements in short-term, interest-bearing, investment-grade securities.
which allows a large number of VSAT subscribers to economically share common satellite transponders for high-performance voice, fax or data communications.

The Company believes that DAMA satellite technology is superior to other existing VSAT networking technologies. The existing TDM/TDMA networking technology features a "hub and spoke" architecture which requires all transmissions to be routed through a central terrestrial hub. Unlike TDM/TDMA systems, DAMA provides direct, on-demand switched networking capabilities which do not require a terrestrial hub and allow faster and more efficient use of expensive satellite transponder resources. In addition, the Company believes that its DAMA products, commercially marketed under the tradename StarWire(TM), offer greater network flexibility and permit up to 50% greater satellite capacity than competing DAMA systems. See "-- The ViaSat Advantage" and "-- Technology."

ViaSat's DAMA products include satellite modems, networking processors and network control systems for managing large numbers of network subscribers. The Company's DAMA technology consists of proprietary real-time firmware and software designed to run on industry-standard digital signal processors. The Company also has developed DAMA network control software that operates on IBM-compatible personal computers running Windows NT(TM) operating systems. The Company's DAMA technology operates on satellites in the military UHF and SHF frequency bands, and commercial C and K(u) bands. In addition to DAMA products, the Company offers network information security products, communications simulation and test equipment, and spread spectrum digital radios for satellite and terrestrial data networks.

INDUSTRY BACKGROUND

A broad array of new consumer, business and government markets, as well as the development of new technologies, have driven the significant expansion of the wireless telecommunications industry. In addition to common consumer applications such as paging, cellular telephony and new Personal Communications Services ("PCS"), there is a wide range of other specialized terrestrial- and space-based wireless applications. Such wireless applications include government fixed and mobile wireless networking and commercial fixed-site, switched satellite services, ViaSat's principal lines of business. The growth in software-intensive wireless equipment markets stems from, among other things, increasing dependence on voice and data networks of all types, regulatory reform, advances in technology, decreasing costs of equipment and services, economic growth in developing nations, the increasing importance of communications infrastructure as a catalyst of economic growth, and increasing user acceptance of and confidence in wireless solutions. This growth in wireless equipment markets corresponds to a transition away from mere point to point radio links connecting remote or mobile users towards offering more comprehensive wireless network services. Market demands for wireless services are being addressed by both terrestrial- and satellite-based systems.

Government Applications. Historically, the military has driven development of many new wireless technologies -- pioneering applications of satellite communications, digital radios, spread spectrum and mobile wireless networks to connect widely dispersed operations. In many cases these technologies have been extended and increased in scale for broader non-defense use. Defense applications of wireless technologies also have evolved over the same time period. The break-up of the Soviet Union has caused a de-emphasis on strategic missions and a shift towards more localized tactical roles such as peace-keeping, counter-terrorism, counter-insurgency and drug enforcement. These missions create new demands for rapidly deployable, mobile connectivity. Overall reductions in the defense budget have led to a numerically smaller, more technologically-advanced force structure. As a result, defense networks increasingly build around real-time transmission of digital tactical data. Defense systems also are adopting and extending low cost commercial technologies to meet their needs.

There has been a constantly shifting flow of technology between government and commercial network applications. Both government and commercial users
developed fixed-site, long-haul applications. The government pioneered mobile satellite terminals, as well as non-geosynchronous, high power and extremely high frequency satellites. Commercial users adopted elements of these technologies for Low Earth Orbit ("LEO") mobile telephony and high-powered Direct Broadcast Satellite ("DBS") television systems. Now government agencies are planning to integrate these technologies into still more advanced military networks. Often, companies with both government and commercial expertise have facilitated such technology transitions.

Commercial Applications. The recent worldwide trend toward privatization of public telephone operators and deregulation of local telephone ("local loop") services has resulted in increased competition in the delivery of telephone services from alternative access providers. Many of these new access providers, such as long-distance telephone carriers, must install or upgrade infrastructure to support basic and enhanced services. In addition, worldwide demand for basic telephone service has grown, especially in developing countries. As new infrastructure is established to deliver local telephone service, the technology exists to provide cost-effective, satellite-based wireless transmission systems, instead of a traditional wired approach, to connect subscribers to the public telephone network.

A growing segment of the wireless communications industry involves VSATs, which are communications systems utilizing fixed-site satellite terminals. Historically, these systems were primarily designed for certain specific data applications. But recent improvements in VSAT technology for satellite-based wireless voice and data networks have led to their increasing use in a variety of broader, higher system throughput commercial applications such as mobile and rural telephony and more complicated data transmissions. Satellite telephony systems are being utilized by developing countries that lack a terrestrial-based telecommunication infrastructure, and which seek to provide telephone service for large areas fairly rapidly and on a cost-effective basis. Additionally, even where terrestrial systems exist, satellite systems are used to fill in coverage for remote areas.

Evolution of VSAT Technology. The commercial VSAT business began with U.S. customers who operated large, sophisticated private terrestrial networks using TDM/TDMA technology. Customers such as chain retailers, hotels and auto dealers operated private data networks with hundreds or thousands of sites and a high flow of transactions from remote terminals to host mainframe computers for credit card validations, point-of-sale data collection, reservations or similar applications. Customers who used VSATs for data networking still relied on terrestrial providers for telephone service and possibly other telecommunications needs for their sites. Sales of such VSAT systems are often quite sensitive to prices from telephone carriers for equivalent packet transaction services. Users with large networks generally are the only ones who can justify the significant one-time cost of a VSAT network management hub.

TDM/TDMA technology, while more established than DAMA technology, features a "hub and spoke" architecture which requires all transmissions to be routed through a central hub and is most useful for remote to mainframe network connections. Remote-to-remote TDM/TDMA connections require two satellite hops. DAMA is better suited for remote-to-remote connections than TDM/TDMA because the voice quality is better and DAMA networks use expensive satellite transponders more efficiently. DAMA satellite technology allows individual subscribers to request links on demand directly to any other subscriber with a single satellite hop. DAMA allows users to make exactly the connections needed, lasting only for the duration of a voice call, fax, electronic mail or digital file transfer. DAMA technology has been under development for many years by the DOD to serve large networks of fixed and mobile subscribers sharing a limited amount of satellite capacity, but is only recently being deployed in significant quantities by the DOD.

The Company believes the opportunities for government and commercial ground station equipment sales are increasing. The government is investing over $1.0 billion over several years in the UHF space segment alone for tactical communications. DAMA is applicable to several different satellite bands, including government UHF and SHF and commercial C, K(u) and K(a) bands. DAMA is also being required by
commercial customers who believe that it is better suited for their applications than the earlier VSAT technologies.

**THE VIASAT ADVANTAGE**

In light of the limitations of the TDM/TDMA architecture, and the magnitude of the potential market for primary telecommunications services compared to the more limited market for data transaction services, ViaSat believes that DAMA networks will better serve the emerging international market for VSAT, voice and data services. Virtually all of the VSAT equipment makers are now adding DAMA products to their line of products. This represents a discontinuity in the VSAT market. VSAT vendors are now developing new transmission waveforms, multiple access techniques, DAMA protocols, DAMA control software, subscriber terminals and interface protocols to support the targeted applications (voice, fax, dial-up data, video conferencing or others), which creates an opportunity for new equipment suppliers such as the Company.

The Company believes that its DAMA-based products have technological advantages over competing DAMA products in offering practical solutions for telecommunications applications through several means:

- **Flexibility**

  Since communications networks are evolving so quickly, a system such as the Company's that can be easily extended and configured has a competitive advantage.

  - **REAL-TIME DIGITAL SIGNAL PROCESSING FIRMWARE.** The Company's technology involves extensive use of real-time digital signal processing firmware to implement both signal processing and DAMA networking protocol functions. This approach was developed and proven under several government programs, especially UHF DAMA. The Company believes that digital signal processing firmware offers great flexibility in adding new features, because it allows modification without more expensive hardware changes, and that product costs should decrease if prices of Texas Instruments digital signal processing chips and associated peripherals continue to decline. The Company's digital signal processing design allows common hardware to be applied to both government and commercial markets.

  - **WINDOWS NT(TM)-BASED NETWORK CONTROL.** ViaSat believes that it is the only company using an Intel PC/Windows NT(TM) computer platform for its network control system. Most vendors still use Unix platforms. ViaSat developed and proved Windows NT(TM) as a viable network control platform under government funded UHF and SHF DAMA programs. Windows NT(TM) has several advantages which the Company believes support its technical leadership position:

    -- True real-time multi-tasking, allowing many functions to be moved from specialized VSAT hardware into an industry-standard personal computer. Such functions can be developed more quickly and are more easily modified to support new communications applications and interfaces.

    -- Lower overall costs and faster time to market in terms of development hardware and software tools, a more readily available pool of experienced software engineers, lower recurring cost of network control computer platforms, less expensive networking and communications interfaces and lower operator training costs than Unix-based systems.

    -- DOD approved access-control is built directly into the network-controller computer operating system. This includes secure remote-access via many built-in communication paths. The Company
believes computer security is essential technology for mission critical telecommunication tasks such as billing.

- STANDARD VSAT PLATFORM. ViaSat believes that it is the only company building on a standard "open systems" VSAT platform for commercial and SHF DAMA products. Open systems enable mix and match of satellite equipment and baseband terrestrial interfaces on a circuit by circuit basis. The architecture supports third party interface cards for faster time to market for specialized terrestrial interfaces. While open systems architecture does not offer the lowest possible manufacturing cost for any single fixed terminal configuration, it is consistent with two other strategic objectives: (i) rapid time to market by building on industry standard third-party hardware and software and (ii) flexibility to support a broad array of services and applications consistent with the Company's target distribution channels of service providers.

- INTERNALLY-DEVELOPED TECHNOLOGY. Many competing VSAT providers are primarily systems integrators with little internally-developed technology, particularly in the software and firmware areas. The Company believes its extensive internal technology development capability gives it an advantage in flexibility, time-to-market and product quality.

Capacity

ViaSat's narrow-spacing technology, developed during the course of its government DAMA contracts, results in less unused bandwidth between voice channels than other DAMA systems, and this, along with more precise power-usage control software, allows ViaSat's DAMA products to achieve up to 50% greater satellite capacity than competing DAMA systems. For example, the ViaSat DAMA system can space toll-quality voice carriers 14 kHz apart, compared to 20 kHz for competing systems.

Certification

ViaSat believes it is currently the only provider of DAMA products which has received certification from the U.S. government that one of its DAMA products meets the required military specifications for 5 kHz products in accordance with MIL-STD 188-182. The rigorous military certification process may take up to several months to complete.

STRATEGY

ViaSat's objective is to become a leading developer and supplier of DAMA-based products to commercial markets and to retain a leadership position in developing and supplying DAMA-based products to the government market. The Company's strategy incorporates the following key elements:

Maintain and Enhance Technology Leadership Position. The Company's strategy is to maintain and enhance its leadership position in DAMA-based satellite technology by continuing its participation in selected DOD programs involving networking technology and other related real-time signal processing and networking software. The Company is also investing in proprietary research for commercial applications. The Company's objective is to continue to offer high-performance, software-oriented products which provide the most effective use of satellite power and bandwidth as well as offering the most flexible platform for continued growth.

Leverage Technological Expertise into Commercial Markets. The Company's strategy is to continue using its technological expertise developed in defense applications to develop and market products to respond to the increasing demand for DAMA-based VSAT solutions for commercial voice and data applications. The Company is targeting commercial markets which it believes will offer high growth
potential and where it believes ViaSat's technology will have competitive advantages, such as rural telephony, alternative carrier access and Internet/Intranet access by satellite to multiple servers. The Company believes its products are competitive largely because of their technological advantages over competing products. The Company's strategy is to capitalize on these technological advantages by utilizing a "cost of ownership" marketing approach that emphasizes the overall lower cost to customers over the operating life of the Company's products because of the products' adaptability and more efficient use of limited satellite capacity.

Develop Broad Base of Innovative Proprietary Products. The Company's strategy is to continue to develop and market to both defense and commercial customers a broad variety of signal processing and networking software products. The Company has over 150 research engineers on staff and emphasizes offering technologically-superior products. The Company generally retains certain proprietary rights from the government-funded research and development of its defense products and is also devoting a significant amount of its own resources to independent product development.

Develop Strategic Alliances. The Company's strategy is to develop strategic alliances with leading prime defense contractors and major international telecommunications companies and equipment suppliers. The Company targets those companies whose financial and technological resources and established customer bases allow them to jointly introduce new technologies and penetrate new markets sooner and at a lower cost than the Company could alone. The Company has entered into strategic alliances with defense companies, such as Hughes Defense Communications and Lockheed Martin, and commercial telecommunications companies, such as AT&T Tridom, Hutchison Telecommunications and HCL Comnet.

Establish Global Presence. The Company's strategy is to develop its products so that they may be marketed and used throughout the world. The Company is a market leader in DAMA-based defense products for the United States and its allies. The Company believes that the commercial market opportunities for the Company's products are greater internationally. The Company believes its focus on meeting applicable international communication standards and establishing key international strategic alliances will enable it to effectively penetrate foreign markets.

Address Rural Telephony Market. The Company believes there is a substantial unmet demand for rural telephony services, especially in developing countries. The Company's strategy is to capitalize on its networking software expertise to develop technology for establishing regional rural telephony network infrastructures of strategically located VSAT terminals capable of handling multiple satellite telephone calls ("Point-of-Entry Terminals"). The Company believes such an infrastructure would have a competitive advantage over a single Point-of-Entry system by minimizing the ground transmission cost of each satellite telephone call by permitting such calls to enter the Public Switched Telephone Network (PSTN) through the Point-of-Entry Terminal closest to the call's destination. The Company's strategy also includes seeking partnerships with regional and local service providers to create distribution channels for rural telephony infrastructures and to provide related retail distribution services, including sales of Company-designed subscriber terminals, installation and maintenance, as well as customer service, billing and revenue collection. To this end, the Company has recently entered into a contract with Hutchison Telecommunications for satellite telephony equipment which can serve as rural telephony infrastructure.

TECHNOLOGY

The Company's VSAT technology is focused on DAMA which allows individual subscribers to request links on demand to any other subscriber through one satellite hop. TDM/TDMA technology, while more established than DAMA technology, features a "hub and spoke" architecture which requires all transmissions to be routed through a central hub and is most useful for remote to mainframe network connections. Remote-to-remote TDM/TDMA connections require two satellite hops.
DAMA is better suited for remote-to-remote connections than TDM/TDMA because the voice quality is better and DAMA networks use expensive satellite transponders more efficiently.

DAMA technology has been under development for many years by the DOD, but is only recently being deployed in significant quantities. DAMA is applicable to several different satellite bands, including government UHF and SHF and commercial C, K(u) and K(a) bands. A major objective for the DOD is to improve capacity of extremely expensive government-owned satellite transponders. The government expects DAMA to increase capacity for UHF tactical users by as much as a factor of ten, depending on the application and traffic usage, compared to dedicated non-DAMA links.

A DAMA system consists of (i) a set of subscribers with DAMA-capable terminals, (ii) a network management terminal which orchestrates access to a shared satellite resource, and (iii) satellite transponder capacity managed by the network controller and shared by subscribers. DAMA subscribers use networking protocols to interact with the controller and each other. The essence of DAMA is that the network controller allocates a shared satellite resource to a particular combination of subscribers only when they request it, and then terminates the connection when they are finished.

DAMA protocols may be either "open" or "proprietary." Open standards are published so that multiple manufacturers can develop equipment that works together. The DOD has designated two different open DAMA standards defining over-the-air interfaces for narrowband UHF satellite communications channels.

MIL-STD 188-182 defines an interoperable waveform for channels with 5 kHz bandwidth, and MIL-STD 188-183 defines the 25 kHz channel waveform. The DOD is currently defining open standards for SHF channels and for government DAMA use of commercial C and K(u) band transponders. There are no widely accepted commercial open DAMA standards, and no open standards have evolved for TDM/TDMA VSATs.

DAMA vs. TDM/TDMA. DAMA is being sought by customers who see that it is a better fit than TDM/TDMA VSATs for non-transaction applications such as voice and fax. The principal limitations of TDM/TDMA for non-transaction applications are:

Capacity Limitations and Costs

- The TDM/TDMA hub and spoke architecture is primarily designed for rapid service for sporadic, short, burst transactions between a remote site and a mainframe computer. The hubs typically only support a maximum instantaneous aggregate data rate of 256 kbps to approximately 1 Mbps divided among the entire subscriber population (often several thousand terminals). This is a severe bottleneck for sustained circuit-type services like telephony, fax or peer-to-peer file transfers, which often dominate when the VSAT becomes the primary communication means for a site, as in telephony uses. In contrast, a comparable DAMA system has a much higher aggregate capacity. For small networks the TDM/TDMA hub performance is not a capacity bottleneck, but the typical hub price of approximately $1.0 million, amortized over a small number of subscribers, is usually prohibitively expensive. The equipment cost for a comparable DAMA system for voice use, in contrast, would be significantly less.

Transmission Time

- The hub and spoke architecture requires all calls (voice or data) between two remote nodes to be routed through the hub. This causes each call to traverse two separate satellite hops in each direction (remote A-to-satellite-to-hub and then hub-to-satellite-to-remote B, with the return path from remote B to remote A also traversing two satellite hops). The additional time delay due to the extra satellite hops is striking for voice communications and is unacceptable to many users. Plus, the two satellite hops consume more expensive transponder
DAMA vs. Dedicated SCPC. In contrast to DAMA, which allows individual subscribers to request links to other subscribers on demand, dedicated Single Channel Per Carrier ("SCPC")-based systems maintain dedicated, unswitched links between subscribers, such as for long distance trunk lines. Dedicated links provide high quality transmissions, but only between particular subscriber sets. In order to provide connections among many sites, an SCPC-based system would require a dedicated link between each subscriber and each other subscriber, which would be prohibitively expensive. As a result, DAMA is a much more attractive solution for managing large numbers of network subscribers, as DAMA provides transmissions of equally high quality, without restricting the subscribers' ability to establish links on demand to any other subscriber.

Mobile Satellite vs. Fixed-site DAMA. The obvious advantage of commercial mobile satellite systems, such as Iridium™ and GlobalStar™, is that they allow subscribers to be mobile. A mobile satellite terminal can be used by either a mobile or a fixed subscriber, while a fixed terminal cannot be used by a mobile subscriber. However, in order to gain mobility, mobile terminals employ an omni-directional antenna which operates at lower frequencies and provides less bandwidth than is available in the fixed-site DAMA satellite bands. Less bandwidth corresponds to less capacity and fewer voice circuits. Also, mobile satellite systems typically require a greater investment in unique space-based satellite resources than fixed-site DAMA systems which use existing capacity on general purpose communication satellites. The combination of lower capacity plus higher capital investments means that mobile service providers are projecting per-minute service costs that are five to ten times higher than that possible through fixed-site DAMA-based systems. Therefore, the Company believes that customers who require satellite telephony services at fixed locations will find fixed-site DAMA services to be much more economical than using mobile satellite phones -- even if they already own mobile satellite phones for mobile use.

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Non-DAMA Technology. The Company offers products outside of DAMA and satellite communications that benefit from the Company's wireless networking software and related technology. Important non-DAMA applications include:

- Spread spectrum digital radios for real-time tactical data networks among ground and airborne users. The JTIDS (Joint Tactical Information Distribution System) radio builds on the Company's software, firmware and hardware technology. The government is investing in "digitized battlefield" communications in an effort to obtain greater effectiveness from expensive tactical aircraft.

- Information security modules that encrypt classified information that can be broadcasted and routed across unclassified wired or wireless networks. This technology allows the government to make better use of commercial networks for securely transmitting classified information.

- Equipment that tests wireless receivers in the presence of complex, simulated radio wave environments. This technology allows the government to thoroughly test sophisticated airborne radio equipment without expensive flight exercises.

GOVERNMENT MARKETS, PRODUCTS AND CUSTOMERS

Government Markets

The Company believes it has an opportunity to build on its government DAMA technology, software, hardware design and manufacturing base to capture significant revenues in the government markets.

UHF DAMA Markets. The Company is considered a leader in the UHF DAMA market. The Company believes its DAMA manpack subcontract is the largest outstanding DAMA contract in terms of quantity of units sold. The Company also believes that it was the first to develop and market a stand-alone airborne DAMA modem. The DOD requires all UHF satellite communications terminals to meet open DAMA standards. This mandate has helped stimulate the UHF DAMA market. ViaSat is active in the following business segments:
- **UHF DAMA NETWORK CONTROL INFRASTRUCTURE.** As of September 30, 1996, ViaSat had over $30.0 million in contracts with the U.S. Air Force for an initial network control system. This includes development, production, installation and support for four global sites. Each site serves as a primary controller for seven channels and as an alternate for seven channels. Each satellite has 38 channels, offering a potential market for additional production, installation and support services.

- **MANPACK TERMINALS.** ViaSat has a contract with Hughes Defense Communications for over 3,000 DAMA modems for manpacks. The contract has options which allow the DOD in its discretion to purchase up to an additional 4,000 of such modems. As of September 30, 1996, the funded contract value was $16.8 million, which did not include options of $20.9 million.

- **AIRBORNE DAMA TERMINALS.** The 5 kHz channel DAMA protocols were designed to support U.S. Air Force aircraft. The U.S. Navy is also a major user of airborne UHF terminals. ViaSat equipment has been designed into a number of platforms, including P-3, S-3, Air Force One, EP-3, ES-3, Tomahawk cruise missiles and others.

- **INTERNATIONAL UHF DAMA MARKET.** Cooperative efforts among multiple nations, such as in the Gulf War and Bosnia, require that allies have a standard communications platform. There are requirements for some units of NATO and other allies to have UHF DAMA capable satellite terminals.

The Company's strategy includes actively working to expand the UHF DAMA market as a whole, while sustaining its leading market share. Increasing the market means extending UHF satellite communications capability to new users. UHF satellite communications access and market size is limited in the following ways:

- **AVAILABILITY OF SATELLITE CAPACITY.** Without DAMA, many users are denied access because higher priorities consume all channels. DAMA expands capacity. The Company anticipates increases in the UHF market, versus pre-DAMA levels, over the next seven years due to pent-up demand for service.

- **EQUIPMENT SIZE AND WEIGHT.** Most users are mobile and thus size and weight sensitive. They carry equipment in back-packs, or airframes where communication gear displaces weapons or mission critical payloads. Easier to carry, smaller, lighter equipment may expand the market beyond a core group who require DAMA to complete their mission.

- **EQUIPMENT PRICE.** The Company believes that the UHF DAMA market can expand by reducing the price of DAMA equipment. Embedded DAMA radios are less expensive than stand-alone models, and offer reduced size and weight.

- **IMPROVED DAMA SUBSCRIBER SERVICES.** The current DAMA system is a data "pipe." The Company anticipates that demand for DAMA can grow by increasing the value of the content sent over the pipes. Several areas are being explored, including improved secure voice quality, increased message routing capability, higher data rates and improved service set-up times.

- **DAMA SIGNAL PROCESSING.** Airborne DAMA is currently limited to large, slow aircraft for surveillance, airlift, command and control, or similar missions. High performance aircraft are excluded because...
current satellite communications antennas degrade mission performance or safety. A promising solution is to use low profile, conformal antennas with active antenna combiners. The Company has a contract for such active antenna combiners with Lockheed Martin which, if successful, opens the possibility of extending the UHF DAMA market to high performance aircraft, potentially resulting in an increase of up to 100% in the airborne DAMA market.

ViaSat is also applying the market expansion strategy to its Advanced Data Controller ("ADC") products. ADC conforms to MIL-STD 188-184 for packet processing. It provides error-free data transmission over noisy channels. ADC works for terrestrial and satellite communications wireless links. The Company is working to reduce size, weight and price for ADC products, and potentially licensing other manufacturers to embed ViaSat's ADC digital signal processing firmware directly into their radios.

Tri-band DAMA Markets. The U.S. government is a major consumer of leased commercial satellite capacity in the C and K(u) bands. Since satellite availability is limited, the government has specified the purchase of "tri-band" terminals (i.e., terminals which can operate on any of three bands, SHF (X band), C or K(u) band). This makes it easier for subscribers to use available capacity in any band, as a function of time and location. The government established the Commercial Satellite Communications Initiative program to manage:

- Long term leases for commercial satellite transponders.
- Contracts to purchase tri-band satellite terminals.
- Bandwidth Management Centers to act as network controllers for the tri-band terminals.

The DOD is defining an "open" standard for DAMA in SHF and commercial satellite bands. The government owns and operates the Defense Satellite Communication System constellation at SHF. Bandwidth at SHF is much greater than at UHF -- over 200 MHz per satellite compared to less than 2 MHz at UHF. Still, SHF capacity is insufficient and could be improved via DAMA. More effective SHF use should reduce the government's monthly lease on commercial satellites used for overflow. The potential market for SHF DAMA capable terminals may be as large as that for UHF DAMA terminals.

Extending DAMA to commercial satellites vastly increases the bandwidth available for government users. Increased bandwidth should support many more terminals, increasing the potential DAMA user equipment market.

In 1994, ViaSat was awarded a $2.0 million contract by the U.S. Air Force for prototype demonstration of a draft SHF DAMA standard. This contract is still underway. In February 1996, the Company delivered and installed equipment which performs many, but not all, of the protocols in the draft. The DOD has not yet designated a final version of SHF DAMA, nor has the DOD yet issued a mandate for DAMA in SHF terminals.

The government tri-band DAMA market is very immature. This market will likely not grow substantially until the DOD adopts a final standard and mandates its use. However, there can be no assurance that the Company's products will be procured by the government or prime contractors, even if a final standard similar to the draft version is adopted. The Company is working to position its SHF DAMA products through participation in government-industry standards working groups and by providing proof-of-concept equipment through an existing SHF DAMA contract with the U.S. Air Force. ViaSat also has been working with terminal manufacturers to help ensure that its DAMA equipment integrates easily into their products. Finally, the Company is working to maintain a prudent level of commonality between the government and commercial DAMA modem platforms. The benefit of commonality is that the larger commercial market offers economies of scale that reduce manufacturing costs for the smaller government market. There
is a potential disadvantage if unique government product requirements increase
the cost of commercial products. The Company considers issues arising from this
trade-off on a case-by-case basis.

Government Products

ViaSat's DAMA products for the government market include:

- **EMUT (ENHANCED MANPACK UHF TERMINAL)** is a battery-operated UHF
  satellite radio which Hughes Defense Communications builds for the
  U.S. Army. ViaSat provides a DAMA modem to Hughes under subcontract.
  EMUT is used to send encrypted voice, electronic mail, fax or other
data via satellite. The DAMA modem allows the operator to
automatically request a portion of a satellite channel to a selected
destination whenever the operator asks to send a message or make a
call. The EMUT radio, combined with a portable satellite antenna, can
be used to make a secure voice or data call almost anywhere in the
world.

- **INCS (INITIAL NETWORK CONTROL SYSTEM)** is the DAMA network management
  system for the U.S. Air Force. There are four sites worldwide (Guam,
  Hawaii, Naples and Virginia) that manage automatic DAMA access to 5
kHz band with UHF satellite channels. The network control computer
automatically allocates satellite resources to subscriber terminals
(such as EMUT) whenever a subscriber requests a voice or data service.
The INCS also keeps track of which satellite terminals are active, how
much capacity is used and how much is available. ViaSat designs,
installs and supports the whole system at each site.

- **VM-200 (ALSO CALLED MD-1324)** is ViaSat's stand-alone UHF DAMA modem
  product. The modem can be used with many UHF satellite radios having
an industry standard 70 MHz interface. The VM-200 enables a satellite
radio to connect to a DAMA network. VM-200 modems also are used in the
INCS to communicate with subscribers. The modems connect to external
voice coders, computers or encryption equipment and provide network
access for those devices.

ViaSat's other government wireless networking products include:

- **JTIDS (JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM)** is an anti-jam
  radio and message protocol standard for communicating real-time data
among aircraft and ground units. It connects to sensors (like radar),
computers, and targeting systems and provides information used for
navigation, target identification, tracking and fire control. JTIDS is
currently used as the wireless communication system for "digital
battlefields." It allows individual fighter planes to obtain a broad
view of the battlefield that is synthesized based on many different
views from many different participants.

- **CES/JCS (COMMUNICATION ENVIRONMENT SIMULATOR/JOINT COMMUNICATION
  SIMULATOR)** is used to simulate a realistic radio environment which can
be used to test how well surveillance or other radio systems work in
the presence of various and changing signals. It can simulate friendly
military signals, neutral signals, commercial signals and enemy
signals. The government uses the

  simulated total environment to verify that a system under test can
correctly analyze specific target signals within a complicated and
cluttered composite signal.

- **EIP (EMBEDDABLE INFOSEC PRODUCT)** is a plug-in module that encrypts
classified information so that it can be broadcast over wireless
systems (terrestrial or satellite) or sent over unclassified
wirelines. EIP is unique because it can work for packet data systems
instead of on circuits. For instance, EIP can encrypt information for
the Internet (or government equivalents). EIP also can separate the
addressing and routing information from a packet and allow such
information to remain unencrypted so that the network can correctly
route the packet to its destination.
ADC (ADVANCED DATA CONTROLLER) is a packet processing system which provides error-free data transmission over noisy channels. ADC works for terrestrial and satellite communications wireless lines.

Government Customers

The Company's major customers in the government DAMA market include:

- Hughes Defense Communications is the customer for the EMUT DAMA modem. Approximately 26.5% of the Company's revenues in the first six months of fiscal 1997 were derived from this contract. Hughes is also a customer for the Tomahawk Baseline Improvement Program which includes adding a UHF DAMA satellite link to Tomahawk cruise missiles.

- The U.S. Air Force Electronics System Center ("ESC") is the customer for the 5 kHz UHF DAMA Global Initial Network Control System. ESC also procures stand-alone DAMA modems and Control/Indicators for various Air Force user agencies.

- Lockheed Martin is the customer for the VM-200 under the Communications Improvement Program.

- Lockheed Martin is the customer for the airborne DAMA-capable UHF satellite communications antenna combiner.

- The U.S. Air Force Rome Labs has entered into a contract with the Company for SHF and tri-band DAMA development and production.

- The Company also has entered into a number of smaller contracts with the DOD for UHF DAMA and ADC satellite equipment.

The Company's major government customers for other wireless networking products include:

- Lockheed Martin, the U.S. Air Force and Logicon Tactical Systems Division are the customers for JTIDS.

- The U.S. Navy and U.S. Air Force are the customers for CES/JCS.

- The U.S. Navy is the customer for EIP.

COMMERCIAL MARKETS, PRODUCTS AND CUSTOMERS

Commercial Markets

DAMA technology is increasingly being used in emerging commercial telecommunications markets. In contrast to "pre-assigned" or "hub and spoke" satellite networks, DAMA is well suited to primary "circuit-oriented" telecommunication because it routes connections in real-time on a call-by-call basis from any subscriber to any other subscriber with only one satellite hop. See "-- Industry Background" and "-- Technology." DAMA commercial markets can be segmented as follows:

- TURN-KEY PRIVATE NETWORK EQUIPMENT SALES for corporations and government agencies in developing nations. These customers require voice and/or data services. Users manage their own networks and/or contract for management services. They lease satellite capacity in bulk. DAMA equipment is selected based primarily on purchase and operating costs for specific needs. Customers typically need to operate ten or more sites for a turn-key private network to be economical.

- "SHARED HUB" PRIVATE NETWORK SERVICE PROVIDERS. Customers with small
networks may use a satellite service provider. The provider purchases a DAMA network and obtains transponder capacity at wholesale rates. The provider manages small "virtual" nets for its customers. Customers buy capacity from the provider at retail daily, hourly or minute rates. Service providers have different priorities than turn-key operators. Breadth and depth of service offerings are more important to providers since they must attract a broad base of customers. DAMA terminals must support a range of telephone and data equipment. Providers generally prefer flexible user terminal configurations to meet varying customer needs. They profit from the spread between wholesale transponder lease costs and retail minute prices, so DAMA performance is important. Efficiency advantages (measured, for example, by voice circuits per unit bandwidth) can offset a higher initial terminal purchase price over the term of a service contract.

- PUBLIC NETWORK CARRIER SERVICE PROVIDERS. Many telecommunications carriers use satellite links as part of their long distance networks. However, the satellite segment usually consists of a pre-planned link establishing a particular geographic connection at a fixed capacity. A satellite DAMA network can reduce costs for independent carriers by bypassing transit switching charges through a telecommunications hub city. Satellite DAMA can serve as either a primary link or as a back-up when terrestrial links are congested. DAMA satellite technology provides an economical secondary connection because the satellite pool of trunk lines can be quickly applied to any of the primary terrestrial routes. The DAMA network's ability to reach many different destinations offers a competitive advantage to a DAMA operator whose business is selling wholesale minutes of long distance service to national or regional carriers.

- PUBLIC NETWORK "LOCAL LOOP" SUBSCRIBER SERVICE PROVIDERS. Subscriber services differ from the carrier services in that there is a local loop interface between the DAMA satellite switch and a subscriber telephone. This allows a subscriber with a small VSAT terminal to connect directly into the public switched telephone network by using a single dial-tone to call to other satellite subscribers or to terrestrial phones through national (and/or international) switches. While the Company believes the local loop subscriber service has, by far, the greatest potential market volume for equipment manufacturers and also represents the greatest opportunity for service providers, there are numerous technical, regulatory and business management hurdles to implementing this service.

Commercial Products

STARWIRE(TM) is a satellite networking system consisting of two major elements, a network control system and a subscriber terminal. The network control system sends and receives messages over the satellite, while the subscriber terminal switches all user interface ports (voice and data) individually and connects them call-by-call to an available satellite modem. StarWire(TM) provides toll-quality voice circuits on a demand basis, efficiently sharing satellite resources and thereby reducing costs to the end-user and the network service provider.

StarWire(TM) products include:

- AURORA TERMINAL is a ten slot rack mountable chassis configured with one VMM-101 and one TIM-201 (described below). The terminal is expandable to six user traffic channels by inserting additional VMM modems and TIM modules. Expansion beyond six channels is possible by using additional Aurora chassis with VMM modems and TIM modules installed.

- VMM-101 is a DAMA modem module designed for the Aurora. The VMM-101 is a single modem used for both user-data transmission and order-wire control channels.

- TIM-201 is a dual channel voice encoder/decoder module designed for the Aurora. The TIM-201 has a fax modem on board, along with an integrated echo canceller.
- **TMC-101** is a terminal monitor and control card designed for the Aurora. The "EIP" version has an integrated LAN Ethernet port and supports multiple daughter-cards for data communications and additional external equipment control support.

- **STARWIRE(TM) NETWORK CONTROL TERMINAL (NCT)** is a ten slot rack mountable Aurora chassis with one Network Control Computer (NCC) interface card and two VMM-101 modems (operating as DAMA system control channel modems).

- **STARWIRE(TM) DAMA NETWORK CONTROL SOFTWARE (NCS)** provides the real-time network control and monitoring functions of the StarWire(TM) DAMA networking system. The NCS software acts as a switch to route calls through the network. In addition, the StarWire(TM) NCS monitors all aspects of system operation as well as collecting historical information about calls and maintaining detailed call records for billing purposes.

- **STARWIRE(TM) NETWORK CONTROL COMPUTER (NCC)** is computing and networking equipment designed to support the operation of the NCS software. The non-redundant configuration (NCC-100) provides for one operator workstation/server, Ethernet interface, Windows NT(TM) operating system and back-up media. The redundant configuration (NCC-200) provides two operator workstations/servers, Ethernet adapter cards, Windows NT(TM) operating system and back-up media.

- **EXTERNAL DEVICE INTERFACE DRIVER (EDID)** supports third party modem and RF terminal equipment.

**Commercial Customers**

The Company is in the early stages of establishing sales for its StarWire(TM) commercial DAMA product. Activities to date have primarily focused on establishing distribution agreements with "in-country" service providers, distributors and original equipment manufacturers ("OEMs"). The Company also has delivered several test versions of the StarWire(TM) product for customer evaluation and demonstration purposes. To date, the Company has received purchase orders from its commercial customers to purchase approximately $2.9 million, and commitments to purchase an additional $1.3 million, of its products. The Company's major customers in the commercial DAMA market include:

- AT&T Tridom -- AT&T Tridom has the second largest VSAT revenues (counting equipment and services) in the United States. AT&T Tridom selected ViaSat as the private label manufacturer of an AT&T Tridom "Clearlink"-labeled DAMA VSAT product through competitive bids. AT&T Tridom has taken delivery of two test systems, one of which is installed at a customer site in Indonesia.

- HCL Comnet -- HCL Comnet, located in India, operates the largest single VSAT network in India for the national stock exchange. HCL Comnet selected ViaSat's StarWire(TM) system for HCL Comnet's DAMA private network products and services. ViaSat's contract with HCL Comnet provides that HCL Comnet must use ViaSat as its exclusive supplier of DAMA networks and that ViaSat may not supply DAMA networks to any other India-based company, although ViaSat may supply such networks to companies based in other areas which provide VSAT services in India. HCL Comnet has placed an order for initial production systems.

- Hutchison Telecommunications -- ViaSat and Hutchison Telecommunications have recently entered into a contract for intranational and international carrier satellite telephony equipment. The contract also provides for advanced digital data capabilities for public and private networks. The contract was awarded after competition from many other DAMA vendors. Under the terms of the contract, Hutchison Telecommunications has the right to terminate the contract and, under certain circumstances, receive liquidated damages from the Company of up to approximately $275,000, as well as other...
ViaSat also has executed distribution agreements and purchase contracts with companies operating VSAT networks in Mexico, the Caribbean, South America and other regions.

RESEARCH AND DEVELOPMENT

The Company believes that its future success depends on its ability to adapt to the rapidly changing satellite communications and related real-time signal processing and networking software environment, and to continue to meet its customers' needs. Therefore, the continued timely development and introduction of new products is essential in maintaining its competitive position. The Company develops most of its products in-house and currently has a research and development staff which includes over 150 engineers. A significant portion of the Company's research and development efforts in the defense industry have generally been conducted in direct response to the specific requirements of a customer's order and, accordingly, such amounts are included in the cost of sales when incurred and the related funding (which includes a profit component) is included in net revenues at such time. Revenues for funded research and development during the fiscal years ended March 31, 1994, 1995 and 1996 and the six months ended September 30, 1996 were approximately $9.7 million, $20.7 million, $19.5 million and $11.6 million, respectively. In addition, the Company invested $134,000, $788,000 and $2.8 million, respectively, during the fiscal years ended March 31, 1994, 1995 and 1996 on independent research and development, which is not directly funded by a third party. Funded research and development contains a profit component and is therefore not directly comparable to independent research and development. As a government contractor, the Company also is able to recover a portion of its independent research and development expenses, consisting primarily of salaries and other personnel-related expenses, supplies and prototype materials related to research and development programs, pursuant to its government contracts.

The Company has benefitted and continues to benefit from the SBIR program, through which the government provides research and development funding for companies with fewer than 500 employees. While the Company has already harvested significant benefits from the SBIR program throughout the initial developmental stages of its core technology base, the Company believes that its business, financial condition and results of operations would not be materially adversely affected if the Company were to lose its SBIR funding status. The Company plans to leverage from this technology base to further develop products for commercial applications.

MANUFACTURING

The Company's manufacturing objective is to produce products that conform to its specifications at the lowest possible manufacturing cost. The Company is engaged in an effort to increase the standardization of its manufacturing process in order to permit it to more fully utilize contract manufacturers. As part of its program to reduce the cost of its manufacturing and to support an increase in the volume of orders, the Company primarily utilizes contract manufacturers in its manufacturing process. The Company conducts extensive testing and quality control procedures for all products before they are delivered to customers.

The Company also relies on outside vendors to manufacture certain components and subassemblies used in the production of the Company's products. Certain components, subassemblies and services necessary for the manufacture of the Company's products are obtained from a sole supplier or a limited group of suppliers. In particular, Texas Instruments is a sole source supplier of digital signal processing chips, which are critical components used by the Company in substantially all of its products. The Company intends to reserve its limited internal manufacturing capacity for new products and products manufactured in accordance with a customer's custom specifications or expected delivery schedule. Therefore, the Company's internal manufacturing capability for standard products has been, and is expected to continue to be, very limited, and the Company intends to rely on contract manufacturers for large scale manufacturing. There can be no assurance that the Company's internal
manufacturing capacity and that of its contract manufacturers and suppliers will be sufficient to fulfill the Company's orders in a timely manner. Failure to manufacture, assemble and deliver products and meet customer demands on a timely and cost effective basis could damage relationships with customers and have a material adverse effect on the Company's business, financial condition and operating results.

SALES AND MARKETING

The Company markets its products to the DOD and to commercial customers worldwide primarily through the Company's internal sales and marketing staff of nine people. After the Company has identified key potential customers in its market segments, the Company makes sales calls with its sales, management and engineering personnel. Many of the companies entering the wireless communications markets possess expertise in digital processing and wired systems but relatively little experience in DAMA wireless transmission. In order to promote widespread acceptance of its products and provide customers with support for their wireless transmission needs, the Company's sales and engineering teams work closely with its customers to develop tailored solutions to their wireless transmission needs. The Company believes that its customer engineering support provides it with a key competitive advantage.

During the fiscal year ended March 31, 1996 and the six months ended September 30, 1996, respectively, ViaSat sold products to approximately 42 and 26 customers of which DOD contracts accounted for approximately 97.5% and 99.1% of total revenues.

BACKLOG

At September 30, 1996, the Company had firm backlog of $43.5 million, of which $40.1 million was funded, not including options of $26.9 million. Of the $43.5 million in firm backlog, approximately $24.0 million is expected to be delivered in the fiscal year ending March 31, 1997, $17.4 million is expected to be delivered in the fiscal year ending March 31, 1998 and the balance is expected to be delivered in the fiscal year ending March 31, 1999. The Company had firm backlog of $28.7 million, not including options of $28.0 million, at March 31, 1996, compared to firm backlog of $31.7 million, not including options of $27.3 million, at March 31, 1995. The Company includes in its backlog only those orders for which it has accepted purchase orders. However, backlog is not necessarily indicative of future sales. A majority of the Company's backlog scheduled for delivery can be terminated at the convenience of the government since orders are often made substantially in advance of delivery, and the Company's contracts typically provide that orders may be terminated with limited or no penalties. In addition, purchase orders may set forth product specifications that would require the Company to complete additional product development. A failure to develop products meeting such specifications could lead to a termination of the related purchase order.

The backlog amounts as presented are comprised of funded and unfunded components. Funded backlog represents the sum of contract amounts for which funds have been specifically obligated by customers to contracts. Unfunded backlog represents future contract or option amounts that customers may obligate over the specified contract performance periods. The Company's customers allocate funds for expenditures on long-term contracts on a periodic basis. The Company is committed to produce products under its contracts to the extent funds are provided. The funded component of the Company's backlog at September 30, 1996 was approximately $40.1 million, and the funded components of the Company's backlog at March 31, 1995 and 1996 were $29.6 million and $26.3 million, respectively. The ability of the Company to realize revenues from government contracts in backlog is dependent upon adequate funding for such contracts. Although funding of its government contracts is not within the Company's control, the Company's experience indicates that actual contract fundings have ultimately been approximately equal to the aggregate amounts of the contracts.

GOVERNMENT CONTRACTS
A substantial portion of the Company's revenues are derived from contracts
and subcontracts with the DOD and other federal government agencies. Many of the
Company's contracts are competitively bid and awarded on the basis of technical
merit, personnel qualifications, experience and price. The Company also receives
some contract awards involving special technical capabilities on a negotiated,
noncompetitive basis due to the Company's unique technical capabilities in
special areas. Future revenues and income of the Company could be materially
affected by changes in procurement policies, a reduction in expenditures for the
products and services provided by the Company, and other risks generally
associated with federal government contracts. See "Risk Factors -- Dependence on
Defense Market" and "-- Government Regulations."

The Company provides products under federal government contracts that
usually require performance over a period of one to five years. Long-term
contracts may be conditioned upon continued availability of Congressional
appropriations. Variances between anticipated budget and Congressional
appropriations may result in a delay, reduction or termination of such
contracts. Contractors often experience revenue uncertainties with respect to
available contract funding during the first quarter of the government's fiscal
year beginning October 1, until differences between budget requests and
appropriations are resolved.

The Company's federal government contracts are performed under
cost-reimbursement contracts, time-and-materials contracts and fixed-price
contracts. Cost-reimbursement contracts provide for reimbursement of costs (to
the extent allowable, allocable and reasonable under Federal Acquisition
Regulations) and for payment of a fee. The fee may be either fixed by the
contract (cost-plus-fixed fee) or variable, based upon cost control, quality,
delivery and the customer's subjective evaluation of the work (cost-plus-award
fee). Under time-and-materials contracts, the Company receives a fixed amount by
labor category for services performed and is reimbursed (without fee) for the
cost of materials purchased to perform the contract. Under a fixed-price
contract, the Company agrees to perform certain work for a fixed price and,
accordingly, realizes the benefit or detriment to the extent that the actual
cost of performing the work differs from the contract price. Contract revenues
for the fiscal year ended March 31, 1996 and the six months ended September 30,
1996, respectively, were approximately 38.7% and 37.2% from cost-reimbursement
contracts, approximately 5.0% and 5.9% from time-and-materials contracts and
approximately 56.3% and 56.9% from fixed-price contracts. See "Risk
Factors -- Contract Profit Exposure."

The Company's allowable federal government contract costs and fees are
subject to audit by the Defense Contract Audit Agency. Audits may result in
non-reimbursement of some contract costs and fees. While the government reserves
the right to conduct further audits, audits conducted for periods through fiscal
1994 have resulted in no material cost recovery disallowances for the Company.

The Company's federal government contracts may be terminated, in whole or
in part, at the convenience of the government. If a termination for convenience
occurs, the government generally is obligated to pay the cost incurred by the
Company under the contract plus a pro rata fee based upon the work completed.
When the Company participates as a subcontractor, the Company is at risk if the
prime contractor does not perform its contract. Similarly, when the Company as a
prime contractor employs subcontractors, the Company is at risk if a
subcontractor does not perform its subcontract.

Some of the Company's federal government contracts contain options which
are exercisable at the discretion of the customer. An option may extend the
period of performance for one or more years for additional consideration on
terms and conditions similar to those contained in the original contract. An
option may also increase the level of effort and assign new tasks to the
Company. In the Company's experience, options are usually exercised.

The Company's eligibility to perform under its federal government contracts
requires the Company to maintain adequate security measures. The Company has
implemented security procedures which it believes are adequate to satisfy the
requirements of its federal government contracts.
GOVERNMENT REGULATIONS

Certain of the Company's products are incorporated into wireless telecommunications systems that are subject to regulation domestically by the Federal Communications Commission and internationally by other government agencies. Although the equipment operators and not the Company are responsible for compliance with such regulations, regulatory changes, including changes in the allocation of available frequency spectrum and in the military standards which define the current networking environment, could materially adversely affect the Company's operations by restricting development efforts by the Company's customers, making current products obsolete or increasing the opportunity for additional competition. Changes in, or the failure by the Company to manufacture products in compliance with, applicable domestic and international regulations could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, the increasing demand for wireless telecommunications has exerted pressure on regulatory bodies worldwide to adopt new standards for such products, generally following extensive investigation and deliberation over competing technologies. The delays inherent in this governmental approval process have in the past caused and may in the future cause the cancellation, postponement or rescheduling of the installation of communication systems by the Company's customers, which in turn may have a material adverse effect on the sale of products by the Company to such customers.

The Company is also subject to a variety of local, state and federal governmental regulations relating to the storage, discharge, handling, emission, generation, manufacture and disposal of toxic or other hazardous substances used to manufacture the Company's products. The failure to comply with current or future regulations could result in the imposition of substantial fines on the Company, suspension of production, alteration of its manufacturing processes or cessation of operations. To date, these regulations have not had a material effect on the Company, as the Company has neither incurred significant costs to maintain compliance nor to remedy past noncompliance.

The Company believes that it operates its business in material compliance with applicable government regulations. The Company is not aware of any pending legislation which if enacted could have a material adverse effect on the Company's business, financial condition and results of operations.

COMPETITION

The markets for the Company's products and services are extremely competitive, and the Company expects that competition will increase in such markets. See "Risk Factors -- Competition." The Company faces intense competition in both government and commercial wireless networking markets.

Government DAMA Competition. Competition in the government DAMA market consists primarily of other companies offering DAMA capable modem, radio or network control equipment that is compatible with the open MIL-STD protocols. The government DAMA competitors are significantly larger companies than ViaSat and include Titan Corporation, Rockwell International, Raytheon Corporation and GEC (UK). The Company believes that it is well-positioned among these competitors because of its significant backlog of DAMA modem orders, its market lead time with respect to 5 kHz DAMA product certification and its participation in both the network control and subscriber terminal markets.

Government Non-DAMA Competition. There is also intense competition in other wireless networking markets. The JTIDS market, in particular, is dominated by two very large competitors (Rockwell and GEC-Marconi). The Company believes its strategic alliance with Lockheed Martin provides the Company with a relative advantage because Lockheed Martin is the single largest government contractor
and is also a large potential customer, as it manufactures and upgrades many aircraft that are candidates for JTIDS radios.

The Company's simulation and test equipment and information security products represent relatively new technologies in markets that are still small. Most of the Company's competition in these markets stems from alternative technologies that may or may not be applicable to any particular customer.

Commercial DAMA Competition. There is intense competition in the commercial DAMA market from companies that have strong positions in the TDM/TDMA VSAT business, as well as from other companies that seek to enter the VSAT market using DAMA technology. Most of the leading TDM/TDMA VSAT companies are offering DAMA products, including Hughes Network Systems, an affiliate of Hughes Defense Communications (see "Risk Factors -- Dependence on Defense Market"), Scientific Atlanta Inc., Gilat Satellite Networks Ltd., STM Wireless Inc. and NEC. In addition, there are also other types of competing DAMA technologies being developed.

AT&T Tridom, which is one of the largest VSAT equipment and service providers and which offers TDM/TDMA products, has entered into a strategic alliance with the Company to sell the Company's products under an OEM agreement. The Company believes that this may allow it to compete for customers seeking hybrid TDM/TDMA and DAMA VSAT solutions.

In different situations, DAMA products may be evaluated in comparison with either TDM/TDMA technology, DAMA technology from other companies, dedicated SCPC technology, mobile satellite technology or possibly terrestrial wireless solutions. The Company believes that it has a good understanding of those situations where DAMA systems in general, and its technology in particular, offer the best overall value to its customers, and tends to focus its marketing and selling efforts on those applications. DAMA technology is most attractive for customers with telephone, fax or other circuit-oriented applications. DAMA technology also allows networks to achieve much higher total capacity, with better voice quality than TDM/TDMA networks.

The Company seeks to establish strategic alliances with satellite service providers which would most benefit from its particular technological advantages. The Company has established such relationships with a few key companies, including HCL Comnet in India. The Company believes that its products offer the lowest total cost of ownership for service providers considering the flexibility of its equipment, its transponder capacity advantages and the breadth of its service offerings.

INTELLECTUAL PROPERTY

The Company relies on a combination of trade secrets, copyrights, trademarks, service marks and contractual rights to protect its intellectual property. The Company attempts to protect its trade secrets and other proprietary information through agreements with its customers, suppliers, employees and consultants, and through other security measures. Although the Company intends to protect its rights vigorously, there can be no assurance that these measures will be successful. In addition, the laws of certain countries in which the Company's products are or may be developed, manufactured or sold may not protect the Company's products and intellectual property rights to the same extent as the laws of the United States.

While the Company's ability to compete may be affected by its ability to protect its intellectual property, the Company believes that, because of the rapid pace of technological change in the wireless personal communications industry, its technical expertise and ability to introduce new products on a timely basis will be more important in maintaining its competitive position than protection of its intellectual property and that patent, trade secret and copyright protections are important but must be supported by other factors such as the expanding knowledge, ability and experience of the Company's personnel, new product introductions and frequent product enhancements. Although the Company continues to implement protective measures and intends to defend vigorously its intellectual property rights, there can be no assurance that these measures will be successful. See "Risk Factors -- Limited Protection of
There can be no assurance that third parties will not assert claims against the Company with respect to existing and future products. In the event of litigation to determine the validity of any third party's claims, such litigation could result in significant expense to the Company and divert the efforts of the Company's technical and management personnel, whether or not such litigation is determined in favor of the Company. The wireless communications industry has been subject to frequent litigation regarding patent and other intellectual property rights. Leading companies and organizations in the industry have numerous patents that protect their intellectual property rights in these areas. In the event of an adverse result of any such litigation, the Company could be required to expend significant resources to develop non-infringing technology or to obtain licenses to the technology which is the subject of the litigation. There can be no assurance that the Company would be successful in such development or that any such license would be available on commercially reasonable terms.

EMPLOYEES

As of September 30, 1996, the Company had 257 employees (15 of which were temporary employees), including over 150 in research and development, nine in marketing and sales, 40 in production, and 53 in corporate, administration and production coordination. The Company believes that its future prospects will depend, in part, on its ability to continue to attract and retain skilled engineering, marketing and management personnel, who are in great demand. In particular, there is a limited supply of highly qualified engineers with appropriate experience. See "Risk Factors -- Dependence on Key Personnel." Each of the Company's employees is required to sign an Invention and Confidential Disclosure Agreement upon joining the Company. Under such agreement, each employee agrees that any inventions developed by such employee during the term of employment are the exclusive property of the Company and that such employee will not disclose or use in any way information related to the Company's business or products, either during the term of such employee's employment or at any time thereafter. The Company currently employs over 150 engineers, including 75 engineers who have masters degrees and seven engineers who have doctorate degrees. None of the Company's employees are covered by a collective bargaining agreement and the Company has never experienced any strike or work stoppage. The Company believes that its relations with its employees are good.

PROPERTIES

The Company's headquarters are located in an approximately 37,000 square foot leased facility in Carlsbad, California. This facility houses the Company's management, marketing and sales personnel. The lease for this facility terminates in November 1998. The Company also leases another facility in Carlsbad, California containing approximately 49,000 square feet for research and development, application engineering and manufacturing coordination activities. This lease terminates in August 1999 with options to renew for two additional periods of two years each. In addition, the Company leases two smaller sales facilities aggregating approximately 2,600 square feet located in Boston, Massachusetts, and Melbourne, Florida. The Boston lease terminates in May 1998 with an option to renew for one additional period of two years. The Melbourne lease terminates in March 1997 with no renewal options. Annual leasing costs of the Company totaled $387,000, $493,000 and $608,000 for the fiscal years ended March 31, 1994, 1995 and 1996, respectively. The Company believes that its existing facilities are adequate to meet its current needs and that suitable additional or alternative space will be available on commercially reasonable terms as needed.

LEGAL PROCEEDINGS

The Company is not a party to any legal proceedings other than various claims and lawsuits arising in the ordinary course of its business which, in the opinion of the Company's management, are not individually or in the aggregate
The executive officers and directors of the Company, and their ages as of September 30, 1996, are as follows:

<table>
<thead>
<tr>
<th>NAME</th>
<th>AGE</th>
<th>POSITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark D. Dankberg...........</td>
<td>41</td>
<td>Chairman of the Board, President and Chief Executive Officer</td>
</tr>
<tr>
<td>Gregory D. Monahan........</td>
<td>51</td>
<td>Vice President, Chief Financial Officer and General Counsel</td>
</tr>
<tr>
<td>Thomas E. Carter...........</td>
<td>42</td>
<td>Vice President -- Engineering</td>
</tr>
<tr>
<td>Andrew M. Paul..............</td>
<td>41</td>
<td>Vice President -- Commercial Operations</td>
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<tr>
<td>James P. Collins...........</td>
<td>53</td>
<td>Vice President -- Business Development</td>
</tr>
<tr>
<td>Mark J. Miller..............</td>
<td>37</td>
<td>Vice President, Chief Technical Officer and Secretary</td>
</tr>
<tr>
<td>Steven R. Hart..............</td>
<td>43</td>
<td>Vice President and Chief Technical Officer</td>
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<tr>
<td>Robert W. Johnson...........</td>
<td>47</td>
<td>Director</td>
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<tr>
<td>Jeffrey M. Nash.............</td>
<td>49</td>
<td>Director</td>
</tr>
<tr>
<td>B. Allen Lay................</td>
<td>62</td>
<td>Director</td>
</tr>
</tbody>
</table>

Mr. Dankberg was a founder of the Company and has served as Chairman of the Board, President and Chief Executive Officer of the Company since its inception in May 1986. Prior to joining the Company, he was Assistant Vice President of M/A-COM Linkabit, a manufacturer of satellite telecommunications equipment, from 1979 to 1986 and Communications Engineer for Rockwell International from 1977 to 1979. Mr. Dankberg holds B.S.E.E. and M.E.E. degrees from Rice University.

Mr. Monahan has served as Vice President, Chief Financial Officer and General Counsel of the Company since December 1988. Prior to joining the Company, Mr. Monahan was Assistant Vice President of M/A-COM Linkabit from 1978 to 1988. Mr. Monahan holds a J.D. degree from the University of San Diego and B.S.M.E. and M.B.A. degrees from the University of California, Berkeley.

Dr. Carter has served as Vice President -- Engineering of the Company since November 1990. Prior to joining the Company, Dr. Carter served in several positions including Business Area Manager, Program Manager and System Engineering Department Manager in the Military Electronics and Avionics Division of TRW Inc. Dr. Carter holds a Ph.D. in Electrical Engineering from the University of Southern California and B.S.E.E. and M.S.E.E. degrees from Rice University.

Mr. Paul has served as Vice President -- Commercial Operations of the Company since March 1993. Prior to joining the Company, Mr. Paul served as Vice President and General Manager of the Western Region of Evernet Systems, Inc., a computer network integrator, from 1992 to 1993. Previously, Mr. Paul was Vice President of Sales at ComStream Corp. from 1989 to 1992. Mr. Paul holds a B.A. degree from Stanford University.

Mr. Collins has served as Vice President -- Business Development of the Company since December 1988. Prior to joining the Company, Mr. Collins was Assistant Vice President of M/A-COM Linkabit from 1982 to 1988. Mr. Collins was a Director of Marketing at General Dynamics from 1976 to 1982 and prior to that served on active duty in the U.S. Army for ten years. Mr. Collins currently serves in the U.S. Army Reserve and was recently selected for assignment as a Brigadier General. He holds a B.A. degree from Hofstra University and an M.S. degree in Geodetic Science from Ohio State University.
Mr. Miller was a founder of the Company and has served as Vice President and Chief Technical Officer of the Company since 1993 and as Engineering Manager and Secretary since 1986. Prior to joining the Company, Mr. Miller was a Staff Engineer at M/A-COM Linkabit from 1983 to 1986. Mr. Miller holds a B.S.E.E. degree from the University of California, San Diego and a M.S.E.E. degree from the University of California, Los Angeles.

Mr. Hart was a founder of the Company and has served as Vice President and Chief Technical Officer since 1993 and as Engineering Manager since 1986. Prior to joining the Company, Mr. Hart was a Staff Engineer and Manager at M/A-COM Linkabit from 1982 to 1986. Mr. Hart holds a B.S. in Mathematics from the University of Nevada, Las Vegas and a M.A. in Mathematics from the University of California, San Diego.

Mr. Johnson has been a director of the Company since 1986. Mr. Johnson has been self-employed as a private investor from 1988 to the present. From 1983 to 1988, Mr. Johnson was a Principal of Southern California Ventures ("SCV"). Mr. Johnson currently is a director of STAC Inc., a publicly-held company which manufactures semiconductors and software for data storage and communications, Proxima Corporation, a publicly-held company which manufactures computer display equipment, and TransTech Information Management Systems, Inc., a privately-held company which manufactures software for the towing and recovery industry.

Dr. Nash has been a director of the Company since 1987. Since August 1995, he has been President, Chief Executive Officer and a director of TransTech Information Management Systems, Inc., a privately-held company which manufactures software for the towing and recovery industry. From 1994 to the present, Dr. Nash has been Chairman of the Board of Digital Perceptions, Inc., and, from 1989 to 1994, was the Chief Executive Officer and President of Visqus as well as Conner Technology, Inc., both subsidiaries of Conner Peripherals, Inc. Dr. Nash is currently a director of REMEC, Inc., a publicly-held company which manufactures microwave multi-function modules, Proxima Corporation, a publicly-held company which manufactures computer display equipment, and Esscor, Inc., a privately-held electrical utility simulation company.

Mr. Lay has been a director of the Company since 1996. Since 1983, he has been a General Partner of SCV. Mr. Lay is Chief Executive Officer and a director of Vestro Natural Foods Inc., a publicly-held natural foods marketing company. Mr. Lay is also a director of Pair Gain Technology, Inc., a publicly-held telecommunications company, Physical Optics Company, a privately-held optical systems and subsystems company, Kofax Imaging Systems, a privately-held document imaging systems company, and Medclone Inc., a privately-held biotech company.

The Company intends to recruit an additional outside director with experience in industries complementary to the Company's business following the closing of this offering.

COMMITTEES OF THE BOARD OF DIRECTORS

Audit Committee. Following the closing of this offering, the Board of Directors will establish an audit committee (the "Audit Committee"), which will consist of two or more independent directors. The Audit Committee will be established to make recommendations concerning the engagement of independent public accountants, review with the independent public accountants the plans and results of the audit engagement, approve professional services provided by the independent public accountants, review the independence of the independent public accountants, consider the range of audit and non-audit fees and review the adequacy of the Company's internal accounting controls.

Compensation Committee. Following the closing of this offering, the Board of Directors will establish a compensation committee (the "Compensation Committee"), which will consist of two or more non-employee or independent directors to the extent required by Rule 16b-3 under the Exchange Act, to determine compensation for the Company's executive officers and awards under the
Company's 1996 Equity Participation Plan and Employee Stock Purchase Plan.

The Board of Directors initially will not have a nominating committee or any other committee.

COMPENSATION OF DIRECTORS

During the fiscal year ended March 31, 1996, Messrs. Johnson, Nash and Lay each received options to purchase 3,668 shares of Common Stock at an exercise price of $1.36 per share. Other than such options, the directors of the Company received no compensation from the Company for services rendered as a director during the fiscal year ended March 31, 1996. The Company expects that, following the closing of this offering, its independent directors will be paid in a manner and at a level consistent with industry practice.

EXECUTIVE COMPENSATION

The following table sets forth certain information concerning compensation for the fiscal year ended March 31, 1996 received by the Chief Executive Officer and the five other most highly compensated executive officers of the Company (collectively, the "Named Executive Officers").

SUMMARY COMPENSATION TABLE

<table>
<thead>
<tr>
<th>NAME AND PRINCIPAL POSITION(S)</th>
<th>FISCAL YEAR COMPENSATION</th>
<th>LONG-TERM COMPENSATION AWARDS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SALARY</td>
<td>BONUS</td>
</tr>
<tr>
<td>Mark D. Dankberg..................</td>
<td>$165,000</td>
<td>$35,000</td>
</tr>
<tr>
<td>Chairman of the Board, President and Chief Executive Officer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thomas E. Carter...................</td>
<td>131,500</td>
<td>10,000</td>
</tr>
<tr>
<td>Vice President -- Engineering</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gregory D. Monahan...............</td>
<td>124,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Vice President, Chief Financial Officer and General Counsel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Andrew M. Paul.....................</td>
<td>125,938</td>
<td>5,000</td>
</tr>
<tr>
<td>Vice President -- Commercial Operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Steven R. Hart....................</td>
<td>112,500</td>
<td>8,000</td>
</tr>
<tr>
<td>Vice President and Chief Technical Officer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mark J. Miller....................</td>
<td>112,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Vice President, Chief Technical Officer and Secretary</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Includes contributions to the Company's 401(k) Plan.

The following table sets forth certain information concerning individual grants of stock options made by the Company during the fiscal year ended March 31, 1996 to each of the Named Executive Officers.

OPTION GRANTS IN LAST FISCAL YEAR
<table>
<thead>
<tr>
<th>NAME</th>
<th>NUMBER OF OPTIONS</th>
<th>% OF TOTAL</th>
<th>OPTIONS GRANTED TO EMPLOYEES IN FISCAL 1996</th>
<th>BASE PRICE PER SHARE</th>
<th>EXPIRATION DATE</th>
<th>VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE</th>
<th>APPRECIATION FOR OPTION TERM(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark D. Dankberg</td>
<td>14,670</td>
<td>12.54%</td>
<td>6.15%</td>
<td>$1.50</td>
<td>6/26/00</td>
<td>$28,078</td>
<td>$35,439</td>
</tr>
<tr>
<td>Thomas E. Carter</td>
<td>40,343</td>
<td>34.47%</td>
<td>7.65%</td>
<td>$1.36</td>
<td>6/26/00</td>
<td>70,025</td>
<td>88,363</td>
</tr>
<tr>
<td>Gregory D. Monahan</td>
<td>14,670</td>
<td>12.54%</td>
<td>6.15%</td>
<td>$1.36</td>
<td>6/26/00</td>
<td>25,463</td>
<td>32,132</td>
</tr>
<tr>
<td>Andrew M. Paul</td>
<td>8,802</td>
<td>7.52%</td>
<td>1.58%</td>
<td>$1.36</td>
<td>6/26/00</td>
<td>15,278</td>
<td>19,279</td>
</tr>
<tr>
<td>Steven R. Hart</td>
<td>3,668</td>
<td>3.13%</td>
<td>1.58%</td>
<td>$1.36</td>
<td>6/26/00</td>
<td>7,022</td>
<td>8,861</td>
</tr>
<tr>
<td>Mark J. Miller</td>
<td>3,668</td>
<td>3.13%</td>
<td>1.58%</td>
<td>$1.36</td>
<td>6/26/00</td>
<td>6,397</td>
<td>8,034</td>
</tr>
</tbody>
</table>

(1) These amounts represent assumed rates of appreciation in the price of the Common Stock during the terms of the options in accordance with rates specified in applicable federal securities regulations. Actual gains, if any, on stock option exercises will depend on the future price of the Common Stock and overall stock market conditions. There is no representation that the rates of appreciation reflected in this table will be achieved.

The following table sets forth certain information concerning exercises of stock options by the Named Executive Officers during the fiscal year ended March 31, 1996, and the number of options and value of unexercised options held by each of the Named Executive Officers at March 31, 1996.

### AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

<table>
<thead>
<tr>
<th>NAME</th>
<th>SHARES ACQUIRED ON EXERCISE</th>
<th>VALUE REALIZED(1)</th>
<th>NUMBER OF SECURITIES UNEXERCISED OPTIONS AT FISCAL YEAR-END</th>
<th>VALUE OF UNEXERCISED OPTIONS AT FISCAL YEAR-END(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark D. Dankberg</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Thomas E. Carter</td>
<td>--</td>
<td>--</td>
<td>37,225</td>
<td>14,748</td>
</tr>
<tr>
<td>Gregory D. Monahan</td>
<td>8,215</td>
<td>$5,705</td>
<td>28,093</td>
<td>8,720</td>
</tr>
<tr>
<td>Andrew M. Paul</td>
<td>--</td>
<td>--</td>
<td>5,135</td>
<td>2,800</td>
</tr>
<tr>
<td>Steven R. Hart</td>
<td>--</td>
<td>--</td>
<td>3,668</td>
<td>--</td>
</tr>
<tr>
<td>Mark J. Miller</td>
<td>--</td>
<td>--</td>
<td>3,668</td>
<td>--</td>
</tr>
</tbody>
</table>

(1) The dollar values have been calculated by determining the difference between the fair market value of the securities underlying the options as determined in good faith by the Board of Directors at the applicable date and the exercise price of the options. The options were granted on November 8, 1993, July 20, 1994, October 4, 1994 and June 26, 1995 at exercise prices of $0.25, $0.35, $0.60 and $1.00, respectively.

### 1993 STOCK OPTION PLAN

In 1993, the Company adopted the ViaSat, Inc. 1993 Stock Option Plan (the "1993 Stock Option Plan") to enable key employees, consultants and non-employee directors of the Company to acquire a proprietary interest in the Company, and thus to create in such persons an increased interest in and a greater concern for the welfare of the Company. The 1993 Stock Option Plan provided for aggregate option grants of up to 733,500 shares. As of September 30, 1996,
options to purchase an aggregate of 375,509 shares of Common Stock at prices ranging from $0.34 to $4.50 were outstanding under the 1993 Stock Option Plan. No additional grants will be made under the 1993 Stock Option Plan after the consummation of this offering.

1996 EQUITY PARTICIPATION PLAN

In connection with this offering, the Company has adopted the ViaSat, Inc. 1996 Equity Participation Plan (the "1996 Equity Participation Plan") designed to update and replace the 1993 Stock Option Plan. The 1996 Equity Participation Plan provides for the grant to executive officers, other key employees, consultants and non-employee directors of the Company of a broad variety of stock-based compensation alternatives such as nonqualified stock options, incentive stock options, restricted stock and performance awards. Grants under the 1996 Equity Participation Plan may provide participants with rights to acquire shares of Common Stock.

The 1996 Equity Participation Plan will be administered by the Compensation Committee, which is authorized to select from among the eligible participants the individuals to whom options, restricted stock purchase rights and performance awards are to be granted and to determine the number of shares to be subject thereto and the terms and conditions thereof. The members of the Compensation Committee who are not affiliated with the Company will select from among the eligible participants the individuals to whom nonqualified stock options are to be granted, except as set forth below, and will determine the number of shares to be subject thereto and the terms and conditions thereof. The Compensation Committee is also authorized to adopt, amend and rescind rules relating to the administration of the 1996 Equity Participation Plan.

Nonqualified stock options will provide for the right to purchase Common Stock at a specified price which may be less than fair market value on the date of grant (but not less than par value), and usually will become exercisable in installments after the grant date. Nonqualified stock options may be granted for any reasonable term.

Incentive stock options will be designed to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and will be subject to restrictions contained in the Code, including exercise prices equal to at least 100% of fair market value of Common Stock on the grant date and a ten year restriction on their term, but may be subsequently modified to disqualify them from treatment as an incentive stock option.

Restricted stock may be sold to participants at various prices (but not below par value) and made subject to such restrictions as may be determined by the Compensation Committee. Restricted stock, typically, may be repurchased by the Company at the original purchase price if the conditions or restrictions are met. In general, restricted stock may not be sold, or otherwise transferred or hypothecated, until restrictions are removed or expire. Purchasers of restricted stock, unlike recipients of options, will have voting rights and will receive dividends prior to the time when the restrictions lapse.

Performance awards may be granted by the Compensation Committee on an individual or group basis. Generally, these awards will be based upon specific agreements and may be paid in cash or in Common Stock or in a combination of cash and Common Stock. Performance awards may include "phantom" stock awards that provide for payments based upon increases in the price of the Company's Common Stock over a predetermined period. Performance awards also may include bonuses which may be granted by the Compensation Committee on an individual or group basis and which may be payable in cash or in Common Stock or in a combination of cash and Common Stock.

Upon the closing of this offering, the Company estimates that it will issue to recently-hired executive officers and other key employees of the Company options to purchase approximately 15,000 shares of Common Stock pursuant to the 1996 Equity Participation Plan.

A maximum of 750,000 shares are reserved for issuance under the 1996 Equity Participation Plan.
EMPLOYEE STOCK PURCHASE PLAN

In connection with this offering, the Company has adopted the ViaSat, Inc. Employee Stock Purchase Plan (the "Employee Stock Purchase Plan") to assist employees of the Company in acquiring a stock ownership interest in the Company and to encourage them to remain in the employment of the Company. The Employee Stock Purchase Plan is intended to qualify under Section 423 of the Code. A maximum of 250,000 shares of Common Stock will be reserved for issuance under the Employee Stock Purchase Plan. The Employee Stock Purchase Plan permits eligible employees to purchase Common Stock at a discount through payroll deductions during specified six-month offering periods. No employee may purchase more than $25,000 worth of stock in any calendar year. The price of shares purchased under the Employee Stock Purchase Plan will be equal to 85% of the fair market value of the Common Stock on the first or last day of the offering period, whichever is lower. The Employee Stock Purchase Plan will be administered by the Compensation Committee.

401(K) PLAN

The Company adopted a tax-qualified employee savings and retirement plan (the "401(k) Plan") effective January 1990 covering all employees who have been employed by the Company for at least 90 days and who are at least 21 years of age. Pursuant to the 401(k) Plan, employees may elect to reduce their current compensation by not less than 1.0% nor more than 15.0% of eligible compensation and have the amount of such reduction contributed to the 401(k) Plan. The 401(k) Plan permits, but does not require, additional cash contributions to the 401(k) Plan by the Company. The trustee under the 401(k) Plan invests the assets of the 401(k) Plan in designated investment options. The 401(k) Plan is intended to qualify under Section 401 of the Code so that contributions to the 401(k) Plan, and income earned on plan contributions, are not taxable to employees until withdrawn from the 401(k) Plan, and so that contributions by the Company are deductible by the Company when made for income tax purposes.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During the fiscal year ended March 31, 1996, each director of the Company, including Mark D. Dankberg, Chairman, President and Chief Executive Officer of the Company, participated in all discussions and decisions regarding salaries and incentive compensation for all employees and consultants of the Company, except that Mr. Dankberg was excluded from discussions regarding his own salary and incentive compensation.

Mr. Johnson, individually, and Mr. Lay, through his position as a General Partner of SCV, had an interest in the Company's sale of Series A Convertible Preferred Stock and the related transactions described under "Certain Transactions."

CERTAIN TRANSACTIONS

In June 1986, the Company sold 3,000,000 shares of Series A Convertible Preferred Stock to SCV and certain of its affiliates, including Robert W. Johnson, a director of the Company, at a price of $0.10 per share in a private placement transaction. Each outstanding share of Series A Convertible Stock will automatically convert into one share of Common Stock upon the closing of this offering. For a description of the rights, preferences and privileges of the Series A Convertible Preferred Stock, see Note 5 of Notes to Financial Statements.

In connection with the sale of the Series A Convertible Preferred Stock in June 1986, the Company entered into a Shareholders Agreement with SCV and certain of its affiliates, including Robert W. Johnson, a director of the Company, providing for the corporate governance of the Company. The Shareholders Agreement will terminate upon the closing of this offering.
The following table sets forth certain information regarding the beneficial ownership of the Common Stock as of October 25, 1996, and as adjusted to reflect the sale of the shares offered by this Prospectus (i) by each of the Company's directors and each of the Named Executive Officers, (ii) by all directors and executive officers as a group, (iii) by each person who is known by the Company to own beneficially more than 5% of the Common Stock, and (iv) by the Selling Stockholders. Unless otherwise indicated, the address for all stockholders listed in the table is c/o ViaSat, 2290 Cosmos Court, Carlsbad, California 92009.

<table>
<thead>
<tr>
<th>NAME AND ADDRESS</th>
<th>SHARES BENEFICIALLY OWNED PRIOR TO OFFERING(1)</th>
<th>SHARES BENEFICIALLY OWNED AFTER OFFERING(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NUMBER</td>
<td>PERCENT(2)</td>
</tr>
<tr>
<td>Southern California Ventures............</td>
<td>1,995,120</td>
<td>33.92%</td>
</tr>
<tr>
<td>406 Amapula Avenue, Suite 205 Torrance, California 90501</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mark D. Dankberg(3).....................</td>
<td>885,335</td>
<td>15.03%</td>
</tr>
<tr>
<td>Steven R. Hart(4)......................</td>
<td>661,434</td>
<td>11.24%</td>
</tr>
<tr>
<td>Mark J. Miller(5)......................</td>
<td>367,915</td>
<td>6.25%</td>
</tr>
<tr>
<td>Maureen Miller........................</td>
<td>293,519</td>
<td>4.99%</td>
</tr>
<tr>
<td>3042 Spearman Lane Spring Valley, California 91978</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thomas E. Carter(6)....................</td>
<td>183,925</td>
<td>3.12%</td>
</tr>
<tr>
<td>Robert W. Johnson(7)...................</td>
<td>183,375</td>
<td>3.12%</td>
</tr>
<tr>
<td>Gregory D. Monahan(8)..................</td>
<td>175,600</td>
<td>2.98%</td>
</tr>
<tr>
<td>Jeffrey N. Nash(9)......................</td>
<td>165,038</td>
<td>2.81%</td>
</tr>
<tr>
<td>James P. Collins........................</td>
<td>115,893</td>
<td>1.97%</td>
</tr>
<tr>
<td>Andrew M. Paul(10).....................</td>
<td>89,634</td>
<td>1.52%</td>
</tr>
<tr>
<td>B. Allen Lay(11).......................</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>All directors and executive officers as a group (10 persons)(12)</td>
<td>2,828,149</td>
<td>48.09%</td>
</tr>
</tbody>
</table>

(1) Assumes no exercise of the Underwriters' over-allotment option. Except as indicated in the footnotes to this table, to the Company's knowledge, each stockholder identified in the table possesses sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by such stockholder.

(2) Applicable percentage of ownership for each stockholder is based on 5,881,503 shares of Common Stock outstanding as of October 25, 1996 (including 2,365,538 shares of Common Stock to be issued upon conversion of the Preferred Stock), together with applicable options for such stockholder. Beneficial ownership is determined in accordance with the rules of the Commission and includes voting and investment power with respect to the shares. Shares of Common Stock subject to outstanding options which are currently vested or which vest within 60 days are deemed outstanding for computing the percentage ownership of the person holding such options, but are not deemed outstanding for computing the percentage ownership of any other person.

(3) Includes options to purchase 5,135 shares of Common Stock exercisable within 60 days of October 25, 1996. Excludes options to purchase 24,205 shares of Common Stock not exercisable within such 60-day period.
EXHIBIT D - DESCRIPTION OF CAPITAL STOCK

The following summary description of the capital stock of the Company does not purport to be complete and is subject to the provisions of the Company's Certificate of Incorporation and Bylaws, which are included as exhibits to the Registration Statement of which this Prospectus forms a part and by the provisions of applicable law.

Upon the closing of this offering, the authorized capital stock of the
Company will consist of 25,000,000 shares of Common Stock, par value $.0001 per share, and 5,000,000 shares of Preferred Stock, par value $.0001 per share, after giving effect to amendments to the Company's Certificate of Incorporation that have been approved by the Company's Board of Directors and stockholders.

COMMON STOCK

As of October 25, 1996, there were 3,515,965 shares of Common Stock outstanding held of record by 184 stockholders, and 3,225,000 shares of Preferred Stock outstanding held of record by four stockholders. Upon the closing of this offering, there will be 7,531,503 shares of Common Stock outstanding, including 1,650,000 shares to be issued by the Company hereunder and 2,365,538 shares to be issued upon conversion of the Preferred Stock.

Holders of Common Stock are entitled to one vote per share on all matters to be voted upon by the stockholders of the Company. The Common Stock does not have cumulative voting rights, which means the holder or holders of more than one-half of the shares voting for the election of directors can elect all of the directors then being elected. Subject to the preferences that may be applicable to any outstanding preferred stock, the holders of Common Stock are entitled to a ratably distribution of any dividends that may be declared by the Board of Directors out of funds legally available therefor. In the event of a liquidation, dissolution or winding up of the Company, the holders of Common Stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to the prior liquidation rights of any outstanding preferred stock. The Common Stock has no preemptive, redemption or conversion rights. The outstanding shares of Common Stock are, and the shares offered by the Company in the offering, when issued and paid for, will be fully paid and nonassessable. The rights, preferences and privileges of holders of Common Stock are subject to, and may be adversely affected by, the rights of the holders of shares of any preferred stock which the Company may designate and issue in the future. See "Dividend Policy."

PREFERRED STOCK

Upon the closing of this offering, each outstanding share of Series A Convertible Preferred Stock will be converted into 0.7335 of a share of Common Stock, and the Series A Convertible Preferred Stock will be automatically retired. Thereafter, the Board of Directors will be authorized, without further stockholder approval, to issue up to 5,000,000 shares of Preferred Stock in one or more series and to fix the rights, preferences, privileges and restrictions granted or imposed upon any unissued shares of Preferred Stock and to fix the number of shares constituting any series and the designations of such series.

The issuance of Preferred Stock may have the effect of delaying or preventing a change in control of the Company. The issuance of Preferred Stock could decrease the amount of earnings and assets available for distribution to the holders of Common Stock or could adversely affect the rights and powers, including voting rights, of the holders of the Common Stock. In certain circumstances, such issuance could have the effect of decreasing the market price of the Common Stock. As of the closing of the offering, no shares of Preferred Stock will be outstanding, and the Company currently has no plans to issue any shares of Preferred Stock.

BUSINESS COMBINATIONS; CERTAIN CHARTER AND BYLAW PROVISIONS

Section 203 of the Delaware General Corporation Law (the "DGCL") prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless upon closing of such transaction the interested stockholder owned 85% of the voting stock of the corporation.
outstanding at the time the transaction commenced, or unless the business combination is, or the transaction in which such person became an interested stockholder was, approved in a prescribed manner. A "business combination" includes mergers, asset sales and other transactions resulting in a financial benefit to the stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns (or, in the case of affiliates and associates of the issuer, did own within the last three years) 15% or more of the corporation's voting stock.

The Company's Amended and Restated Certificate of Incorporation and Bylaws contain provisions prohibiting stockholder action by written consent by the stockholders; limiting the right to call stockholder meetings to the Chairman of the Board, the President, the Secretary or the Board of Directors; and prohibiting the stockholders from removing directors from office except for cause and reserving to the directors the exclusive right to change the number of directors or to fill vacancies on the Board. The Company's Amended and Restated Certificate of Incorporation also provides for the Board of Directors to be divided into three classes of directors serving staggered three-year terms. As a result, approximately one-third of the Board of Directors will be elected each year.

The purpose and intended effect of the above described provisions in the Company's Amended and Restated Certificate of Incorporation and Bylaws are to enhance the continuity and stability of the Company's management by making it more difficult for stockholders to remove or change the incumbent members of the Board of Directors. Such provisions, coupled with the ownership by existing stockholders of approximately 70.8% of the Common Stock following this offering, could also render the Company more difficult to be acquired pursuant to an unfriendly acquisition by an outsider by making it more difficult for such person to obtain control of the Company and replace current management without the approval of the Board of Directors.

The Company has included in its Amended and Restated Certificate of Incorporation and Bylaws provisions to (i) eliminate the personal liability of its directors for monetary damages resulting from breaches of their fiduciary duty to the fullest extent permitted by the DGCL and (ii) indemnify its directors and officers to the fullest extent permitted by Section 145 of the DGCL, including circumstances in which indemnification is otherwise discretionary. The Company believes that these provisions are necessary to attract and retain qualified persons as directors and officers. The Company also intends to enter into indemnification agreements with certain officers and directors upon consummation of the offering.

LISTING

Application has been made to approve the shares of Common Stock for quotation and trading on The Nasdaq National Market under the symbol "VSAT."

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the Common Stock is Harris Trust Company of California.

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of the offering, the Company will have outstanding 7,531,503 shares of Common Stock. Of these shares, the 2,200,000 shares sold in the offering (plus any shares issued upon exercise of the Underwriters'
over-allotment option) will be freely tradeable without restriction under the Securities Act, unless purchased by "affiliates" of the Company as that term is defined in Rule 144 under the Securities Act.

In general, under Rule 144 as currently in effect, a stockholder (or stockholders whose shares are aggregated) who has beneficially owned shares constituting "restricted securities" (generally defined as securities acquired from the Company or an affiliate of the Company in a non-public transaction) for at least two years, is entitled to sell within any three-month period a number of shares that does not exceed the greater of one percent of the outstanding Common Stock or the average weekly trading volume in the Common Stock during the four calendar weeks preceding the date on which notice of such sale is filed pursuant to Rule 144. Sales under Rule 144 are also subject to certain provisions regarding the manner of sale, notice requirements and the availability of current public information about the Company. A stockholder (or stockholders whose shares are aggregated) who is not an affiliate of the Company for at least 90 days prior to a proposed transaction and who has beneficially owned "restricted securities" for at least three years is entitled to sell such shares under Rule 144 without regard to the limitations described above. Currently 2,812,817 shares of Common Stock are qualified for sale under this rule. The Commission has proposed to amend Rule 144 to reduce the two and three year holding periods specified above to one and two years, respectively.

Holders of 4,491,822 shares, including all officers and directors of the Company, have entered into contractual "lock-up" agreements generally providing that they will not directly or indirectly offer, sell, contract to sell or grant any option to purchase or otherwise transfer or dispose of shares of Common Stock or other equity securities of the Company or any securities exercisable for or convertible into Common Stock or other equity securities of the Company owned by them for a period of 180 days after the closing of the offering without the prior written consent of representatives of the Underwriters.

The Company has entered into a Stock Restriction Agreement with each of its stockholders for the purpose of limiting the sale, succession or other transfer of the Common Stock during the lifetime or upon the death of each stockholder. The Stock Restriction Agreement provides that the Company's stockholders will not transfer their shares of Common Stock during their lifetime or upon their death, except in limited instances, without first offering such shares for sale to the Company. In addition, the Stock Restriction Agreement requires each stockholder to approve an offer to purchase all of the outstanding Common Stock if such offer is accepted by stockholders owning at least two-thirds of the outstanding shares. The Stock Restriction Agreement with respect to each stockholder will terminate upon the closing of this offering, regardless of whether any of such stockholder's shares are included in this offering.

The Company intends to file a registration statement under the Securities Act after the offering covering the sale of 1,369,348 shares of Common Stock reserved for issuance under the 1993 Stock Option Plan, the 1996 Equity Participation Plan and the Employee Stock Purchase Plan. See "Management -- 1993 Stock Option Plan," "-- 1996 Equity Participation Plan" and "-- Employee Stock Purchase Plan." Such registration statement will automatically become effective upon filing. Accordingly, shares registered under such registration statement will, subject to Rule 144 volume and other limitations applicable to affiliates of the Company, be available for sale in the public market, except to the extent that such shares are subject to vesting restrictions.

Prior to the offering, there has been no public market for the Common Stock and no predictions can be made as to the effect, if any, that sales of shares of Common Stock will have on the market price of the Common Stock prevailing from time to time. Nevertheless, sales of significant numbers of shares of the Common Stock in the public market could adversely affect the market price of the Common Stock and could impair the Company's future ability to raise capital through an offering of its equity securities.
Under the terms and subject to the conditions of the Underwriting Agreement, the Underwriters named below, for whom Oppenheimer & Co., Inc., Needham & Company, Inc. and Unterberg Harris are acting as representatives (the "Representatives"), have severally agreed to purchase from the Company and Selling Stockholders, and the Company and Selling Stockholders have agreed to sell to each Underwriter, the aggregate number of shares of Common Stock set forth opposite their respective names in the table below. The Underwriting Agreement provides that the obligations of the Underwriters to pay for and accept delivery of the shares of Common Stock are subject to certain conditions precedent, and that the Underwriters are committed to purchase and pay for all shares if any shares are purchased.

<table>
<thead>
<tr>
<th>NAME</th>
<th>NUMBER OF SHARES</th>
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<tr>
<td>Oppenheimer &amp; Co., Inc.</td>
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<tr>
<td>Needham &amp; Company, Inc.</td>
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<tr>
<td>Unterberg Harris</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>2,200,000</strong></td>
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The Representatives have advised the Company that the Underwriters propose to offer the shares of Common Stock to the public at the initial public offering price set forth on the cover page of this Prospectus, and to certain dealers (who may include the Underwriters) at such price less a concession not in excess of $ per share, of which $ may be reallowed to other dealers. After the offering to the public, the offering price and other selling terms may be changed by the Representatives. No such reduction shall change the amount of the proceeds to be received by the Company and the Selling Stockholders as set forth on the cover page of this Prospectus.

The Company has granted an option to the Underwriters, exercisable during the 30-day period after the date of this Prospectus, to purchase up to 330,000 shares of Common Stock at the same price per share set forth on the cover page of this Prospectus solely to cover over-allotments, if any. To the extent that the Underwriters exercise such option, each of the Underwriters will be committed, subject to certain conditions, to purchase approximately the same percentage of such additional shares as the number of shares of Common Stock to be purchased by such Underwriter, as shown in the above table, bears to the total shown.

In connection with the offering, certain Underwriters and selling group members (if any) or their respective affiliates may engage in passive market making transactions in the Common Stock on The Nasdaq National Market in accordance with Rule 10b-6A under the Exchange Act during the two business day period before commencement of offers or sales of the Common Stock. The passive market making transactions must comply with applicable volume and price limits and be identified as such. In general, a passive market maker may display its bid at a price not in excess of the highest independent bid for such security; if all independent bids are lowered below the passive market maker's bid, however, such bid must then be lowered when certain purchase limits are exceeded.

The Underwriting Agreement contains covenants of indemnity and contribution between the Company and the Underwriters and the Selling Stockholders against certain civil liabilities that may be incurred in connection with this offering, including liabilities under the Securities Act.

Pursuant to the terms of lock-up agreements, all officers, directors, Selling Stockholders and holders of 1.0% or more of the Common Stock have agreed
with the Representatives not to sell, otherwise dispose of, contract to sell, 
grant any option to sell, transfer or otherwise dispose of, directly or
indirectly, shares of Common Stock or other equity securities of the Company or
securities exchangeable for or convertible into shares of Common Stock or other
equity securities of the Company for a period of 180 days after the date of this
Prospectus, without the prior written consent of the Representatives. The
Company has agreed not to sell, contract to sell, grant any option to sell, 
transfer or otherwise dispose of, directly or indirectly, shares of

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Common Stock or other equity securities of the Company for a period of 180 days
after the date of this Prospectus, without the prior written consent of the
Representatives, except that the Company may issue securities pursuant to the
1993 Stock Option Plan, the 1996 Equity Participation Plan and the Employee
Stock Purchase Plan and upon the exercise of outstanding stock options or
purchase rights under such plans. See "Shares Eligible for Future Sale."

The Underwriters will not make sales to accounts over which they exercise
discretionary authority (i) in excess of five percent of the number of shares of
Common Stock offered hereby, and (ii) unless they obtain specific written
consent of the customer.

Prior to the offering, there has been no public market for the Common
Stock. The initial public offering price for the Common Stock has been
determined by negotiation among the Company, the Selling Stockholders and the
Representatives. Among the factors considered in determining the initial public
offering price were prevailing market and economic conditions, revenues and
earnings of the Company, estimates of the business potential and prospects of
the Company, the present state of the Company's business operations, the
Company's management and other factors deemed relevant.

LEGAL MATTERS

The validity of the Common Stock offered hereby will be passed upon for the
Company by Latham & Watkins, San Diego, California. Certain legal matters in
connection with the offering will be passed upon for the Underwriters by Kaye,
Scholer, Fierman, Hays & Handler, LLP, Los Angeles, California.

EXPERTS

The financial statements of the Company as of March 31, 1995 and 1996, and
for each of the three years in the period ended March 31, 1996 included in this
Prospectus have been so included in reliance on the report of Price Waterhouse
LLP, independent accountants, given on the authority of said firm as experts in
auditing and accounting.

GLOSSARY OF SELECTED TERMS

DAMA...................... Demand Assigned Multiple Access. A protocol for
assigning a communication channel to a user only
upon request.

DOD....................... Department of Defense.
Downlink................... A radio transmission from a satellite back down toward the earth.

EMUT....................... Enhanced Manpack UHF Terminal. A small, portable satellite terminal for DOD that operates in the UHF frequency band.

FDMA....................... Frequency Division Multiple Access. A protocol that assigns each communication channel to a different transmission frequency.

GHz........................ Giga Hertz. One billion cycles per second. A measure of frequency or bandwidth.

LEO......................... Low Earth Orbit.

Local Loop Services....... Local telephony service.

MHz........................ Mega Hertz. One million cycles per second. A measure of frequency or bandwidth.

MIL-STD.................... Military standard.

NCS......................... Network Control System. The satellite terminal and computer that manages channel assignments in a DAMA network.

Network.................... A collection of user terminals linked together by a satellite.

PSTN....................... Public Switched Telephone Network.

RF......................... Radio Frequency.

SCPC....................... Single Channel Per Carrier. A signalling technique that transmits one voice or data circuit per radio channel.

SHF......................... Super High Frequency radio transmissions.

TDM......................... Time Division Multiplexing. A protocol for combining several different circuits into a single, continuous transmission.

TDMA....................... Time Division Multiple Access. A protocol for time
sharing a single communication channel among a number of different users.

Transponder.............. A receiving and transmitting device on board a satellite that relays an uplink transmission from a satellite terminal back down to earth.

UHF........................ Ultra High Frequency radio transmissions.

Uplink..................... A radio transmission from a satellite terminal that is sent up to a satellite.

VSAT....................... Very Small Aperture Terminal. A satellite terminal with a very small antenna. A VSAT antenna is typically considered to be less than 3.7 meters in diameter.

Wireless Local Loop....... Wireless switched local telephony service.

INDEX TO FINANCIAL STATEMENTS

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Statement of Income....................................................................................... F-4
Statement of Stockholders' Equity................................................................. F-5
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Notes to Financial Statements........................................................................ F-7

F-1

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of ViaSat, Inc.

In our opinion, the accompanying balance sheet and the related statements of income, of stockholders' equity and of cash flows present fairly, in all material respects, the financial position of ViaSat, Inc. at March 31, 1996 and 1995, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 1996, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and
disclosures in the financial statements, assessing the accounting principles
used and significant estimates made by management, and evaluating the overall
financial statement presentation. We believe that our audits provide a
reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP

San Diego, California

June 11, 1996, except as to the
Recapitalization discussed in Note 1,
which is as of November 4, 1996

VIASAT, INC.
BALANCE SHEET

MARCH 31, SEPTEMBER PRO FORMA
(UNAUDITED) (UNAUDITED)
STOCKHOLDERS' EQUITY

ASSETS
Current assets:
Cash and cash equivalents............ $ 2,731,000 $ 2,297,000 $ 1,186,000
Accounts receivable.................. 4,300,000 6,171,000 6,620,000
Inventory............................ 204,000 1,223,000 3,678,000
Deferred income taxes................ 134,000 484,000 637,000
Other current assets................. 64,000 170,000 422,000
----------     -----------     -----------
Total current assets.............. 7,433,000 10,345,000 12,543,000

Property and equipment, net............. 1,896,000 2,789,000 3,430,000
Other assets........................... 48,000 128,000 439,000
----------     -----------     -----------
Total assets................. 9,377,000 13,262,000 16,412,000


LIABILITIES AND STOCKHOLDERS' EQUITY
Current liabilities:
Accounts payable..................... 1,480,000 2,774,000 3,952,000
Accrued liabilities.................. 2,669,000 2,157,000 2,615,000
Current portion of notes payable..... 476,000 763,000 1,007,000
----------     -----------     -----------
Total current liabilities......... 4,625,000 5,694,000 7,574,000

Notes payable.......................... 1,220,000 1,747,000 1,512,000
Other liabilities...................... 119,000 604,000 849,000
----------     -----------     -----------
Total long-term liabilities....... 1,339,000 2,351,000 2,361,000

Commitments (Note 9)
Stockholders' equity:
Series A, convertible preferred stock, $.01 par value; 3,225,000 shares
authorized, issued and outstanding actual, no shares outstanding pro
forma (unaudited).................... 32,000 32,000 32,000
Common stock, $.01 par value, 7,335,000
shares authorized; 3,207,339, 3,342,101 and 3,509,804 issued and
outstanding actual, respectively;
5,875,342 shares issued and
outstanding pro forma (unaudited).... 44,000 46,000 48,000 80,000
Paid in capital...................... 568,000 737,000 1,224,000 1,224,000
Stockholders' notes receivable........ -- -- (311,000) (311,000)
Retained earnings..................... 2,769,000 4,402,000 5,484,000 5,484,000

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See accompanying notes to financial statements.

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VIASAT, INC.

STATEMENT OF INCOME

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<td>Adjustments to reconcile net income to net cash provided by (used in) operating activities:</td>
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<tr>
<td>Depreciation</td>
<td>316,000</td>
<td>542,000</td>
<td>982,000</td>
<td>424,000</td>
<td>619,000</td>
<td></td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>83,000</td>
<td>(13,000)</td>
<td>(350,000)</td>
<td>175,000</td>
<td>(153,000)</td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in cash resulting from changes in:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(2,256,000)</td>
<td>(265,000)</td>
<td>(1,871,000)</td>
<td>(2,217,000)</td>
<td>(449,000)</td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>(15,000)</td>
<td>(189,000)</td>
<td>(1,019,000)</td>
<td>(480,000)</td>
<td>(2,465,000)</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>(53,000)</td>
<td>(45,000)</td>
<td>129,000</td>
<td>(62,000)</td>
<td>(584,000)</td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>675,000</td>
<td>530,000</td>
<td>1,294,000</td>
<td>183,000</td>
<td>1,178,000</td>
<td></td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>1,019,000</td>
<td>1,331,000</td>
<td>(512,000)</td>
<td>(919,000)</td>
<td>458,000</td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>119,000</td>
<td>485,000</td>
<td>(5,000)</td>
<td>245,000</td>
<td>(39,000)</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) operating activities</strong></td>
<td>183,000</td>
<td>3,319,000</td>
<td>456,000</td>
<td>(2,207,000)</td>
<td>(39,000)</td>
<td></td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(511,000)</td>
<td>(1,701,000)</td>
<td>(1,875,000)</td>
<td>(1,035,000)</td>
<td>(1,260,000)</td>
<td></td>
</tr>
<tr>
<td><strong>Cash flows from financing activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from short-term bank borrowings</td>
<td>170,000</td>
<td>--</td>
<td>1,400,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of short-term bank borrowings</td>
<td>(150,000)</td>
<td>(350,000)</td>
<td>(1,400,000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issuance of notes payable</td>
<td>289,000</td>
<td>1,650,000</td>
<td>2,778,000</td>
<td>734,000</td>
<td>326,000</td>
<td></td>
</tr>
<tr>
<td>Repayment of notes payable</td>
<td>(53,000)</td>
<td>(346,000)</td>
<td>(1,964,000)</td>
<td>(254,000)</td>
<td>(316,000)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from issuance of common stock</td>
<td>6,000</td>
<td>150,000</td>
<td>171,000</td>
<td>81,000</td>
<td>178,000</td>
<td></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

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VIASAT, INC.

STATEMENT OF CASH FLOWS
### Net Cash Provided by Financing Activities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by financing activities</td>
<td>262,000</td>
<td>1,104,000</td>
<td>985,000</td>
<td>561,000</td>
<td>188,000</td>
</tr>
</tbody>
</table>

### Net (Decrease) Increase in Cash and Cash Equivalents

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by financing activities</td>
<td>(66,000)</td>
<td>2,722,000</td>
<td>(434,000)</td>
<td>(2,681,000)</td>
<td>(1,111,000)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>75,000</td>
<td>9,000</td>
<td>2,731,000</td>
<td>2,731,000</td>
<td>2,297,000</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>$9,000</td>
<td>$2,731,000</td>
<td>$2,297,000</td>
<td>$50,000</td>
<td>$1,186,000</td>
</tr>
</tbody>
</table>

### Supplemental Information:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid for interest</td>
<td>$48,000</td>
<td>$116,000</td>
<td>$260,000</td>
<td>$104,000</td>
<td>$125,000</td>
</tr>
<tr>
<td>Cash paid for income taxes</td>
<td>$121,000</td>
<td>$642,000</td>
<td>$468,000</td>
<td>$303,000</td>
<td>$1,086,000</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

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VIASAT, INC.

NOTES TO FINANCIAL STATEMENTS

1. THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company

Viasat, Inc. (the “Company”) designs, produces and markets advanced digital satellite telecommunications and wireless signal processing equipment.

Management Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

Cash equivalents consist of highly liquid investments with original maturities of 90 days or less.

Revenue Recognition

The majority of the Company’s revenues are derived from services performed for the United States Government and its prime contractors under a variety of contracts including cost-plus-fixed fee, fixed-price, and time and materials type contracts. Such sales amounted to $28,305,000, $21,226,000 and $11,143,000 for the years ended March 31, 1996, 1995 and 1994, respectively. Included in these revenues are sales to a significant customer under various subcontracts totaling $5,269,000 and $4,166,000 during the years ended March 31, 1996 and 1995, respectively. Sales to this customer were not significant during the year ended March 31, 1994. Generally, revenues are recognized as services are performed using the percentage of completion method, measured primarily by costs incurred to date compared with total estimated costs at completion or based on the number of units delivered. The Company provides for anticipated losses on contracts by a charge to income during the period in which they are first identified.

Contract costs, including indirect costs, are subject to audit and negotiations with Government representatives. These audits have been completed and agreed upon through fiscal year 1994. Contract revenues and accounts receivable are stated at amounts which are expected to be realized upon final settlement.

Unbilled Accounts Receivable

Unbilled receivables consist of costs and fees earned and billable on contract completion or other specified events. The majority of unbilled receivables is expected to be collected within one year. The amount of contract retention included in unbilled accounts receivable as of March 31, 1996 and 1995

See accompanying notes to financial statements.
is $45,000 and $22,000, respectively, and is expected to be collected beyond one year.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash equivalents and trade accounts receivable which are generally not collateralized. The Company limits its exposure to credit loss by placing its cash equivalents with high credit quality financial institutions. Concentrations of credit risk with respect to receivables are limited because the Company's primary customers are various agencies of the United States Government and its prime contractors.

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VIASAT, INC.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

Inventories

Inventories are valued at the lower of cost or market, cost being determined by the first-in, first-out method.

Software Costs

Software product development costs incurred from the time technological feasibility is reached until the product is available for general release to customers are capitalized and reported at the lower of cost or net realizable value. Through March 31, 1996, no significant amounts were expended subsequent to reaching technological feasibility.

Property and Equipment

Equipment, computers, and furniture and fixtures are recorded at cost, and depreciated over estimated useful lives of 3 to 7 years under the straight-line method. Additions to property and equipment together with major renewals and betterments are capitalized. Maintenance, repairs and minor renewals and betterments are charged to expense. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts and any resulting gain or loss is recognized.

Long-lived Assets

The Company assesses potential impairments to its long-lived assets when there is evidence that events or changes in circumstances have made recovery of the asset's carrying value unlikely. An impairment loss would be recognized when the sum of the expected future net cash flows is less than the carrying amount of the asset. No such impairment losses have been identified by the Company.

Warranty Reserves

The Company provides limited warranties on certain of its products for periods of up to three years. The Company recognizes warranty reserves based upon an estimate of total warranty costs, with amounts expected to be incurred within twelve months classified as a current liability.

Income Taxes

Income taxes are provided utilizing the liability method. The liability method requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities. Additionally, under the liability method, changes in tax rates and laws will be reflected in income in the period such changes are enacted.

Fair Value of Financial Instruments

At March 31, 1996, the carrying amounts of the Company's financial instruments, including cash equivalents, trade receivables and accounts payable, approximated their fair values due to their short term maturities. At March 31, 1996, the estimated fair value of the Company's long-term debt approximated its carrying value.
New Accounting Pronouncement

In October 1995, the FASB issued Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS 123). The Company does not intend to adopt the measurement provisions of SFAS 123 with regard to employee-based stock compensation, and will adopt the disclosure provisions during the fiscal year ending March 31, 1997.

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

Pro forma net income per share

Pro forma net income per share is computed based on the weighted average number of common shares and common stock equivalents, using the treasury stock method, outstanding during the respective periods after giving retroactive effect to the conversion, which will occur upon the closing of the Company's initial public offering, of all outstanding shares of preferred stock into 2,365,538 shares of common stock. Pursuant to Securities and Exchange Commission Staff Accounting Bulletin No. 83, all issuances of common stock and all stock options granted within one year prior to the Company's planned initial public offering have been included as outstanding for all periods using the treasury stock method. Historical earnings per share are not presented because such amounts are not deemed meaningful due to the significant change in the Company's capital structure that will occur in connection with the planned initial public offering.

Recapitalization

In November 1996, the Company filed an Amended and Restated Certificate of Incorporation to effect a .7335 for 1 reverse stock split of all outstanding shares of common stock and stock options. All shares and per share data in the accompanying financial statements have been adjusted retroactively to give effect to the reverse stock split. The Amended and Restated Certificate of Incorporation increases the authorized stock of the Company such that the Company is authorized to issue 5,000,000 shares of $0.0001 par value preferred stock, and 25,000,000 shares of $0.0001 par value common stock. Concurrently, the conversion ratio of the Company's preferred stock was changed to .7335 for 1.

Interim results (unaudited)

The accompanying balance sheet at September 30, 1996 and the related statements of income and of cash flows for the six months ended September 30, 1995 and 1996, and the statement of stockholders' equity for the six months ended September 30, 1996 are unaudited. In the opinion of management, these statements have been prepared on the same basis as the audited financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for the fair statement of results of the interim periods. The data disclosed in these notes to the financial statements at such dates and for such periods are also unaudited.

Pro forma stockholders' equity (unaudited)

The unaudited pro forma information presented in the accompanying balance sheet as of September 30, 1996 reflects the conversion of all outstanding preferred stock into 2,365,538 shares of common stock, which will occur upon completion of the Company's planned initial public offering.
2. COMPOSITION OF CERTAIN BALANCE SHEET CAPTIONS

<table>
<thead>
<tr>
<th></th>
<th>MARCH 31, 1995</th>
<th>SEPTEMBER 30, 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1995</td>
<td>1996</td>
</tr>
<tr>
<td>Accounts receivable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Billed..................</td>
<td>$2,890,000</td>
<td>$5,653,000</td>
</tr>
<tr>
<td>Unbilled..............</td>
<td>1,410,000</td>
<td>518,000</td>
</tr>
<tr>
<td></td>
<td>$4,300,000</td>
<td>$6,171,000</td>
</tr>
<tr>
<td>Inventory:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw materials.........</td>
<td>$67,000</td>
<td>$753,000</td>
</tr>
<tr>
<td>Work in process......</td>
<td>137,000</td>
<td>402,000</td>
</tr>
<tr>
<td>Finished goods.......</td>
<td>68,000</td>
<td>103,000</td>
</tr>
<tr>
<td></td>
<td>$204,000</td>
<td>$1,223,000</td>
</tr>
<tr>
<td>Property and equipment:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machinery and equipment.....</td>
<td>$1,288,000</td>
<td>$2,313,000</td>
</tr>
<tr>
<td>Computer equipment.....</td>
<td>1,564,000</td>
<td>2,213,000</td>
</tr>
<tr>
<td>Furniture and fixtures.</td>
<td>179,000</td>
<td>380,000</td>
</tr>
<tr>
<td></td>
<td>$3,031,000</td>
<td>$4,906,000</td>
</tr>
<tr>
<td>Less accumulated depreciation........</td>
<td>(1,135,000)</td>
<td>(2,117,000)</td>
</tr>
<tr>
<td></td>
<td>$1,896,000</td>
<td>$2,789,000</td>
</tr>
<tr>
<td>Accrued liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued vacation......</td>
<td>$406,000</td>
<td>$591,000</td>
</tr>
<tr>
<td>Accrued 401(k) matching contribution...</td>
<td>275,000</td>
<td>444,000</td>
</tr>
<tr>
<td>Current portion of warranty reserve....</td>
<td>67,000</td>
<td>413,000</td>
</tr>
<tr>
<td>Accrued bonus.........</td>
<td>488,000</td>
<td>347,000</td>
</tr>
<tr>
<td>Collections in excess of revenues....</td>
<td>773,000</td>
<td>237,000</td>
</tr>
<tr>
<td>Income taxes payable..</td>
<td>601,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Other..................</td>
<td>59,000</td>
<td>85,000</td>
</tr>
<tr>
<td></td>
<td>$2,669,000</td>
<td>$2,157,000</td>
</tr>
</tbody>
</table>

3. SHORT-TERM BANK BORROWINGS

The Company has a $4,000,000 line of credit with a bank which allows it to borrow the greater of $1,000,000 or 80% of eligible accounts receivable plus 50% of the Company's eligible inventory at the bank's prime rate (8.25% at March 31, 1996). There were no borrowings outstanding as of March 31, 1996 and 1995. The Company is required to pay a fee equal to 0.25% of the unused portion of the line of credit on an annual basis. The credit agreement includes covenants which, among other things, require the Company to maintain stated net worth amounts plus specific liquidity and long-term solvency ratios as well as a minimum net income level. The line of credit expires on September 15, 1997. Amounts borrowed are secured by substantially all of the Company's assets.

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4. NOTES PAYABLE
Notes payable are as follows:

<table>
<thead>
<tr>
<th></th>
<th>MARCH 31, 1995</th>
<th>SEPTEMBER 30, 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1995</td>
<td>1996</td>
</tr>
<tr>
<td>Bank installment loans, with various expiration dates through September 1999, total monthly payments of $81,000 with interest rates ranging between 8% and 12%, collateralized by equipment</td>
<td>$1,092,000</td>
<td>$1,989,000</td>
</tr>
<tr>
<td>Finance company installment loans, with various expiration dates through April 1999, total monthly payments of $20,000 with interest rates ranging between 10.23% and 11.81%, collateralized by equipment</td>
<td>604,000</td>
<td>521,000</td>
</tr>
<tr>
<td>Less current portion</td>
<td>(476,000)</td>
<td>(763,000)</td>
</tr>
<tr>
<td></td>
<td>$1,220,000</td>
<td>$1,747,000</td>
</tr>
</tbody>
</table>

Principal maturities of notes payable as of March 31, 1996 are summarized as follows:

<table>
<thead>
<tr>
<th>YEAR ENDING MARCH 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997..........................</td>
</tr>
<tr>
<td>1998..........................</td>
</tr>
<tr>
<td>1999..........................</td>
</tr>
<tr>
<td>2000..........................</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

5. CONVERTIBLE PREFERRED STOCK

At March 31, 1996, the Company had 3,225,000 shares of its convertible $.01 par value Series A preferred stock (preferred stock) outstanding with a liquidation preference of $.10 per share. Each share of preferred stock is convertible at the option of the holder into one share of common stock subject to adjustment for stock splits and certain other transactions (Note 1). Holders of the preferred stock have votes per share equivalent to the number of shares of common stock to which the preferred stock may be converted.

Each share of preferred stock shall automatically convert at its then effective conversion price (i) upon the closing of any public offering of the Company’s common stock at an offering price of not less than $.50 per share and having an aggregate offering price of at least $3,000,000, or (ii) immediately prior to the closing of a merger, consolidation or combination of the Company with any other corporation, or (iii) immediately prior to a sale of substantially all of the Company’s assets in which the Company receives at least $3,000,000 in cash or negotiable securities.

Each share of preferred stock is entitled to receive dividends on a cumulative basis at the annual rate of $.009 per share, when and as declared by the Board of Directors. Such dividends have preference over any distribution to holders of common stock. Undeclared cumulative dividends amounted to $260,000 at March 31, 1996.
6. COMMON STOCK AND OPTIONS

In July 1993, the Company adopted the 1993 Stock Option Plan (the Plan) which authorizes 733,500 shares to be granted no later than July 2003. The Plan provides for the grant of both incentive stock options and non-qualified stock options which are subject to a three year vesting period. The option prices represent the estimated fair market value of the Company's common stock as determined by the Company's Board of Directors.

Transactions under the stock option plan are summarized as follows:

<table>
<thead>
<tr>
<th>NUMBER OF SHARES</th>
<th>OPTION PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Out. at Mar. 31, 94 (all granted in fiscal 1994)</td>
<td>54,829</td>
</tr>
<tr>
<td>Options granted</td>
<td>61,137</td>
</tr>
<tr>
<td>Options granted</td>
<td>74,450</td>
</tr>
<tr>
<td>Out. at Mar. 31, 95</td>
<td>190,416</td>
</tr>
<tr>
<td>Options granted</td>
<td>128,033</td>
</tr>
<tr>
<td>Options canceled</td>
<td>(147)</td>
</tr>
<tr>
<td>Options exercised</td>
<td>(8,215)</td>
</tr>
<tr>
<td>Out. at Mar. 31, 96</td>
<td>310,087</td>
</tr>
<tr>
<td>Options granted (unaudited)</td>
<td>120,661</td>
</tr>
<tr>
<td>Options canceled (unaudited)</td>
<td>(183)</td>
</tr>
<tr>
<td>Options exercised (unaudited)</td>
<td>(55,056)</td>
</tr>
<tr>
<td>Out. at Sept. 30, 96 (unaudited)</td>
<td>375,509</td>
</tr>
</tbody>
</table>

At March 31, 1996, options to purchase 77,570 shares of the Company's Common Stock were currently exercisable at $0.34 to $0.82 per share.

The Company also granted certain officers and employees the opportunity to purchase at fair market value 254,855, 124,805, and 118,607 shares of the Company's common stock in fiscal 1995, 1996 and for the six months ended September 30, 1996, respectively.

7. INCOME TAXES

The provision (benefit) for income taxes includes the following:

<table>
<thead>
<tr>
<th>YEAR ENDED MARCH 31,</th>
<th>SIX MONTHS ENDED SEPTEMBER 30, 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td>---------</td>
<td>------</td>
</tr>
</tbody>
</table>
Current tax provision

<table>
<thead>
<tr>
<th></th>
<th>March 31, 1996</th>
<th>September 30, 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>$361,000</td>
<td>$708,000</td>
</tr>
<tr>
<td></td>
<td>$344,000</td>
<td>$857,000</td>
</tr>
<tr>
<td>State</td>
<td>$109,000</td>
<td>$193,000</td>
</tr>
<tr>
<td></td>
<td>$193,000</td>
<td>$193,000</td>
</tr>
<tr>
<td></td>
<td>$470,000</td>
<td>$901,000</td>
</tr>
</tbody>
</table>

Deferred tax provision:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 1996</th>
<th>September 30, 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>$(109,000)</td>
<td>$10,000</td>
</tr>
<tr>
<td></td>
<td>$(310,000)</td>
<td>$(370,000)</td>
</tr>
<tr>
<td>State</td>
<td>$(33,000)</td>
<td>$(3,000)</td>
</tr>
<tr>
<td></td>
<td>$(93,000)</td>
<td>$(95,000)</td>
</tr>
<tr>
<td></td>
<td>$(142,000)</td>
<td>$(13,000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$(465,000)</td>
</tr>
</tbody>
</table>

Total provision (benefit) for income taxes

<table>
<thead>
<tr>
<th></th>
<th>March 31, 1996</th>
<th>September 30, 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$328,000</td>
<td>$888,000</td>
</tr>
<tr>
<td></td>
<td>$328,000</td>
<td>$888,000</td>
</tr>
</tbody>
</table>

Significant components of the Company's deferred tax assets and liabilities are as follows:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 1995</th>
<th>September 30, 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warranty reserve</td>
<td>$36,000</td>
<td>$219,000</td>
</tr>
<tr>
<td>Accrued vacation</td>
<td>129,000</td>
<td>190,000</td>
</tr>
<tr>
<td>Other</td>
<td>60,000</td>
<td>142,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total deferred tax assets</td>
<td>225,000</td>
<td>551,000</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$(91,000)</td>
<td>$(14,000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net deferred tax assets</td>
<td>$134,000</td>
<td>$537,000</td>
</tr>
</tbody>
</table>

A reconciliation of the provision for income taxes to the amount computed by applying the statutory federal income tax rate to income before income taxes is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax expense at statutory rate</td>
<td>$276,000</td>
<td>$746,000</td>
</tr>
<tr>
<td>State tax provision (benefit), net of federal benefit</td>
<td>87,000</td>
<td>153,000</td>
</tr>
<tr>
<td>Research tax credit</td>
<td>$(18,000)</td>
<td>$(480,000)</td>
</tr>
<tr>
<td>Other</td>
<td>$(35,000)</td>
<td>$(7,000)</td>
</tr>
<tr>
<td></td>
<td>$328,000</td>
<td>$888,000</td>
</tr>
</tbody>
</table>

The Company's income tax benefit for the fiscal year ended March 31, 1996 was primarily attributable to the utilization of research and development credits generated in the period and the impact of a favorable
United States Federal judicial decision which clarified the tax law related to the utilization of research and development credits generated from the Company's funded research and development.

8. EMPLOYEE BENEFITS

The Company has a voluntary deferred compensation plan under Section 401(k) of the Internal Revenue Code. The Company may make discretionary contributions to the plan which vest equally over six years. Employees who have completed 90 days of service and are at least 21 years of age are eligible to participate in the plan. Participants are entitled, upon termination or retirement, to their vested portion of the plan assets which are held by an independent trustee. Discretionary contributions accrued by the Company during fiscal years 1996, 1995 and 1994 amounted to $444,000, $275,000 and $45,000, respectively. The cost of administering the plan is not significant.

9. COMMITMENTS

The Company leases office facilities under noncancelable operating leases with terms ranging from one to five years which expire between March 7, 1997 and August 11, 1999. Certain of the Company's facilities leases contain option provisions which allow for extension of the lease terms. Rent expense was $608,000, $493,000 and $387,000 in fiscal years 1996, 1995 and 1994, respectively.

Future minimum lease payments are as follows:

```
YEAR ENDING MARCH 31,
-----------------------------------------------------------------
1997......................................................  $  655,000
1998......................................................     650,000
1999......................................................     335,000
2000......................................................     135,000
----------
$1,775,000
----------
```

Additionally, the Company enters into long term purchase commitments with certain of its vendors to purchase materials used to manufacture products delivered under long term contracts. At March 31, 1996, the Company had commitments to purchase $2,689,000 and $11,000 of materials in fiscal 1997 and 1998, respectively. Purchases under these contracts totaled $692,000 during the year ended March 31, 1996.

10. SUBSEQUENT EVENTS (UNAUDITED)

In July 1996, the Company granted certain officers and employees the opportunity to purchase 118,607 shares of the Company's Common Stock at $4.09 per share.
CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE
SECURITIES OFFERED HEREBY BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR
SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR
SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANY PERSON TO WHOM IT IS UNLAWFUL
TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR
ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION
THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO
ITS DATE.

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UNTIL , 1996 (25 DAYS AFTER THE DATE
OF THIS PROSPECTUS), ALL DEALERS EFFECTING TRANSACTIONS IN THE COMMON STOCK,
WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A
PROSPECTUS. THIS DELIVERY REQUIREMENT IS IN ADDITION TO THE OBLIGATION OF
DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO
THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

2,200,000 SHARES

LOGO

COMMON STOCK

------------------------

PROSPECTUS

------------------------

OPPENHEIMER & CO., INC.

NEEDHAM & COMPANY, INC.

UNTERBERG HARRIS

, 1996
ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following is an itemized statement of expenses incurred in connection with this Registration Statement. All such expenses will be paid by the Company.

Securities and Exchange Commission registration fee.......................... $ 10,469  
NASD filing fee.......................................................................... 3,536  
NASDAQ NMS listing fee.......................................................... 17,500  
Legal fees and expenses......................................................... 250,000  
Accounting fees and expenses.................................................. 150,000  
Printing and engraving expenses............................................... 125,000  
Blue Sky fees and expenses.................................................... 25,000  
Transfer agent and registrar fees............................................... 15,000  
Miscellaneous........................................................................... 53,495  
----------  
Total.......................................................... $ 650,000  
---------

All of the above items are estimates, except the Securities and Exchange Commission registration fee and the NASD filing fee.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The information contained in the Prospectus under the caption "Description of Capital Stock -- Business Combinations, Certain Charter and Bylaw Provisions" is incorporated by reference herein.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

(a) Securities sold.

The following table sets forth the date of sale, title and amount of shares of Common Stock sold by the Company within the past three years which were not registered under the Securities Act:

<table>
<thead>
<tr>
<th>DATE OF SALE</th>
<th>TITLE</th>
<th>NO. OF SHARES</th>
<th>OFFERING PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/01/94</td>
<td>Common Stock</td>
<td>140,355</td>
<td>$ 67,370</td>
</tr>
<tr>
<td>10/04/94</td>
<td>Common Stock</td>
<td>111,639</td>
<td>91,544</td>
</tr>
<tr>
<td>06/26/95</td>
<td>Common Stock</td>
<td>117,378</td>
<td>159,634</td>
</tr>
<tr>
<td>07/01/96</td>
<td>Common Stock</td>
<td>112,941</td>
<td>461,929</td>
</tr>
<tr>
<td></td>
<td></td>
<td>482,313</td>
<td>$780,477</td>
</tr>
</tbody>
</table>

In addition, the Company has granted stock options under the 1993 Stock Option Plan since such plan's inception. For a description of these options to employees and directors of the Company, see "Management -- 1993 Stock Option Plan."

(b) Underwriters and other purchasers.

Underwriters were not retained in connection with the sale of any of the Company's currently outstanding securities. All sales were made in private sales
to employees or directors of the Company.

(c) Consideration.

The Common Stock was sold by the Company for cash in the amounts set forth in Item 15(a) above.

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(d) Exemption from registration claimed.

The Company relied upon an exemption from registration under Section 4(2) of the Securities Act in connection with each of these transactions. All sales were made through private placements to employees or directors of the Company.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits.

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<td>10.24</td>
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</tr>
<tr>
<td>10.29</td>
<td>Turnkey Agreement, dated August 9, 1996, by and between Hutchison Corporate Access (HK) Limited and the Company. (2)</td>
</tr>
<tr>
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<td>Award/Contract, effective July 30, 1991, issued by Electronic Systems Division Air Force Systems Command, USAF to the Company. (2)</td>
</tr>
<tr>
<td>10.31</td>
<td>Award/Contract, effective September 27, 1993, as amended, issued by Contracting Officer Naval Research Laboratory to the Company. (2)</td>
</tr>
<tr>
<td>10.32</td>
<td>Award Contract, effective September 21, 1994, as amended, issued by Technical Contract Management Office to the Company. (2)</td>
</tr>
<tr>
<td>10.33</td>
<td>Fixed Price Contract, dated as of October 18, 1995, by and between the Company and Spectragraphics. (2)</td>
</tr>
<tr>
<td>10.34</td>
<td>Commitment Letter, dated October 28, 1996, issued by Union Bank to the Company. (2)</td>
</tr>
<tr>
<td>11.1</td>
<td>Statement re computation of per share earnings. (1)</td>
</tr>
<tr>
<td>21.1</td>
<td>Subsidiaries. (1)</td>
</tr>
<tr>
<td>23.1</td>
<td>Consent of Price Waterhouse LLP. (2)</td>
</tr>
<tr>
<td>23.2</td>
<td>Consent of Latham &amp; Watkins (contained in Exhibit 5.1). (3)</td>
</tr>
<tr>
<td>24.1</td>
<td>Power of Attorney. (1)</td>
</tr>
<tr>
<td>27.1</td>
<td>Financial Data Schedule. (2)</td>
</tr>
</tbody>
</table>

---

(1) Filed previously.

(2) Filed herewith.

(3) To be filed by amendment.

(b) Financial Statement Schedules.

All required information is set forth in the financial statements included in the Prospectus constituting part of this Registration Statement.

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ITEM 17. UNDERTAKINGS.

The undersigned Registrant hereby undertakes to provide to the Underwriters at the closing specified in the Underwriting Agreement, certificates in such denominations and registered in such names as required by the Underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore,
The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Carlsbad, State of California, on November 5, 1996.

ViaSat, Inc.

By: /s/ MARK D. DANKBERG

----------------------------------
Mark D. Dankberg
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to the Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

<table>
<thead>
<tr>
<th>SIGNATURE</th>
<th>TITLE</th>
<th>DATE</th>
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</thead>
<tbody>
<tr>
<td>/s/ MARK D. DANKBERG</td>
<td>Chairman of the Board, President and Chief Executive Officer</td>
<td>November 5, 1996</td>
</tr>
<tr>
<td>- ---------------------------</td>
<td>President and Chief Executive Officer</td>
<td>November 5, 1996</td>
</tr>
<tr>
<td>/s/ GREGORY D. MONAHAN*</td>
<td>Vice President, Chief Financial Officer and General</td>
<td>November 5, 1996</td>
</tr>
<tr>
<td>- ---------------------------</td>
<td>Counsel (Principal Financial Officer and Principal Accounting Officer)</td>
<td></td>
</tr>
<tr>
<td>/s/ ROBERT W. JOHNSON*</td>
<td>Director</td>
<td>November 5, 1996</td>
</tr>
<tr>
<td>- ---------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Robert W. Johnson</td>
<td></td>
<td></td>
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EXHIBIT INDEX

The following exhibits are filed as part of this Form S-1 Registration Statement.

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<td>10.33</td>
<td>Fixed Price Contract, dated as of October 18, 1995, by and between the Company and Spectragraphics. (2)</td>
</tr>
<tr>
<td>10.34</td>
<td>Commitment Letter, dated October 28, 1996, issued by Union Bank to the Company. (2)</td>
</tr>
<tr>
<td>11.1</td>
<td>Statement re computation of per share earnings. (1)</td>
</tr>
<tr>
<td>21.1</td>
<td>Subsidiaries. (1)</td>
</tr>
<tr>
<td>23.1</td>
<td>Consent of Price Waterhouse LLP. (2)</td>
</tr>
<tr>
<td>23.2</td>
<td>Consent of Latham &amp; Watkins (contained in Exhibit 5.1). (3)</td>
</tr>
<tr>
<td>24.1</td>
<td>Power of Attorney. (1)</td>
</tr>
<tr>
<td>27.1</td>
<td>Financial Data Schedule. (2)</td>
</tr>
</tbody>
</table>

(1) Filed previously.

(2) Filed herewith.

(3) To be filed by amendment.
1. The Corporation's original Certificate of Incorporation was filed on October 25, 1996.

2. That by action taken by unanimous written consent of the Board of Directors on November 4, 1996, resolutions were duly adopted setting forth a proposed amendment and restatement of the Certificate of Incorporation of the Corporation, declaring said amendment and restatement to be advisable and directing its officers to submit said amendment and restatement to the sole stockholder of the Corporation for consideration thereof. The resolution setting forth the proposed amendment and restatement is as follows:

"THEREFORE, BE IT RESOLVED, that the Certificate of Incorporation of the Corporation is hereby amended to read in its entirety as follows, subject to the required consent of the sole stockholder of the corporation:

FIRST: The name of the Corporation (hereinafter the "Corporation") is

VIASAT, INC.

SECOND: The address, including street, number, city and county, of the registered office of the Corporation in the State of Delaware is 1013 Centre Road, City of Wilmington, County of New Castle; and the name of the Registered Agent of the Corporation in the State of Delaware is The Prentice-Hall Corporation System, Inc.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The Corporation is authorized to issue two classes of shares of capital stock to be designated respectively, "Preferred Stock" and "Common Stock". The total number of shares which the Corporation is authorized to issue is thirty million (30,000,000). Five million (5,000,000) shares shall be Preferred Stock, of which three million two hundred twenty-five thousand (3,225,000) are hereby designated Series A Convertible Preferred Stock ("Series A Preferred Stock") and twenty-five million (25,000,000) shares shall be Common Stock. The Preferred Stock and the Common Stock shall each have a par value of $.0001 per share.

The Preferred Stock authorized by this Amended and Restated Certificate of Incorporation shall be issued from time to time in one or more series. Except with respect to the Series A Preferred Stock which is described below, authority is hereby expressly granted to the Board of Directors of the Corporation to issue, from time to time, shares of Preferred Stock in one or more series, and, in connection with the establishment of any such series by resolution or resolutions, to determine and fix such voting powers, full or limited, or
no voting powers, and such other powers, designations, preferences and relative, participating, optional and other rights, and the qualifications, limitations and restrictions thereof, including, without limitation, dividend rights, conversion rights, redemption privileges and liquidation preferences, as shall be stated in such resolution or resolutions, all to the fullest extent permitted by the Delaware General Corporation Law. Without limiting the generality of the foregoing, the resolution or resolutions providing for the establishment of any series of Preferred Stock may, to the extent permitted by law, provide that such series shall be superior to, rank equally with or be junior to the Preferred Stock of any other series. Except as otherwise expressly provided in the resolution or resolutions providing for the establishment of any series of Preferred Stock, no vote of the holders of shares of Preferred Stock or Common Stock shall be a prerequisite to the issuance of any shares of any series of the Preferred Stock authorized by and complying with the conditions of this Amended and Restated Certificate of Incorporation. The rights preferences, privileges and restrictions of the Series A Preferred Stock and of the holders thereof shall be as follows:

(a) Dividends.

(1) Right to Dividends. The holders of the outstanding shares of Series A Preferred Stock shall be entitled to receive, when and as declared by the Corporation's Board of Directors, and out of any funds legally available therefor, cumulative dividends at the annual rate of $.009 per share, payable, if earned and declared, in cash on the 1st day of May of each year with respect to the prior fiscal year. Subject to the remainder of this subsection (a), such dividends shall accrue on each such share from the date of its original issue and shall accrue from month to month. Such dividends shall accumulate and accrue during each fiscal year only to the extent of the net income of the Company for such fiscal year. For the purposes of this section, "net income" of the Company for a period shall mean the consolidated net income of the Company, and its subsidiaries, for that period determined in accordance with generally accepted accounting principles.

(2) Priority. No dividend shall be paid or declared and no distribution shall be made on any Common Stock, no shares of Common Stock shall be purchased, redeemed or otherwise acquired by the Corporation and no monies shall be paid into or set aside or otherwise made available for a sinking fund for the purchase, redemption or acquisition of any shares of Common Stock if dividends on the Series A Preferred Stock for the then current annual dividend period and accrued dividends for all previous dividend periods, at the annual rate specified above, have not been paid or declared and a sum sufficient for the payment thereof set apart; provided, however, that subject to subparagraph (g)(1)(i), the restrictions shall not apply to the repurchase of shares of Common Stock from directors or employees of, or consultants to the Corporation pursuant to stock purchase or stock option agreements under which the Corporation has the option or obligation to repurchase such shares upon the occurrence of certain events including the termination of employment. Any accumulation of dividends on Series A Preferred Stock shall not bear interest.

(3) Partial Payment. If the Board shall declare a payment of dividend and the amount declared for dividend payment is insufficient to permit the payment of the full preferential amounts required to be paid to the holders of the outstanding Series A Preferred Stock and to holders of any
other Preferred Stock on a parity therewith as to dividend preferences, then the entire amount declared for dividend payment shall be distributed ratably among the holders of Series A Preferred Stock and such other holders according to the respective preferential amounts to which such holders would otherwise be entitled.

(b) Preference on Liquidation.

(1) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, whether from capital, surplus or earnings, before any payment shall be made in respect of the Common Stock of the Corporation, an amount equal to $.10 plus all accrued, but unpaid dividends, if any, per share (the "Preference Price"). In case of any liquidation, dissolution or winding up of the Corporation, after the holders of shares of Series A Preferred Stock have received an amount equal to the Preference Price, and the further payment of the full preferential amounts to which the holders of any other Preferred Stock are specifically entitled, the assets remaining shall be distributed ratably among the holders of Common Stock until each holder of Common Stock has received an amount equal to the Preference Price. (The amount required to pay the full Preference Price to each holder of Series A Preferred Stock and other preferred stock and the amount required to be paid to each holder of Common Stock hereunder is hereinafter collectively referred to as the "Payout.") Thereafter, any assets remaining shall be distributed ratably among the holders of all of the stock of the Corporation (Preferred and Common).

(2) The sale, transfer or lease of all or substantially all of the assets of the Corporation, the gross proceeds of which do not exceed the Payout, shall be deemed to be a liquidation, dissolution or winding up of the Corporation as those terms are used in this paragraph (b).

(3) If upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the assets of the Corporation available for distribution to its shareholders shall be insufficient to pay the full preferential amounts required to be paid to the holders of Series A Preferred Stock and the holders of any other Preferred Stock on a parity therewith as to liquidation preferences, then the entire assets of the Corporation legally available to be distributed shall be distributed ratably among the holders of Series A Preferred Stock and such other holders according to the respective preferential amounts to which such holders would otherwise be entitled.

(c) Voting.

(1) Preferred Stock. Each holder of shares of Series A Preferred Stock shall be entitled to vote on all matters and, except as otherwise expressly provided herein, shall be entitled to the number of votes equal to the largest number of full shares of Common Stock into which such shares of Series A Preferred Stock could be converted, pursuant to the provisions of paragraph (d) of this Article Four, at the record date for the determination of the shareholders entitled to vote on such matters or, if no such record date is established, as the date such vote is taken.
(2) Common Stock. Each holder of shares of Common Stock shall be entitled to one vote for each share thereof held. Except as otherwise expressly provided herein or as required by law, the holders of Series A Preferred Stock and the holders of Common Stock shall vote together and not as separate classes.

(d) Conversion Rights.

The holders of Series A Preferred Stock shall have the following conversion rights (the "Conversion Rights"):

(1) Right to Convert. The Series A Preferred Stock shall be convertible, at any time or from time to time, at the option of any holder thereof, into fully paid and nonassessable shares of Common Stock.

(2) Conversion Price. Each share of Series A Preferred Stock shall be convertible into the number of shares of Common Stock which results from dividing the Conversion Price in effect at the time of conversion into $.10 for each share of Series A Preferred Stock being converted. The initial Conversion Price shall be $.13633265 subject to adjustment from time to time as provided below.

(3) Mechanics of Conversion. Each holder of Series A Preferred Stock who desires to convert the same into shares of Common Stock shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Series A Preferred Stock or Common Stock, and shall give written notice to the Corporation at such office that such holder elects to convert the same and shall state therein the number of shares of Series A Preferred Stock being converted. Thereupon, the Corporation shall promptly issue and deliver at such office to such holder a certificate or certificates for the number of shares of Common Stock to which such holder is entitled. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series A Preferred Stock to be converted, and the person entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock on such date.

(4) Adjustment for Stock Splits and Combinations. If the Corporation at any time or from time to time after the date of original issue of the Series A Preferred Stock (the "Commitment Date") effects a subdivision of the outstanding Common Stock, the Conversion Price then in effect immediately before the subdivision shall be proportionately decreased, and conversely, if the Corporation at any time or from time to time after the Commitment Date combines the outstanding shares of Common Stock, the Conversion Price then in effect immediately before the combination shall be proportionately increased. Any adjustment under this subparagraph (4) shall become effective as of the date and time the subdivision or combination becomes effective.

(5) Adjustment for Certain Dividends and distributions. In the event the Corporation at any time or from time to time after the Commitment Dates makes, or fixes a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock, then and in each such event the Conversion Price then in effect shall be decreased as of the time of such issuance or, in the event such a record date is fixed, as of the close of business on such record date, by multiplying the Conversion Price then in effect by a fraction (i) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately
prior to the time of such issuance or the close of business on such record date, and (ii) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution; provided, however, that if such record date is fixed and such dividend or distribution is not fully paid on the date fixed therefor, the Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Price shall be adjusted pursuant to this subparagraph (5) as of the time of and on the basis of the actual dividend or distribution paid.

(6) Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Commitment Date makes, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation other than shares of Common Stock, then and in each such event provision shall be made so that the holders of Series A Preferred Stock shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable thereupon, the amount of securities of the Corporation which they would have received had their Series A Preferred Stock been converted into Common Stock on the date of such event and had they thereafter, during the period from the date of such event to and including the date of conversion, retained such securities receivable by them as aforesaid during such period, subject to all other adjustments called for during such period under this paragraph (d) with respect to the rights of the holders of Series A Preferred Stock.

(7) Adjustment for Recapitalizations, Reclassifications and Exchanges. If the Common Stock issuable upon the conversion of the Series A Preferred Stock is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or exchange (other than by subdivision, combination, stock dividend, reorganization, merger, consolidation or sale of assets, as provided for elsewhere in this paragraph (d)), then the holders of Series A Preferred Stock shall have the right thereafter to convert their Series A Preferred Stock into the kind and amount of stock and other securities and property receivable upon such recapitalization, reclassification or exchange by holders of the maximum number of shares of Common Stock into which such shares of Series A Preferred Stock might have been converted immediately prior to such recapitalization, reclassification or exchange, all subject to further adjustment as provided herein.

(8) Reorganization, Mergers, Consolidations or Sales of Assets. If at any time or from time to time there is a capital reorganization of the Common Stock (other than a recapitalization, reclassification, exchange, subdivision, combination, or stock dividend provided for elsewhere in this paragraph (d)), merger or consolidation of the Corporation with or into another corporation, or sale of all or substantially all of the Corporation's properties and assets to any other person, then, as a part of such reorganization, merger, consolidation or sale, provision shall be made so that the holders of Series A Preferred Stock shall thereafter be entitled to receive, upon conversion of the Series A Preferred Stock, the number of shares of stock or other securities or property of the Corporation, or of the successor corporation resulting from such reorganization, merger, consolidation or sale, to which a holder of Common Stock deliverable upon conversion would otherwise have been entitled on such
reorganization, merger, consolidation, or sale. In any such case, appropriate adjustment shall be made in the application of the provisions of this paragraph (d) with respect to the rights of the holders of the Series A Preferred Stock after the reorganization, merger, consolidation or sale to the end that the provisions of this paragraph (d) (including adjustment of the Conversion Price then in effect and number of shares issuable upon conversion of the Series A Preferred Stock) shall be applicable after that event and be as nearly equivalent to the provisions hereof as may be practicable.

(9) Accountants' Certificate of Adjustment. In any case of an adjustment or readjustment of the Conversion Price or the number of shares of Common Stock, or other securities issuable upon conversion of Series A Preferred Stock, the Corporation at its expense, shall cause independent public accountants of recognized standing selected by the Corporation (who may be the independent public accountants then auditing the books of the Corporation) to compute such adjustment or readjustment in accordance with the provisions hereof and prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to each registered holder of Series A Preferred Stock at the holder's address as shown in the Corporation's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based.

(10) Notices of Record Date. In the event of (i) any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or (ii) any capital reorganization of the Corporation, any reclassification or recapitalization of the capital stock of the Corporation, any transfer of all or substantially all of the assets of the Corporation to any other person, any consolidation, any merger, or any voluntary or involuntary dissolution, liquidation or winding up of the Corporation, the Corporation shall mail to each holder of Series A Preferred Stock no less than 10 days and no more than 50 days prior to the record date specified therein or the effective date thereof, a notice specifying (A) the material terms and conditions of the proposed action, (B) the date on which any such record is to be taken for the purpose of such dividend or distribution and a description of such dividend or distribution, (C) the date on which any such reorganization, reclassification, recapitalization, transfer, consolidation, merger, dissolution, liquidation or winding up is expected to become effective, and (D) the time, if any, that is to be fixed, as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such reorganization, reclassification, recapitalization, transfer, consolidation, merger, dissolution, liquidation or winding up.

(11) Automatic Conversion.

(i) Each share of Series A Preferred Stock shall automatically be converted into shares of Common Stock based on the then effective Conversion Price immediately upon the closing of any public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, in which the aggregate gross proceeds received by the Corporation at the public offering price equals or exceeds $3,000,000, and the public offering price per share of which equals or exceeds $.50 per share of Common Stock (appropriately
adjusted for stock dividends, recapitalizations, subdivisions and combinations of shares of Common Stock).

(ii) Each share of Series A Preferred Stock shall automatically be converted into shares of Common Stock based on the then effective Conversion Price immediately prior to the closing of a merger, consolidation or combination of the Corporation with or into another Corporation or entity, or a sale of substantially all of the Corporation's assets, in which the Corporation receives cash in the aggregate amount of, or freely tradeable securities with an aggregate value of, at least $3,000,000 and at a price per share of Common Stock equal to or exceeding $.50 per share.

(iii) Upon the occurrence of the event specified in subparagraph (i) or (ii) above, the outstanding shares of Series A Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless the certificates evidencing such shares of Series A Preferred Stock are either delivered to the Corporation or its transfer agent as provided below, or the holder notifies the Corporation or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection therewith. Upon the occurrence of such automatic conversion of the Series A Preferred Stock, each holder of Series A Preferred Stock shall surrender the certificates representing such shares at the office of the Corporation or any transfer agent for the Series A Preferred Stock or Common Stock. Thereupon, there shall be issued and delivered to such holder promptly at such office and in his name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Common Stock into which the shares of Series A Preferred Stock surrendered were convertible on the date on which such automatic conversion occurred.

(12) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the shares of Series A Preferred Stock of any holder. In lieu of any fractional shares to which the holder would otherwise be entitled, the corporation shall, to the extent legally permissible, pay cash equal to the product of such fraction multiplied by the Common Stock's fair market value as of the date of conversion as determined in good faith by the Board.

(13) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of Series A Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series A Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Series A Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to
increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(14) Notices. Any notice required by the provisions of this paragraph (d) to be given to the holder of shares of the Series A Preferred Stock shall be deemed given upon the earlier of actual receipt of 72 hours after the same has been deposited in the United States mail, by certified or registered mail, return receipt requested, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

(15) Payment of Taxes. The Corporation will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or delivery of shares of Common Stock upon conversion of shares of Series A Preferred Stock, including without limitation, any tax or other charge imposed in connection with any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the shares Series A Preferred Stock so converted were registered.

(e) Restrictions and Limitations.

(1) So long as at least 300,000 shares of Series A Preferred Stock remain outstanding, the Corporation shall not, and shall not permit any Subsidiary (as hereinafter defined) to, without the vote or written consent by the holders of more than 50% of the then outstanding Series A Preferred Stock voting as a single class:

(i) Purchase, redeem or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any of the Common Stock; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock from Corporation or any Subsidiary pursuant to an agreement

under which the Corporation has the option or the obligation to repurchase such shares upon the occurrence of certain events, including the termination of employment, provided that the total amount applied to such repurchase does not exceed $50,000 during any twelve-month period;

(ii) Permit any Subsidiary to issue or sell, except to the Corporation or any wholly-owned Subsidiary, any stock of such Subsidiary;

(2) The Corporation shall not amend its Articles of Incorporation without the approval, by vote or written consent, of the holders of more than 50% of the Series A Preferred Stock voting as a single class if such amendment would change any of the rights, preferences, privileges of or limitations provided for herein for the benefit of the Series A Preferred Stock.

(f) Replacement of Certificates. Upon receipt of evidence reasonably satisfactory to the Corporation of the loss, theft, destruction, or mutilation of any certificate representing any of the Series A Preferred Stock, and, in the case of loss, theft, or destruction, the execution of an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection therewith, the Corporation will issue, or cause to be issued, a new certificate representing such Series A Preferred Stock in lieu of such lost, stolen, destroyed, or mutilated certificate.

FIFTH: The name and the mailing address of the incorporator are as follows:
SIXTH: (1) The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors consisting of not less than 4 nor more than 11 directors, the exact number of directors to be determined from time to time solely by resolution adopted by the affirmative vote of a majority of the entire Board of Directors.

(2) The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. Each director shall serve for a term ending on the date of the third annual meeting of stockholders next following the annual meeting at which such director was elected, provided that directors initially designated as Class I directors shall serve for a term ending on the date of the 1997 annual meeting, directors initially designated as Class II directors shall serve for a term ending on the date of the 1998 annual meeting, and directors initially designated as Class III directors shall serve for a term ending on the date of the 1999 annual meeting. Notwithstanding the foregoing, each director shall hold office until such director's successor shall have been duly elected and qualified or until such director's earlier death, resignation or removal. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, but in no event will a decrease in the number of directors shorten the term of any incumbent director. Vacancies on the Board of Directors resulting from death, resignation, removal or otherwise and newly created directorships resulting from any increase in the number of directors may be filled solely by a majority of the directors then in office (although less than a quorum) or by a sole remaining director, and each director so elected shall hold office for a term that shall coincide with the remaining term of the class to which such director shall have been elected. Whenever the holders of one or more classes or series of Preferred Stock shall have the right, voting separately as a class or series, to elect directors, the nomination, election, term of office, filling of vacancies, removal and other features of such directorships shall not be governed by this ARTICLE SIXTH unless otherwise provided for in the certificate of designation for such classes or series.

(3) No director may be removed from office by the stockholders except for cause with the affirmative vote of the holders of not less than a majority of the total voting power of all outstanding securities of the Corporation then entitled to vote generally in the election of directors, voting together as a single class.

SEVENTH: The Corporation is to have perpetual existence.

EIGHTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation and for the further definition of the powers of the Corporation and its directors and stockholders:

(1) The Board of Directors shall have the power to adopt, amend or repeal the by-laws of the Corporation.

The stockholders may adopt, amend or repeal the by-laws only with the affirmative vote of the holders of not less than 66 2/3% of the total voting power of all outstanding
securities of the Corporation then entitled to vote generally
in the election of directors, voting together as a single
class.

(2) Elections of directors need not be by written
ballot unless the by-laws of the Corporation so provide.

(3) Any action required or permitted to be taken at
any annual or special meeting of stockholders may be taken
only upon the vote of stockholders at an annual or special
meeting duly noticed and called in accordance with Delaware
Law, and may not be taken by written consent of stockholders
without a meeting.

(4) Special meetings of stockholders may be called by
the Board of Directors, the Chairman of the Board of
Directors, the President or the Secretary of the Corporation
and may not be called by any other person. Notwithstanding the
foregoing, whenever holders of one or more classes or series
of Preferred Stock shall have the right, voting separately as
a class or series, to elect directors, such holders may call
special meetings of such holders pursuant to the certificate
of designation for such classes or series.

NINTH: No director of this Corporation shall be personally
liable to the Corporation or its stockholders for monetary
damages for breach of fiduciary duty as a director, except for
liability (i) for any breach of the director's duty of loyalty
to the Corporation or its stockholders, (ii) for acts or
omissions not in good faith or which involve intentional
misconduct or a knowing violation of the Law, (iii) under
Section 174 of the General Corporation law of Delaware, or
(iv) for any transaction from which the director derived an
improper personal benefit".

3. That thereafter, by consent of the sole stockholder of all
of the issued and outstanding shares of stock of the Corporation in accordance
with Section 228 of the General Corporation Law of the State of Delaware, all of
the shares of the Corporation were voted in favor of the amendment.

4. That said Amended and Restated Certificate of Incorporation
was duly adopted in accordance with the provisions of Sections 242 and 245 of
the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, VIASAT, INC. has caused this Certificate
to be signed by Mark D. Dankberg, its President and Mark J. Miller, its
Secretary, this 4th day of November, 1996.

VIASAT, INC.
a Delaware corporation

By:/s/Mark D. Dankberg

Name: Mark D. Dankberg
Title: President

ATTEST

/s/Mark J. Miller

Name: Mark J. Miller
Title: Secretary
BY-LAWS
OF
VIASAT, INC.

ARTICLE I
OFFICES

Section 1. Registered Office. The registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. Other Offices. The corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 1. Place of Meetings. Meetings of stockholders shall be held at any place within or outside the State of Delaware designated by the Board of Directors. In the absence of any such designation, stockholders' meetings shall be held at the principal executive office of the corporation.

Section 2. Annual Meeting of Stockholders. The annual meeting of stockholders shall be held each year on a date and a time designated by the Board of Directors. At each annual meeting directors shall be elected and any other proper business may be transacted.

Section 3. Quorum; Adjourned Meetings and Notice Thereof. A majority of the stock issued and outstanding and entitled to vote at any meeting of stockholders, the holders of which are present in person or represented by proxy, shall constitute a quorum for the transaction of business except as otherwise provided by law, by the Certificate of Incorporation, or by these By-Laws. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum and the votes present may continue to transact business until adjournment. If, however, such quorum shall not be present or represented at any meeting of the stockholders, a majority of the voting stock represented in person or by proxy may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote thereat.

Section 4. Voting. When a quorum is present at any meeting,
the vote of the holders of a majority of the stock having voting power present
in person or represented by proxy shall decide any question brought before such
meeting, unless the question is one upon which by express provision of the
statutes, or the Certificate of Incorporation, or these By-Laws, a different
vote is required in which case such express provision shall govern and control
the decision of such question.

Section 5. Proxies. At each meeting of the stockholders, each
stockholder having the right to vote may vote in person or may authorize another
person or persons to act for him by proxy appointed by an instrument in writing
subscribed by such stockholder and bearing a date not more than three years
prior to said meeting, unless said instrument provides for a longer period. All
proxies must be filed with the Secretary of the corporation at the beginning

of each meeting in order to be counted in any vote at the meeting. Each
stockholder shall have one vote for each share of stock having voting power,
registered in his name on the books of the corporation on the record date set by
the Board of Directors as provided in Article V, Section 6 hereof. All elections
shall be had and all questions decided by a plurality vote, except as otherwise
expressly provided for herein.

Section 6. Special Meetings. Special meetings of the
stockholders, for any purpose, or purposes, unless otherwise prescribed by
statute or by the Certificate of Incorporation, may be called by the Chairman of
the Board or the President and shall be called by the President or the Secretary
at the request in writing of the Board of Directors. Business transacted at any
special meeting of stockholders shall be limited to the purposes stated in the
notice.

Section 7. Notice of Stockholder's Meetings. Whenever
stockholders are required or permitted to take any action at a meeting, a
written notice of the meeting shall be given which notice shall state the place,
date and hour of the meeting, and, in the case of a special meeting, the purpose
or purposes for which the meeting is called. The written notice of any meeting
shall be given to each stockholder entitled to vote at such meeting not less
than ten nor more than sixty days before the date of the meeting. If mailed,
notice is given when deposited in the United States mail, postage prepaid,
directed to the stockholder at his address as it appears on the records of the
corporation. To be properly brought before the meeting, business must be of a
nature that is appropriate for consideration at a meeting of stockholders and
must be (i) specified in the notice of meeting (or any supplement thereto) given
by or at the direction of the Board of Directors, (ii) otherwise properly
brought before the meeting by or at the direction of the Board of Directors, or
(iii) otherwise properly brought before the meeting by a stockholder.

In addition to any other applicable requirements, for business to be properly
brought before a stockholder's meeting by a stockholder, the stockholder must
have given timely notice thereof in writing to the Secretary of the Corporation.
To be timely, each such notice must be given either by personal delivery or by
United States mail, postage prepaid, to the Secretary of the Corporation not
later than (1) with respect to a matter to be brought before an annual meeting
or a special meeting sixty (60) days prior to the date set forth in the By-Laws
for an annual meeting and (2) with respect to a matter to be brought before a
special meeting the close of business on the tenth day following the date on
which notice of such meeting is first given to stockholders. The notice shall
set forth (i) information concerning the stockholder, including his or her name
and address, (ii) a representation that the stockholder is entitled to vote at
such meeting and intends to appear in person or by proxy at the meeting to
present the matter specified in the notice, and (iii) such other information as
would be required to be included in a proxy statement soliciting proxies for the
presentation of such matter to the meeting.

Notwithstanding anything in these By-Laws to the contrary, no
business shall be transacted at an annual meeting except in accordance with the
procedures set forth in this section; provided, however, that nothing in this
section shall be deemed to preclude discussion by any stockholder of any
business properly brought before an annual meeting in accordance with these
By-Laws.

Section 8. Maintenance and Inspection of Stockholder List. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 9. Stockholder Action by Written Consent Without a Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may not be taken without a meeting.

ARTICLE III
DIRECTORS

Section 1. The Number of Directors. The number of directors which shall constitute the whole Board shall be not less than four (4) nor more than eleven (11). The actual number of directors shall be fixed from time to time by the Board as provided in the Certificate of Incorporation. The directors need not be stockholders. The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 2 of this Article, and each director elected shall hold office until his successor is elected and qualified; provided, however, that unless otherwise restricted by the Certificate of Incorporation or by law, any director or the entire Board of Directors may be removed, for cause, from the Board of Directors at any meeting of stockholders by no less than 66 2/3% of the outstanding stock of the Corporation.

Section 2. Vacancies. Vacancies on the Board of Directors by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. The directors so chosen shall hold office until the next annual election of directors and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole Board (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

Section 3. Powers. The property and business of the corporation shall be managed by or under the direction of its Board of Directors. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the stockholders.
MEETINGS OF THE BOARD OF DIRECTORS

Section 4. Place of Directors' Meetings. The directors may hold their meetings and have one or more offices, and keep the books of the corporation outside of the State of Delaware.

Section 5. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board or the President on forty-eight hours' notice to each director, either personally or by mail or by telegram; special meetings shall be called by the President or the Secretary in like manner and on like notice on the written request of two directors unless the Board consists of only one director; in which case special meetings shall be called by the President or Secretary in like manner or on like notice on the written request of the sole director.

Section 7. Quorum. At all meetings of the Board of Directors a majority of the authorized number of directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the vote of a majority of the directors present at any meeting at which there is a quorum, shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, by the Certificate of Incorporation or by these By-Laws. If a quorum shall not be present at any meeting of the Board of Directors the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. If only one director is authorized, such sole director shall constitute a quorum.

Section 8. Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

Section 9. Telephonic Meetings. Unless otherwise restricted by the Certificate of Incorporation or these By-Laws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

COMMITTEES OF DIRECTORS

Section 10. Committees of Directors. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each such committee to consist of one or more of the directors of the corporation. The Board may designate one or more directors as alternate members of any committee designated by the Board, and may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may
require it; but no such committee shall have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the By-Laws of the corporation; and, unless the resolution or the Certificate of Incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock.

Section 11. Minutes of Committee Meetings. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

COMPENSATION OF DIRECTORS

Section 12. Compensation of Directors. Unless otherwise restricted by the Certificate of Incorporation or these By-Laws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

INDEMNIFICATION

Section 13. Indemnification. (a) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation except that no such indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such
expenses which such Court of Chancery or such other court shall deem proper.

(c) To the extent that a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraphs (a) and (b), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys’ fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under paragraphs (a) and (b) (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraphs (a) and (b). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders.

(e) Expenses incurred by an officer or director in defending any civil or criminal, administrative or investigative action, suit or proceeding shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation as authorized in this Section 13. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

(f) The indemnification and advancement of expenses provided by, or granted pursuant to, the other paragraphs of this Section 13 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

(g) The Board of Directors may authorize, by a vote of a majority of a quorum of the Board of Directors, the corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Section 13.

(h) For the purposes of this Section 13, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(i) For purposes of this section, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the corporation"
shall include service as a director, officer, employee or agent of the
corporation which imposes duties on, or involves services by, such director,
officer, employee or agent with respect to an employee benefit plan, its
participants or beneficiaries; and a person who acted in good faith and in a
manner he reasonably believed to be in the interest of the participants and
beneficiaries of an employee benefit plan shall be deemed to have acted in a
manner "not opposed to the best interests of the corporation" as referred to in
this section.

(j) The indemnification and advancement of expenses provided
by, or granted pursuant to, this Section 13 shall, unless otherwise provided
when authorized or ratified, continue as to a person who has ceased to be a
director, officer, employee or agent and shall inure to the benefit of the
heirs, executors and administrators of such a person.

ARTICLE IV

OFFICERS

Section 1. Officers. The officers of this corporation shall be
chosen by the Board of Directors and shall include a Chairman of the Board, a
President, a Secretary, and a Chief Financial Officer or Treasurer. The
corporation may also have at the discretion of the Board of Directors such other
officers as are desired, including one or more Vice Presidents, one or more
Assistant Secretaries and Assistant Treasurers, and such other officers as may
be appointed in accordance with the provisions of Section 3 hereof. In the event
there are two or more Vice Presidents, then one or more may be designated as
Executive Vice President, Senior Vice President, or other similar or dissimilar
title. At the time of the election of officers, the directors may by resolution
determine the order of their rank. Any number of offices may be held by the same
person, unless the Certificate of Incorporation or these By-Laws otherwise
provide.

Section 2. Election of Officers. The Board of Directors, at
its first meeting after each annual meeting of stockholders, shall choose the
officers of the corporation.

Section 3. Subordinate Officers. The Board of Directors may
appoint such other officers and agents as it shall deem necessary who shall hold
their offices for such terms and shall exercise such powers and perform such
duties as shall be determined from time to time by the Board.

Section 4. Compensation of Officers. The salaries of all
officers and agents of the corporation shall be fixed by the Board of Directors.

Section 5. Term of Office; Removal and Vacancies. The officers
of the corporation shall hold office until their successors are chosen and
qualify in their stead. Any

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officer elected or appointed by the Board of Directors may be removed at any
time by the affirmative vote of a majority of the Board of Directors. If the
office of any officer or officers becomes vacant for any reason, the vacancy
shall be filled by the Board of Directors.

CHAIRMAN OF THE BOARD

Section 6. Chairman of the Board. The Chairman of the Board
shall, if present, preside at all meetings of the stockholders and the Board of
Directors and exercise and perform such other powers and duties as may be from
time to time assigned to him by the Board of Directors or prescribed by these
By-Laws.

PRESIDENT

Section 7. President. Subject to such supervisory powers as
may be given by the Board of Directors to the Chairman of the Board, the
President shall, subject to the control of the Board of Directors and in the
absence of the Chairman of the Board, assume the powers and duties prescribed in Section 6 of this Article IV. In the absence of the Chairman of the Board, he shall preside at all meetings of the stockholders and at all meetings of the Board of Directors. He shall be an ex-officio member of all committees and shall have the general powers and duties of management usually vested in the office of President of corporations, and shall have such other powers and duties as may be prescribed by the Board of Directors or these By-Laws.

**VICE PRESIDENTS**

Section 8. Vice President. In the absence or disability of the President, the Vice Presidents in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform all the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents shall have such other duties as from time to time may be prescribed for them, respectively, by the Board of Directors.

**SECRETARY AND ASSISTANT SECRETARY**

Section 9. Secretary. The Secretary shall attend all sessions of the Board of Directors and all meetings of the stockholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose; and shall perform like duties for the standing committees when required by the Board of Directors. He shall give, or cause to be given, notice of all meetings of the stockholders and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or these By-Laws. He shall keep in safe custody the seal of the corporation, and when authorized by the Board, affix the same to any instrument requiring it, and when so affixed it shall be attested by his signature or by the signature of an Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

Section 10. Assistant Secretaries. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors, or if there be no such determination, the Assistant Secretary designated by the Board of Directors, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

**CHIEF FINANCIAL OFFICER OR TREASURER AND ASSISTANT TREASURER**

Section 11. Chief Financial Officer or Treasurer. The Chief Financial Officer or Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys, and other valuable effects in the name and to the credit of the corporation, in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Chief Financial Officer or Treasurer and of the financial condition of the corporation. If required by the Board of Directors, he shall give the corporation a bond, in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors, for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 12. Assistant Treasurer. The Assistant Treasurer, or
if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors, or if there be no such determination, the Assistant Treasurer designated by the Board of Directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

ARTICLE V

CERTIFICATES OF STOCK

Section 1. Certificates. Every holder of stock of the corporation shall be entitled to have a certificate signed by, or in the name of the corporation by, the Chairman or Vice Chairman of the Board of Directors, or the President or a Vice President, and by the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer of the corporation, certifying the number of shares represented by the certificate owned by such stockholder in the corporation.

Section 2. Signatures on Certificates. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 3. Statement of Stock Rights, Preferences, Privileges. If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualification, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in section 202 of the General Corporation Law of Delaware, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

LOST, STOLEN OR DESTROYED CERTIFICATES

Section 4. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

TRANSFERS OF STOCK

Section 5. Transfers of Stock. Upon surrender to the corporation, or the transfer agent of the corporation, of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old
certificate and record the transaction upon its books.

FIXING RECORD DATE

Section 6. Fixing Record Date. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of the stockholders, or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

REGISTERED STOCKHOLDERS

Section 7. Registered Stockholders. The corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save an expressly provided by the laws of the State of Delaware.

ARTICLE VI

GENERAL PROVISIONS

DIVIDENDS

Section 1. Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

Section 2. Payment of Dividends; Directors' Duties. Before payment of any dividend there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a refund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interests of the corporation, and the directors may abolish any such reserve.

CHECKS

Section 3. Checks. All checks or demands for money and notes of the corporation shall be signed by such officer or officers as the Board of Directors may from time to time designate.

FISCAL YEAR

Section 4. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

SEAL

Section 5. Corporate Seal. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and
the words "Corporate Seal, Delaware". Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

NOTICES

Section 6. Manner of Giving Notice. Whenever, under the provisions of the statutes or of the Certificate of Incorporation or of these By-Laws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

Section 7. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes or of the Certificate of Incorporation or of these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ANNUAL STATEMENT

Section 8. Annual Statement. The Board of Directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the corporation.

ARTICLE VII

AMENDMENTS

Section 1. Amendment by Directors. These By-Laws may be altered, amended or repealed or new By-Laws may be adopted by the Board of Directors, when such power is conferred upon the Board of Directors by the Certificate of Incorporation or by the affirmative vote of not less than 66 2/3% of the total voting power of all outstanding securities of the Corporation then entitled to vote generally in the election of directors, voting together as a single class, at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the stockholders or of the Board of Directors if notice of such alteration, amendment, repeal or adoption of new By-Laws be contained in the notice of such special meeting.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

(1) That I am duly elected and acting Secretary of ViaSat, Inc., a Delaware corporation; and

(2) That the foregoing bylaws, comprising twenty-two (22) pages, constitute the bylaws of said corporation as duly adopted by unanimous written consent of the Board of Directors of said corporation dated as of October 25, 1996.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 4th day of November, 1996.

/s/ MARK J. MILLER

Mark J. Miller
COMMON STOCK
NUMBER

VS

VIASAT

INCORPORATED UNDER THE LAWS OF
THE STATE OF DELAWARE

SEE REVERSE FOR
CERTAIN DEFINITIONS

CUSIP 92552V 10 0

THIS CERTIFIES THAT

IS THE RECORD HOLDER OF

FULLY PAID AND NONASSESSABLE SHARES OF THE COMMON STOCK, $.0001 PAR VALUE, OF
VIASAT, INC.

transferable on the books of the Corporation in person or by duly authorized
attorney upon surrender of this Certificate properly endorsed. This Certificate
is not valid unless countersigned and registered by the Transfer Agent and
Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of
its duly authorized officers.

Dated:                         VIASAT, INC.
CORPORATE

/s/ Mark J. Miller                1996                    /s/  Mark D. Dankberg
SECRETARY                   DELAWARE                       PRESIDENT

CERTIFICATE OF STOCK

COUNTERSIGNED AND REGISTERED:
HARRIS TRUST COMPANY OF CALIFORNIA
TRANSFER AGENT
AND REGISTRAR

BY

AUTHORIZED SIGNATURE

The Corporation will furnish without charge to each stockholder who so
requests a statement of the powers, designations, preferences and relative,
participating, optional or other special rights of each class of stock of the
Corporation or series thereof and the qualifications, limitations or
restrictions of such preferences and/or rights. Such requests shall be made to
the Corporation's Secretary at the principal office of the Corporation.

The following abbreviations, when used in the inscription on the face
of this certificate, shall be construed as though they were written out in full
according to applicable laws or regulations:
FOR VALUE RECEIVED, _______________ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

______________________________________  _______________________________________

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

______________________________________  _______________________________________

______________________________________  _______________________________________

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE) Shares of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

______________________________________ Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated ________________________________

X _____________________________________  X _____________________________________

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

Signature(s) Guaranteed

By

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM) PURSUANT TO S.E.C. RULE 17Ad-16.
SUPPLY & SERVICES CONTRACT FOR SCPC/DAMA VSAT NETWORK

This contract is made on this Second day of June, 1996, by and between HCL COMNET SYSTEMS AND SERVICES LIMITED, a company registered under the Companies Act, 1956, having its Registered office at 806-808, Siddharth, 96 Nehru Place, New Delhi, INDIA, hereinafter called CUSTOMER and VIASAT INC., a California Corporation, located 2290, Cosmos Court, Carlsbad, CA 92009-1595 herein after called as CONTRACTOR (both Parties to mean their successors and assigns wherever the context so permits)

AND WHEREAS, the Customer intends to establish, maintain, operate and sell SCPC DAMA VSAT Communication services based on the equipment to be supplied by the Contractor which shall comply technically with the revision of the DOT specifications included herein;

AND WHEREAS, the Customer intends to market and provide domestic SCPC DAMA VSAT communications services and equipment to various customers (hereinafter called "USERS") in whole territory of India and territory as defined in International Distributor Agreement;

AND WHEREAS, the Customer wishes to purchase a SCPC DAMA VSAT DAMA Network (hereinafter referred to as "DAMA Network 1") from the Contractor and the Contractor agrees to supply, erect and commission the DAMA Network 1 and perform all obligations as per the terms contained hereunder;

AND WHEREAS, the Customer wishes to purchase additional SCPC DAMA VSAT Networks or parts thereof;

AND WHEREAS, the Customer wishes at his option to manufacture SCPC DAMA VSAT equipment in India and the Contractor agrees to provide the necessary manufacturing technology know-how at terms and costs to be defined in a separate agreement, to the Customer;

NOW, THEREFORE, the Parties hereto agree as follows:

01.0 DEFINITIONS

In the Contract, unless the context otherwise requires, the following definitions shall apply:

"ACCEPTED" shall mean that Products have been accepted in accordance with the provisions of Article 05.0.

"ACCEPTANCE TESTS" shall mean the tests and test procedures of the DAMA Network 1, Loaner System, Equipment and Software as specified in Article 05.0.

"ACCEPTANCE DATE" shall be, in relation to any part of the DAMA Network 1, Equipment and Software, the date when the DAMA Network 1, Equipment and Software is Accepted by the Customer.

"CONTRACT" shall mean this agreement between the Customer and the Contractor encompassing all the terms, Schedules and all attachments hereto, and any subsequent amendments thereof.

"CONTRACT PRICE" shall mean the sum or sums so mentioned in Article 8
and includes any additions thereto or deductions therefrom agreed in writing subsequently by both the Parties under this Contract.

"DELIVERABLE AND SUPPLIES" shall mean and include all Equipment, Software, documentation, Services and all such items to be supplied to Customer under this Contract.

"DAMA NETWORK 1" means SCPC DAMA VSAT Network as defined in Schedule A.

"DAMA NETWORK 1 DESIGN" shall mean a detailed description of the specifications, facilities and functions of the DAMA Network 1 including network configuration and performance parameters all of which is contained in Schedules A, C and E.

"DUTIES AND TAXES" shall mean any and all currently applicable or hereinafter imposed duties, taxes, levies, fees and any other charges that are or may be imposed by any local, state, national, public or quasi-public government entity of India or any local, state, national, public or quasi-public government entity of the United States of America or any other country.

"EFFECTIVE DATE" shall mean the date on which this Contract is signed by both Parties.

"EQUIPMENT" shall include, as defined in Exhibit A to Schedule G, Aurora Network Terminals (NT), Network Control Terminals (NCT), Network Control Computer (NCC), documentation, spares and all other materials to be provided by the Contractor under this Contract. The "Equipment" includes associated imbedded software.

"HUB STATION" or "HUB" shall mean the central transmitting and receiving facility of the Network. Hub includes NCT and Network Control Software (NCS).

"IMPLEMENTATION PLAN" shall mean the timetable of events and sequence of activities that will be necessary to realize the successful completion of the DAMA Network 1 as set out in the Contract as Schedule B with the start date being the Effective Date of the Contract.

"INTEGRATION" unless otherwise specified herein applies to the DAMA Network 1 in accordance with Schedule E.

"OPERATING MANUALS" shall mean the documentation and operating manuals to be provided by the Contractor in accordance with Schedule E.

"SERVICES" shall include project management, consultation, training, installation of hub and VSAT, integration, acceptance testing, commissioning onsite/remote maintenance, onsite/remote operations support and all other services to be provided to the Customer as defined in Schedules E and Exhibit A of Schedule G.

"SITE(S)" shall mean the place or places in which the Hub or Equipment are to be installed.

"SUB-CONTRACTOR" shall mean any person to whom any part of the Contract has been sub-contracted by the Contractor and their legal representatives, successors and permitted assigns of such person.

"SOFTWARE" shall include all licensed software as defined in accordance with Schedule F.

"TRAINING" shall mean the classroom and hands-on training offered by the Contractor in accordance with Exhibit A to Schedule G.
02.0 OBJECT OF THE CONTRACT:

02.1 The Contractor shall:

(a) supply a DAMA Network 1 as per the Customer requirement defined in Network Design (Schedule A) and install, erect, commission, integrate and test the same all in accordance with the ATP (Schedule C); and

(b) supply Equipment and Software for subsequent orders; and

(c) provide all Deliverables and Supplies as defined in this Contract.

02.2 Further, as part of this Contract, the Parties shall enter into the following agreements;

(i) International Distributor Agreement (as per Schedule G)

02.3 Manufacturing Technology Transfer Agreement: this would be mutually agreed upon between the parties at a subsequent date and would be incorporated as a schedule to the Supply and Services Contract. The Customer is however, granted the first exclusive right to manufacture this product in the Territory. However, if the Parties fail to come to an agreement neither party shall have any obligation or liability.

03.0 OBLIGATIONS OF THE CONTRACTOR

03.1 LOANER AND DAMA NETWORK 1 ORDER

03.1.1 Contractor shall ship a loaner system to Customer free of charge with freight and insurance pre-paid on a date to be agreed upon between the Parties. The loaner is defined in Schedule A hereto and shall be secured by a stand-by letter of credit. Upon completion of installation by Contractor or within ninety (90) days of receipt of the loaner system, whichever occurs first, Customer shall perform an ATP in accordance with Schedule C hereto. If the system passes the ATP, the Customer has the option to either 1) place a Purchase Order for a DAMA Network 1 and return the loaner system to the Contractor, or 2) place Purchase Order(s) for the Loaner System and additional Equipment necessary to convert the loaner system into a DAMA Network 1. Prices for the DAMA

Network 1 are contained in Exhibit A to Schedule G hereto. Customer shall have responsibility to take delivery of the loaner and additional Equipment at the designated ports in India.

03.1.2 In the event the loaner system does not pass the ATP, the Customer may return the loaner system to Contractor and have no further obligations under this Contract.

03.2 DAMA NETWORK 1

The Contractor shall supply, erect, install, test the DAMA Network 1 and provide all deliverables and supplies as per the Terms and Conditions and Schedules of this Contract.

03.2.1 DAMA NETWORK 1 PERFORMANCE

3.2.1.1 The Contractor shall be responsible for the overall network performance of the DAMA Network 1 purchased by the Customer and all the obligations specified in this Contract.

03.2.1.2 The overall performance of the DAMA Network 1 for which the Contractor is responsible is comprised inter alia of the following elements:
- Overall network design including configuration (as defined in Schedule A).
- Network availability/reliability (based on performance of Contractor's equipment and software).
- Network integrity (bit error rate, throughput)
- End to end connectivity and integration (subject to acceptable
  protocols being used)

03.2.1.3 All the performance criteria, facilities and functions of the DAMA
Network 1 will be specified in Schedules A, C E, and N.

03.2.1.4 The Contractor's obligations for DAMA Network 1 performance (specified
herein) shall be fully and completely satisfied upon passing the ATP
(Schedule C). After acceptance by the Customer the DAMA Network 1
shall be subject to the warranty described in paragraph 06.1, Article
06.0.

03.2.1.5 The Operating Manuals and Training Plan shall provide adequate
instruction to enable the Customer to make full and proper use of the
Equipment.

03.2.1.6 From time to time the Contractor may offer and Customer may elect to
purchase new releases of Contractor's products.

03.2.2 DAMA NETWORK 1 ACCEPTANCE

The DAMA Network 1 shall be accepted in accordance with paragraph
05.1 of Article 05.0. Contractor shall not be required to accept
orders for additional Equipment until the DAMA Network 1 has been
accepted.

03.2.3 CUSTOMER SOURCED ITEMS

03.2.3.1 The Customer shall procure the RF equipment, and IFL cables as per
the specifications of the Contractor contained in Schedule L.

03.2.3.2 The Customer shall also be responsible for providing the antenna
from Prodelin, specifications to be supplied by Contractor.

03.2.3.3 For the DAMA Network 1, the Contractor shall be responsible for
performance of the DAMA Network 1 as defined in paragraph 03.2.1
herein including all Contractor approved sourced items listed in
paragraph 03.2.3.1, provided that Customer purchased Equipment
are strictly compliant with the specifications of Schedule L.

03.2.3.4 For subsequent purchases, the Contractor shall be responsible for
performance of the Contractor supplied Equipment and its proper
operation along with Customer purchased Equipment as provided in
Article 04.0, provided that Customer purchased Equipment is strictly
compliant with Contractor's appropriate recommendations in regard to
these purchases and is purchased from Contractor approved sources.

03.3 ADDITIONAL FEATURES

03.3.1 The current contractual feature set of the Software is known as
Release 1 and is defined in Exhibit A to Schedule G. Contractor
has identified three (3) new Software Releases that include
progressively more features that it may, at its option, offer for
sale in the future. The Releases are known as Release 2, Release 3,
and Release 4 and are defined in Exhibit A to the Schedule G. Each
Software Release contains all the features of the prior Release(s)
and incorporates new features. Within thirty (30) days of the
Effective Date of the Contract the Parties will mutually agree upon
Software specifications and acceptance test procedures for Releases
2 through 4. At this point neither the Customer or the Contractor
will be contractually obligated to purchase or sell the new Releases.
03.3.2 The Contractor is not contractually committed to provide a software Release beyond Release 1. The Contractor will not be contractually obligated to provide a Software Release beyond Release 1 until such time as Contractor has accepted in writing a purchase order containing said Release. In the event the Contractor has accepted a purchase order for a Release from any other customer, Contractor shall accept an order for the said Release and ship the said Release to Customer within seven (7) days of shipping to any other customer. The Releases, if incorporated into the Contract, will be sold in the form of a software kit. Priced features are indicated separately in Exhibit A to Schedule G.

03.3.3 The prices and conditions relating thereto for the Releases 2 through 4 are detailed in Exhibit A to Schedule G.

03.3.4 Acceptance testing for first purchased copies of Releases 2 through 4 will be done utilizing the DAMA Network 1 in accordance with paragraph 05.2 of Article 05.0. The Customer will be responsible for procuring any additional Equipment required to be added to the DAMA Network 1 to complete the Acceptance Tests. Contractor's responsibilities for first purchased copies (limited to DAMA Network 1) of Releases 2 through 4 shall be as per Article 3.2.1.

03.3.5 Contractor will not be obligated to accept purchase orders for additional upgrade kits or new Equipment containing a new Release until the Customer has Accepted the first set with each new Release.

03.4 ADDITIONAL EQUIPMENT

Subject to the conditions contained in this Contract and the Schedule G International Distributorship Agreement, the Contractor will accept purchase orders for Equipment specified in Exhibit A to Schedule G.

03.5 GENERAL

03.5.1 COMPLIANCE WITH DOT LICENSE

The Contractor shall comply with the mandatory function requirements as defined in the Schedule N draft DOT License with exceptions as noted therein.

03.5.2 INTENTIONALLY LEFT BLANK.

03.5.3 EXPORT

The Contractor shall be responsible for complying with any of the United States Government applicable foreign export regulations and obtaining the necessary export licenses.

04.0 OBLIGATIONS OF THE CUSTOMER

04.1 The Customer shall obtain, at his expense, at proper times, all permits and approvals from the Government of India, including proper import papers, and the local Indian authorities as necessary for the performance of the Contract. The Customer shall comply with all such permits and approvals including without limitation the DOT license.

04.2 The Customer shall make available the Site(s) and grant the Contractor free and uninterrupted access thereto to carry out his obligations under this Contract.

04.3 The Customer shall provide at his expense information, services, works, materials, utilities, personnel, etc., as specified by the Contractor as per Schedules E and L.

04.4 The Customer shall at his own expense take delivery of the purchased Equipment and Supplies from the Contractor facilities in Carlsbad, California, except as otherwise provided in this Contract.

04.5 The Customer shall strictly comply with the specifications and
prescriptions given by the Contractor as per Schedule L.

04.6      Export

04.6.1    The Customer agrees that it will not export or re-export directly, indirectly, DAMA Network 1, Equipment, Software or technical data provided hereunder, in any form including, but not limited to written, printed, verbal, telephonic, fax or electronic communication, to the countries listed below which export is restricted by United States law or regulations without the prior written consent, if required, of appropriate United States governmental agencies including in the Office of Export Administration, Department of Commerce; North Korea, Cuba and Libya. This list may be adjusted by the Contractor from time to time as may be required by United States law and shall be provided to the Customer accordingly.

04.6.2    The DAMA Network 1, Equipment and Software provided under this Contract shall not be used either directly or indirectly in any nuclear activity nor the design, development, production, stockpiling, transportation or use of nuclear, biological or chemical weapons without the prior written authorization from the United States government and the Contractor. This Contract is conditioned upon the obtaining and the continuing validity of all necessary United States governmental approvals including but not limited to export licenses and no transaction shall be required by the Contractor hereunder without such approvals.

04.6.3    The Customer shall comply with and be solely responsible for compliance with all laws, regulations and requirements of the United States Government with respect to the re-export of the DAMA Network 1, Equipment and Software or data pertaining thereto such documentation and assurances as are required from time to time to comply herewith. The Contractor shall be responsible for advising the Customer of such applicable laws and regulations and subsequent changes thereto during the course of this Contract.

05.0      ACCEPTANCE TEST PROCEDURE

05.1      DAMA Network 1 System Acceptance

05.1.1    Prior to shipment of the loaner system and DAMA Network 1 (or additional Equipment if the Customer chooses to convert the loaner system into the DAMA Network 1), the Contractor shall perform a Factory Acceptance Test (FAT) at its facilities. Two copies of the FAT document shall be provided to the Customer. The Contractor shall give the Customer at least fifteen (15) days prior written notice (or such shorter notice as may be agreed by the Parties) of the date (the "Testing Date") on which the Contractor shall be ready to commence the FAT. On the Testing Date, the Customer may observe the FAT with authorized representatives of the Contractor. In the event the Customer, having received notice from the Contractor in a timely manner fails to attend the FAT, the Contractor will complete the FAT and include written results with the shipped Equipment. Shipment shall not be made until the FAT is successfully completed.

05.1.2    Unless the Parties agree in writing to an extension of time, the Customer has one hundred-five (105) days from the date of shipment or ninety (90) days from the time the DAMA Network 1 (or the last shipment of additional Equipment if the Customer chooses to convert the loaner system into the DAMA Network 1) clears customs in the port of entry in India, whichever is earliest, to either accept or reject the DAMA Network 1 in accordance with the provisions below.

05.1.3    Upon completion of installation of the DAMA Network 1, but in no event later than the time period specified in paragraph 05.1.2 herein, an
Acceptance Test Procedure (ATP) shall be performed in accordance with Schedule C of this Contract. The Contractor shall be responsible for conducting the ATP and Customer representative shall attend the Acceptance Tests.

05.1.4 In the event that the DAMA Network 1 does not pass the ATP within the time period specified in paragraph 05.1.2 herein, the Customer may return the DAMA Network 1 to the Contractor and receive a full refund of all money paid to date for the DAMA Network 1. In this event, the Customer shall have no further obligation to the Contractor under this Contract or the Schedule G International Distributorship Agreement and this Contract shall automatically terminate without further obligation or liability on the part of either Party to the other except for any surviving obligations as provided in Article 22.1.5.

05.1.5 Acceptance of the DAMA Network 1 shall occur upon successful completion of the ATP to be conducted in accordance with the provisions of Schedule C hereto. Customer shall promptly, but in no event later than 5 days from date of Acceptance, provide Contractor with a certificate of Acceptance containing the provisions stated in Schedule T3. Contractor shall not be required to accept orders for additional Equipment until the DAMA Network 1 has been accepted.

05.2 SCPC DAMA VSAT EQUIPMENT ACCEPTANCE WITH RELEASES 2, 3 AND 4

05.2.1 An ATP for Releases 2, 3 and 4 shall be agreed upon between the Parties within sixty (60) days after Effective Date of this Contract. In the event the ATP is not agreed upon within this time frame, then the availability date, as specified in Exhibit A to Schedule G shall be adjusted accordingly on a day to day basis.

05.2.2 For Releases 2, 3 and 4 that have become a contractual obligation through the written acceptance of a Purchase Order by the Contractor, the first set of 5 VSATs belonging to DAMA NETWORK 1 will be tested with the Offered Release Kit o. The Contractor will not be obligated to accept orders for additional Release upgrade kits or Equipment containing the Release until the first set is accepted.

05.2.3 The Contractor shall perform a FAT prior to first shipment of a Release upgrade kit and on all additional Equipment with Release 2, 3 or 4 Software. For the first Release upgrade kit or first set of Equipment utilizing the new Release the Contractor shall give the Customer the same observation rights as specified in paragraph 05.1.1 herein.

05.2.4 Upon the installation of the first Release upgrade kit into DAMA Network 1, but in no event later than the time period specified in paragraph 05.2.4 herein, an Acceptance Test Procedure (ATP) shall be performed in accordance with the agreed to Acceptance Test Procedure. The Contractor shall be responsible for conduction of the ATP and the Customers shall attend the Acceptance tests.

05.2.5 Acceptance for the first Release upgrade units for each new Release shall occur upon reaching one of the following events, whichever occurs first:

1. Successful completion of the ATP to be conducted by the Contractor in accordance with the provisions of the mutually agreed to ATP under paragraph 05.2.1 hereto; or

2. Thirty days (30) from the completion of the ATP, without rejection of the shipped Equipment by the Customer. Upon rejection, Customer shall promptly return the Equipment to Contractor.

05.2.6 For additional upgrade units and additional Equipment with new Release, Acceptance shall occur upon reaching one of the following events, whichever is earliest: seventy-five (75) days from the date of shipment or sixty (60) days from the time the Release upgrade kit or Equipment containing the new Release
clears customs in the port of entry in India, whichever is earliest, to either accept or reject the Release upgrade kit or Equipment containing the new release.

05.2.7 In the event the Release upgrade or Equipment does not pass the ATP, the Customer may return the Release upgrade or Equipment to the Contractor for either a full refund of the money paid against the failed Equipment or a replacement unit. Replacement units shall be subject to the same acceptance criteria as specified herein.

05.3 SCPC DAMA VSAT Terminals

05.3.1 An ATP for SCPC DAMA VSAT Terminals shall be agreed upon between the Parties within thirty (30) days after Effective Date of this Contract.

05.3.2 The Contractor shall perform an FAT prior to shipment on all other such Equipment and give the Customer the same observation rights as specified in paragraph 05.1.1 herein. ATP as agreed to in accordance with paragraph 05.3.1 shall be performed at the Customer's discretion, on such Equipment.

05.3.3 Acceptance shall occur upon reaching one of the following events, whichever occurs first:

1. Successful completion of the ATP as agreed in accordance with paragraph 05.3.1; or

2. Seventy-five (75) days from the date of shipment or sixty (60) days from the time the shipment clears customs in the port of entry in India, whichever is earliest, without rejection of the shipped Equipment by the Customer. Upon rejection, Customer shall promptly return the Equipment to Contractor.

Customer shall promptly, but in no event later than 5 days from date of Acceptance, provide Contractor with a certificate of Acceptance containing the provisions stated in Scheduled T3

05.3.4 In the event the shipped Equipment does not pass the ATP, the Customer may return the Equipment to the Contractor for either a full refund of the money paid against the failed Equipment or a replacement unit(s). Replacement units shall be subject to the same acceptance criteria as specified herein.

05.3.5 FATs or ATPs are not required for spare parts.

06.0 WARRANTY OF EQUIPMENT AND SOFTWARE

06.1 WARRANTY ON EQUIPMENT

06.1.1 The Contractor warrants that the title of the Contractor provided Equipment hereunder, when conveyed to Customer shall be good and its transfer rightful, and the Equipment shall be delivered free from any security interest or other lien or encumbrance and without restrictions on commercial use; and

06.1.2 The Contractor warrants that the Equipment supplied under the Contract shall be new and unused (except repaired Equipment supplied under this warranty).

06.1.3 For a period of three (3) years from Acceptance, the Equipment supplied by the Contractor under this Contract which has been manufactured by or for the Contractor will be free from defects in workmanship and materials and capable of passing the ATP as required under Article 05.0 and shall be responsible for correctness of all specifications and documentation as defined in Schedules A, C, E and N.
Equipment supplied under the Contract which is purchased by the Contractor from third parties is not warranted by the Contractor. The Contractor will assign any warranties of such third parties to the Customer to the extent they may be assignable.

During the warranty period, the Contractor shall repair or replace any part(s) or Equipment found to be defective including for any wrongful acts or omissions by the Contractor. The following procedure will apply for repair/replacement or defective Equipment/parts:

a) Within thirty (30) days after discovery of a warranty claim under this Contract, the Customer shall send to the Contractor the Equipment or part thereof claimed to be defective. Each unit of the Equipment or part thereof returned to the Contractor shall be accompanied with a detailed written "Failure Report" setting forth a description of the fault found by Customer and the manner in which the fault was found and verified by Customer's personnel. The freight and insurance of such defective Equipment up to the Contractor's site shall be borne by the Customer. Upon receipt of such defective Equipment and being satisfied of Customer Failure Report, the Contractor shall undertake to repair or replace the defective Equipment or parts thereof, at no charge including insurance, freight and any taxes and duties if applicable up to the Customer's Site. The Contractor shall deliver to the Customer each repaired or replaced unit of Equipment, or part thereof accompanied by written "failure analysis report" setting forth a description of the fault found and the corrective action taken by the Contractor.

b) The Contractor shall return the repaired or replaced Equipment or part thereof, to the Customer by air freight within thirty (30) days (excluding shipping time) from the date of receipt of such defective Equipment, or part thereof, at Contractor's facilities.

The Contractor shall provide the Customer with an extended Warranty, at prices as defined in Exhibit A to Schedule G. The Customer, at his option, may go in for the extended warranty at the end of and each subsequent year for the next year.

The Contractor shall, within sixty (60) days of the Effective Date, provide MTBF (Mean Time Between Failures) for all ViaSat manufactured Equipment, on a module basis. This data, on receipt, shall form part of this Contract.

WARRANTY SOFTWARE:

For a period of twelve (12) months from Acceptance, the Software supplied by the Contractor under this Contract will be capable of passing the ATP required under Article 05.0. During the warranty period, Contractor shall, at no charge to Customer, correct any failure to meet this warranty which is reported to Contractor in writing within thirty (30) days of the failure. The written failure notice shall describe the failure in reasonable detail in a format to be provided by the Contractor within sixty (60) days of Effective Date. Bug fixes or corrections in Software Releases/ Software upgrades (which do not constitute major software releases or do not include any new features or enhanced performance) will also be provided free of charge by the Contractor to the Customer.

However, in case of a failure which significantly affects the Network Performance, the Contractor shall use his best efforts to provide promptly a temporary correction/bug fixes. The permanent resolution of
06.3 LIMITATIONS ON WARRANTIES:

06.3.1 These warranties and remedies, thereunder are solely for the benefit of Customer and shall not be extended nor conveyed to any other third party. This warranty shall not apply to any Equipment, Software or related items, that:

a) have had the serial number, model number or any other identification markings removed or rendered illegible other than by wear and tear,

b) have been damaged by accident, or from any other cause beyond Contractor's reasonable control, and without Contractor's fault or omission or negligence or the fault or negligence or omission of Contractor's employees, agents or other representatives;

c) have been repaired or otherwise altered by anyone not under the control of, or not having the written authorization of Contractor, to do such repair or alteration (except as to repair and replacement of components of the Hub and VSAT Equipment by qualified Customer's personnel) without the prior written consent of the Contractor.

06.3.2 The repaired or replaced Equipment/part shall be further warranted for a period of 90 days after the expiry of the warranty period.

06.3.3 THE WARRANTIES PROVIDED IN THE ARTICLE CONSTITUTE CONTRACTOR'S LIABILITY FOR ESTABLISHED DEFECTIVE OR NON CONFORMING EQUIPMENT AND SOFTWARE AND SHALL CONSTITUTE CUSTOMER'S EXCLUSIVE REMEDIES THEREFOR. THESE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES EXPRESS OR IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

06.4 SURVIVAL OF WARRANTIES

The provisions of this Article 06.0 shall be without prejudice to the provisions of Article 22.0 and shall survive the expiration or termination of this Contract for any cause.

06.5 SPARE PARTS AND POST WARRANTY OBLIGATIONS

06.5.1 The Contractor shall deliver spare parts and maintenance tools and initial consumables as part of the Deliverables and Supplies as specified and priced in Exhibit A to Schedule G pursuant to individual orders placed by Customer.

06.5.2 The Contractor shall make spare parts available for the Equipment shipped under this Contract for a minimum period of eight (8) years from Final DAMA Network 1 Acceptance or eight (8) years from Acceptance of the last Equipment shipped. For each order, the maximum prices for spare parts shall be fixed for a period of five (5) years from Acceptance of the last equipment received.

06.5.3 The Contractor shall provide repair support at prevailing rates for all Contractor designed and manufactured Equipment which is defective for a minimum period five (5) years from the date of Acceptance. Contractor shall pass through warranties for third party vendor equipment to Customer as applicable.

06.5.4 The Contractor shall delegate knowledgeable personnel to the Site(s) to perform additional on-site services at the request of the Customer and as priced in Exhibit A to Schedule G.

07.0 ACCEPTANCE OF PERFORMANCE NOT IN CONFORMITY WITH CONTRACT

Acceptance of Equipment and Software will not be deemed a waiver of
08.0 CONTRACT PRICE

8.1 PRICE:

08.1.1 The Contract Price is as per Purchase Orders placed by Customer from time to time as per the price list contained in Exhibit A to Schedule G (or revision thereof in accordance with the International Distributor Agreement).

08.1.2 The prices of Equipment and Software are FOB the facilities of Contractor in Carlsbad, California.

08.2.1 TAXES, DUTIES AND OTHER GOVERNMENT IMOPOSED CHARGES

08.2.1.1 Customer shall be responsible for the payment of any and all currently applicable or hereinafter imposed taxes, duties, levies, fees and other charges that are or may be imposed by the Indian Government or the Governments of other countries excluding the U.S. Government (to include all local, state, central, public or quasi-public government) with respect to supplied Deliverables and Supplies. Customer’s responsibility shall include payment of withholding tax, unless otherwise applicable in the Contract.

08.2.1.2 Contractor shall be responsible for the payment of any and all currently applicable or hereinafter imposed taxes, duties, levies, fees and other charges that are or may be imposed by the United States Government (to include all local, state, central, public or quasi-public government) with respect to supplied Deliverables and Supplies, unless otherwise applicable in the Contract.

08.2.2 WITHHOLDING TAX

08.2.2.1 In the event of any tax withheld by Indian Government on services rendered by the Contractor, whether in India or abroad, the Contractor shall assist in all possible ways to have the Customer receive the reimbursement from the relevant US Government Authorities, net of any California State (or any other U.S. State as may be applicable) tax effect as per the provisions of Indo-US double taxation agreement. The Contractor shall have no claim whatsoever on this amount and shall send the same to the Customer without any deduction whatsoever unless so imposed by the relevant US Government Authority.

08.2.2.2 The Customer will provide receipts of all withholding taxes deposited with Indian Tax Authorities for the above purpose. The Contractor shall submit these receipts along with all required documentation to the relevant US Government Authorities within the prescribed time for filing of such tax returns as specified by relevant US Government Authorities. The Contractor shall inform the Customer regularly on follow up action being taken by the Contractor in this regard. Copies of all related correspondence and documents shall be sent to the Customer. Contractor shall pay to Customer the refund obtained within 10 days of receipt of the said refund from the relevant US Government Authorities.

09.0 **************

09.1 ********************

09.1.1 ********************

09.1.1.1 ********************
11.0 DELIVERABLES & SUPPLIES

The Contractor shall provide all Deliverables and Supplies to the Customer as per the Terms and Schedules of this Contract.

12.0 DELIVERY AND SHIPMENT

12.1 The Contractor shall deliver the DAMA Network 1 to the Customer in accordance with the Schedule B Implementation Plan.

12.2 Shipment of VSATS (ViaSat manufactured and Contract items only, as defined in Exhibit A to Schedule G) shall be made by the Contractor not later than sixty (60) days from the acceptance of Purchase order for all order sizes less than or equal to 10 VSATs, unless requested otherwise by the Customer.

12.3 Preshipment and partial shipments shall require Customer's prior approval.

12.4 All excess taxes, duties, freight and insurance expenses on account of early or partial shipments, without the written consent of Customer, shall be borne by the Contractor.

12.5 All excess taxes, duties, freight and insurance expenses on account of short, wrong or defective shipment by the Contractor shall be borne by the Contractor.

12.6 Should the Customer need to pay for excess duties, freight and insurance expenses (for the purpose of this Article to be referred as “expenses”) on account of pre/partial/short/defective shipment(s) etc. as mentioned in Articles 12.3 and 12.4 on behalf of the Contractor, the reimbursement of such expenses shall be made by the Contractor within thirty days on receipt of details of such expenses incurred by the Customer reimburse the same in a mode acceptable to the customer (demand draft or bankers cheque).

12.7 The risk of loss and damage to the Equipment shall pass to the Customer upon delivery of such Equipment to the first carrier at Contractor's designated facilities.

12.8 The title to the Equipment shall pass to the Customer on FOB delivery at the facilities of the Contractor, in Carlsbad.

*CONFIDENTIAL TREATMENT REQUESTED
13.1 PACKAGING:

13.1.1 The Contractor shall provide water proof packing of the Equipment, as is required to prevent any damage or deterioration during transit to its final destination in accordance with the generally accepted method of international air shipping.

13.2 MARKING:

13.2.1 The packing, marking and documentation within and outside the package shall comply strictly with such special requirement, if any, as shall be expressly indicated by the Customer at its expense.

Non-special Packing, Marking and documentation, as defined in this contract would be at no charge to the Customer.

13.2.2 Each case or object shall be marked in the following way:

a) Name of the Customer
b) Item number and description of the main piece of equipment in the case
c) Gross and net weight
d) Running number of the case
e) All necessary indications to prevent goods from rough handling, i.e. "fragile", "this side up", etc.
f) Indication marks for transport chains etc.

13.2.3 In case of container packing, the normal container marking will be used.

13.2.4 All goods needing special storage have to be marked accordingly.

14.0 INSURANCE

14.1 All Equipment and Software shall be fully insured by the Customer at his cost against all risks of loss or damage from the Contractor's premises to the Site(s).

14.2 Group insurance policy is to be taken out by Contractor for his employees working at Site(s). Contractor is to comply with all safety requirements for its employees as per Indian Laws of which the Customer shall inform the Contractor.

15.0 VARIATIONS

15.1 Customer may, at any time during the term of the Contract request the Contractor to reasonably revise the Equipment, Software and/or any other Deliverables and Services, and/or undertake any reasonable alteration or addition to or omission from the Equipment and/or other Deliverables and Services or any part thereof ("Variation"). Any changes, modifications or enhancements to the DAMA Network 1 or the DAMA Network 1 Design or other requirements requested by Customer may result in a Variation. The Contractor shall be entitled to an equitable adjustment to schedule, price and other terms as a result of the requested Variation.

15.2 In the event that Customer has a request for a Variation, Customer shall formally request the Contractor to state in writing the effects such Variation shall have on the scope of work and what adjustment, if any, shall be required to the Contract price and the project schedule. The Contractor shall furnish such details within fifteen (15) days of receipt of the Customer's request or such other period as may be agreed to in writing between the Parties. The Contractor shall not vary the scope of work in any material respect unless instructed in writing to do so by the Customer and until the Parties have agreed in writing to any adjustments to the Contract.

15.3 If changes occur to the traffic patterns or volumes of the DAMA Network 1 that materially affect the capability of the SCPC DAMA VSAT Network as designed herein to meet this performance objective, then the Contractor will at Customer's request provide a price and applicable terms for upgrades necessary to enhance the Network to a capacity that can accommodate the changes and still meet the performance objective. Customer at his option can purchase the additional Equipment if so
15.4 The effect and consequence of such Variation shall be as mutually acceptable to the Parties.

16.0 TECHNOLOGY UPGRADATION/OBSOLESCENCE

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16.1 If the Contractor undertakes any change, improvement, modifications or any new development in manufacturing design methods or any new development in manufacturing methods (hereinafter called "Upgrades") of the Equipment which have been supplied to the Customer, such Upgrades shall be provided to the Customer subject to the following terms:

a) such upgrades have taken place after the Effective Date of this Contract; and

b) such upgrades shall be made available to the Customer in accordance with the Contractor's normal release and supply procedures and in no event shall the Contractor be required to retroactively upgrade Equipment already delivered; and

c) such upgrades shall be provided by the Contractor to the Customer without increase to price, initially for a period of three (3) years from the Effective Date of this Contract and thereafter such upgrades shall be at an additional cost agreed to by both the Parties; and

d) design or manufacturing upgrades which improve product performance specifications or increase functionality are excluded from this provision.

16.2 Further the receipt of the said upgrades shall not in any way waive the performance obligations of the Contract by both the Customer and Contractor.

17.0 SOFTWARE LICENSE AGREEMENT

The Customer and Contractor shall enter into a Software License Agreement, the provisions of which are included in Schedule F.

18.0 TIME--THE ESSENCE OF THE CONTRACT

The time prescribed for the performance of each and any of the obligations as provided herein by the Parties shall be the essence of the Contract.

19.0 PERFORMANCE OF THE CONTRACT

Either Party shall not be responsible for meeting its obligations in cases where such failure is due to failure of the other Party to fulfill its obligations as specified accordingly in the provisions of the Contract.

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The Contract is deemed to be complete on performance of all obligations of the Contractor as well as the Customer as per the Terms and Schedules of this Contract.

20.0 FORCE MAJEURE:

20.1 Notwithstanding anything else contained in the Contract, neither Party shall be liable for any delay in performing its obligations hereunder if and to the extent that such delay is the result of an event of Force Majeure.

20.2 For purposes of this Article, "Force Majeure" means and includes wars, insurrections, earthquakes, revolutions, fires, floods, epidemics, quarantine restrictions, trade embargoes, declared general strikes in relevant industries, acts of God, act of governments and such other
acts and events beyond the control of the Contractor or Customer, intervening after the formation of the Contract and impeding its reasonable performance but does not include any foreseeable events, commercial consideration or those involving fault or negligence on the part of the Contractor or Customer.

20.3 Both Parties may, if such delay continues for more than eight (8) weeks, terminate the Contract pursuant to Article 22.0, forthwith on giving notice in writing to the other Party in which event neither Party shall be liable to the other by reasons of such termination.

20.4 If a Force Majeure situation arises, the Contractor or Customer shall promptly notify the other in writing of such conditions, the cause thereof and the likely duration of the delay. Unless otherwise directed by either Party in writing, the other Party shall continue to perform its obligations under the Contract as far as reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. In the event of any extension of time being granted by either Party, the Implementation Plan (Schedule B) shall be amended accordingly.

20.5 The above is without prejudice to the rights already accrued by the Parties as a result of their performance or failure to perform either in full or in part, pursuant to their obligations in the Contract, prior to the occurrence of events of Force Majeure.

210. TERM OF THE CONTRACT

The Term of the Contract shall remain in full force till all obligations of the Contractor as well as the Customer are discharged in accordance with the terms and conditions of this Contract and schedules thereto, unless this Contract is terminated earlier under the provisions of Article 22.0.

22.0 TERMINATION AND REMEDIES

22.1 TERMINATION

22.1.1 The Contract may be terminated forthwith by either Party on giving sixty (60) days notice in writing to the other if the other Party shall be unable to perform material Obligations under this Contract due to a receiver being appointed or shall pass a resolution for winding up (otherwise than for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or a court of competent jurisdiction shall make an order to that effect or if the other Party shall become subject to an administration order prohibiting the conduct of business or shall enter into any voluntary arrangement with its creditors prohibiting the conduct of business or shall cease to carry on business or involved in the process of take over or taken over by any third party(ies) and such third party(ies) shall not agree to assume the Obligations under this Contract. In such event, at the option of the Customer, the Contractor shall furnish all source code and designs of equipment including all drawings, designs and software source code, subject to a royalty free license for the purpose of continuing to maintain or to have maintained the effective Equipment and the Network without interruption.

Notwithstanding any Termination or expiration of this Contract, the representation and Warranties under various clauses and the rights and obligations under the Sections entitled "CONFIDENTIALITY", "INTELLECTUAL PROPERTY INDEMNITY", "WARRANTY OF EQUIPMENT & SOFTWARE LICENSE AGREEMENT" shall continue for five (5) years, except for Warranty which shall be as per periods provided herein, and shall bind the parties and their legal representatives, successors, heirs and assigns.

22.1.2 This Contract shall terminate automatically upon completion of all Contractor's obligations and after payments are made by Customer for all amounts due.

22.1.3. In the event either Party has committed a material breach of any of the covenants, representations, warranties or other terms and conditions of
this Contract or has materially defaulted in the performance of any of its obligations under this Contract, (provided that the non-beaching/non-defaulting Party has first given the other Party written notice of the grounds supporting the material breach or default and the breaching/defaulting party has not cured the material breach of default within sixty (60) days of receipt of such notice) the breaching/defaulting Party shall be held in default and the Contract shall be terminated.

22.1.4 Any termination of the Contract (however occasioned) shall not effect any accrued rights or liabilities of either Party nor shall it affect the coming into force or the continuance in force of any provision hereof which is expressly or by implication intended to come into or continue in force on or after such termination.

22.1.5 Notwithstanding any termination or expiration of this Contract the representations and warranties under various clauses and the rights and obligations under the sections entitled "CONFIDENTIALITY", "WARRANTY OF EQUIPMENT & SOFTWARE" AND "SOFTWARE LICENSE AGREEMENT" shall survive and continue for the respective validity periods in each clause or agreement and shall bind the Parties and their legal representatives, successors, heirs and assigns.

22.2 REMEDIES

22.2.1 Upon termination of this Contract, the performance obligations of both Parties under this Contract shall cease.

22.2.2 If the Contract is terminated by the Customer due to the default of the Contractor as defined in Article 22.1.3, then the Contractor's liability shall be limited to repayment to the Customer in U.S. Dollars all payments made by the Customer and received by Contractor for the DAMA Network 1/Equipment delivered and Services provided giving rise to the default and all duties, taxes, levies etc. incurred by the Customer thereon, following which the Customer shall facilitate Contractor's removal of all such equipment, including access to such Equipment. In no event shall the Contractor's liability to the Customer for any reason exceed the cumulative sum of all payments received by the Contractor from Customer for Equipment, Software and Services delivered to the Customer within twelve (12) months prior to date of receipt of written notice of claim of liability.

22.2.3 If the Contract is terminated by the Contractor due to default of Customer as designed in Article 22.1.3, then the Customer shall be obligated to pay Contractor in U.S. Dollars the balance of any and all payments due to the Contractor for DAMA Network 1/Equipment delivered and Services provided upon which such DAMA Network 1/Equipment shall become the property of the Customer.

22.2.4 In the event of default, the defaulting Party shall reimburse the non-defaulting Party for all reasonable expenses incurred by the later in the enforcement of its rights.

22.2.5 In the event of termination of the Contract under this clause the Parties shall have the remedies, as available under the terms of this Contract and the applicable laws.

23.0 LIMITATION OF LIABILITY

UNDER NO CIRCUMSTANCES SHALL THE CONTRACTOR BE LIABLE FOR ANY SPECIAL INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFIT, LOSS OF USE, LOSS OF REVENUES OR DAMAGES TO BUSINESS OR REPUTATION ARISING FROM THE PERFORMANCE OR NON-PERFORMANCE OF ANY ASPECT OF THIS CONTRACT.
24.0 ARBITRATION

24.1 In the event of a dispute between Customer and Contractor arising out of, or relating to this Contract, its interpretation of performance hereunder, the Parties shall exert their best efforts to resolve the dispute amicably through negotiations.

24.2 In the event that a dispute cannot be resolved amicably by the Parties through negotiations within sixty (60) days of the commencement of such negotiations, the dispute shall be submitted to arbitration. The arbitration proceedings shall take place under the International Chambers of Commerce (ICC) and its Rules of Conciliation and Arbitration. The arbitration shall be conducted in London. The cost of arbitration, including the fees and expenses of the arbitration or arbitrators, shall be as the award provides. The arbitration proceedings shall be governed by the laws of the venue.

25.0 LAW APPLICABLE

The provisions of this Contract shall be governed by the provisions of the Indian Law.

26.0 CONFIDENTIALITY

26.1 Each Party shall treat as confidential the Contract and all information obtained from the other Party pursuant to the Contract and shall not divulge such information to any person (except to such Party's own employees and then only to those employees who need to know the same) without the other Party's prior written consent provided that this clause shall not extend to information which

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(i) was rightfully in the possession of such Party prior to the commencement of the negotiations leading to the Contract, (ii) is already public knowledge or becomes so at a future date (otherwise than as a result of a breach of this clause), (iii) is required to be disclosed by law (including, without limitation, pursuant to any disclosure obligation under applicable securities laws or by order of governmental authority, (iv) is lawfully obtained from a source other than the other Party which source did not require such information to be held in confidence and did not limit or restrict the use thereof, or (v) is trivial or obvious. Each Party shall ensure that its employees are aware of and comply with the provisions of this clause. If the Contractor shall appoint any sub-contractor then the Contractor may disclose confidential information to such sub-contractor subject to such sub-contractor giving the Customer an undertaking in similar terms to the provisions of this clause. The foregoing obligations as to confidentiality shall survive any termination of the Contract.

26.2 The Contractor shall not, without the Customer's prior written consent, make use of any document or information covered by the confidentiality obligations of Article 26.1, except for the purposes of performing the Contract.

26.3 The Customer shall not, without the Contractor's prior written consent, make use of any document or information covered by the confidentiality obligations of Article 26.1, except for the purposes of performing the Contract.

26.4 Any document given to the Contractor which is covered by the confidentiality obligations of Article 26.1 other than the Contract, shall remain the property of the Customer and shall be returned (with all copies) to the Customer on completion of all the Contractor's obligations under the Contract if so required by the Customer.

26.5 Any document given to the Customer which is covered by the confidentiality obligations of Article 26.1 other than the Contract, shall remain the property of the Contractor and shall be returned (with all copies) to the Contractor on completion of all the Customer's obligations under the Contract if so required by the Contractor.
27.0 INTELLECTUAL PROPERTY RIGHTS INDEMNITY

27.1 Contractor shall indemnify Customer and its Licensees and Assigns and keep fully and effectively indemnified on demand against all costs, claims, demands, expenses and liabilities of third party of whatsoever nature arising of or in connection with any infringement claim of the Equipment and Licensed Software.

27.2 If the Equipment is held by the Court of competent jurisdiction to constitute an infringement of a third party's intellectual property rights, or if Contractor determines in its position that such use or possession is likely to constitute such an infringement, then the Contractor shall promptly and at his own expense:

27.2.1 Procure for Customer the right to continue using and possessing the equipment:

or

27.2.2 Modify or replace the alleged infringing equipment (without detracting from its overall performance) so as to avoid the infringement.

27.2.3 If 27.2.1 or 27.2.2 above cannot be accomplished on reasonable terms, remove the alleged infringing Equipment and refund to Customer the full Purchase price of the affected Equipment and/or Licensed Software (including all taxes and duties) paid by the Customer.

28 ASSIGNMENT

28.1 Neither Party shall assign this Agreement without the previous consent in writing of the other Party, except either Party may assign this Agreement to any subsidiary or affiliate or its group companies (as they exist on effective date of this Contract).

28.2 The subsidiaries or affiliates or group companies of Contractor as they exist on Effective Date of this Contract are:

- None

28.3 The subsidiaries or affiliates or group companies of Customer as they exist on Effective Date of this Contract are:

- HCL-Hewlett Packard Limited

- HCL Limited

- NIIT Limited

- Network Limited

- Front Line Solutions Limited

- HCL Consulting Limited

29 FINAL PROVISIONS AND SIGNATURE:

29.1 This Contract comprises the 29 Articles set forth herein, as well
as all the Schedules appended this Contract. In case of discrepancy between the Articles of this Contract and any of its Schedules, and reconciliation of the same is impossible, the Articles of this Contract shall stand. The Contract itself is the definitive document.

29.2 This Contract embodies the entire understanding between the Parties hereto relating to the subject matter hereof and there are no understandings, representations or warranties of any kind, oral or written, except for what is expressly set forth herein.

29.3 All changes, alterations or modifications of the Contract are valid only if agreed upon in writing and bearing the legally binding signature of the Parties.

29.4 All correspondence (including notices, variations etc.) and documentation in connection with this Contract shall be written in the English language and shall be sent by the Contractor to the Customer in duplicate and vice versa, if not otherwise agreed upon.

29.5 The official contact addresses of the Parties are as follows:

<table>
<thead>
<tr>
<th>CUSTOMER</th>
<th>CONTRACTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCL Comnet Systems And Services Ltd.</td>
<td>VIASAT, Inc.</td>
</tr>
<tr>
<td>A-10/11, Sector III</td>
<td>2290, Cosmos Court</td>
</tr>
<tr>
<td>NOIDA - 201 301 (Uttar Pradesh)</td>
<td>Carlsbad, CA 92009-1595</td>
</tr>
<tr>
<td>INDIA</td>
<td>USA</td>
</tr>
<tr>
<td>Tel: +91-11-85-35071</td>
<td>Tel: 001-619-438-8099</td>
</tr>
<tr>
<td>Fax: +91-11-85-30591</td>
<td>Fax: 001-619-438-7310</td>
</tr>
</tbody>
</table>

28.6 All correspondence, documentation and telefaxes between the Parties are to be addressed to the above addresses and numbers.

28.7 Contact persons of the project:

<table>
<thead>
<tr>
<th>CONTRACTOR</th>
<th>CUSTOMER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Andy Paul</td>
<td>Mr. Virender Kashu</td>
</tr>
<tr>
<td>Vice President Commercial Ops.</td>
<td>Company Secretary</td>
</tr>
<tr>
<td>VIASAT Inc.</td>
<td>HCL COMNET Systems &amp; Services Ltd.</td>
</tr>
<tr>
<td>USA</td>
<td>INDIA</td>
</tr>
</tbody>
</table>

28.8 This Contract has been executed in two identical originals reviewed completely by the Parties, signed after approval and all pages initialed by the Parties.

28.9 Each Party shall receive one original bearing the following legally binding signatures of the Contractor and Customer.

IN WITNESS WHEREOF the Parties hereto have caused this Contract to be executed by their duly empowered representatives as follows:

<table>
<thead>
<tr>
<th>CONTRACTOR</th>
<th>CUSTOMER</th>
</tr>
</thead>
<tbody>
<tr>
<td>/s/ G.D. Monahan</td>
<td>/s/ A.K. Majumdar</td>
</tr>
<tr>
<td>G.D. Monahan</td>
<td>A.K. Majumdar</td>
</tr>
<tr>
<td>VP</td>
<td>GM</td>
</tr>
<tr>
<td>VIASAT</td>
<td>HCL COMNET Systems &amp; Services Ltd.</td>
</tr>
</tbody>
</table>

WITNESSES: (With Name and Address):

1. initial (illegible) | R-SRIKRISHMA |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>R-SRIKRISHMA</td>
<td>A-759, Sector 19, Noida, V.P.</td>
</tr>
</tbody>
</table>

2. initial (illegible) | Partha Protson Rhakrarenty |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Partha Protson Rhakrarenty</td>
<td>N-575, Sector-25, Noida Pin-201301</td>
</tr>
</tbody>
</table>
EXHIBIT 10.25

ViaSat, Inc.               Date: 4 March 1994                  S114TP
2290 Cosmos Court          Page 1 through J-2
Carlsbad, CA 92009-1585    Vendor No: 940987
Business Classification: Small

Ms. Dianne Cherniak

SHIP TO:   4624 Executive Blvd        Terms: Net 30        F.O.B.: Carlsbad, CA
Fort Wayne, IN 46808       Via: Buyer Instructions
BILL TO:   1313 Production Road       JOB NO: Various       ACCT. NO: 07-23-01
Fort Wayne, IN 46808       Ordered for: K. Peterman

Contract: DAAB07-94-D-A010

SUBCONTRACTS ORDER

1. This is a Basic Ordering Agreement (BOA) Subcontract between Magnavox Electronic Systems Company, Fort Wayne, Indiana hereinafter called "Magnavox," "MESC," or "Buyer," and ViaSat Inc., Carlsbad, California hereinafter called "ViaSat," "Subcontractor," or "Seller" for the fabrication, test, and delivery of the Modem (MESC P/N 620307-1) for the AN/PSC-5 Enhanced Manpack UHF Terminals (EMUT) Program.

2. This Subcontract consists of all Sections, Attachments, and Exhibits set forth in Section A, hereto entitled "Table of Contents."

3. The parties agree that the effective date of this Subcontract is 6 January 1994, but authorization to proceed is withheld until the stop work order on the prime contract is rescinded. The parties further agree that if the initial delivery order is placed on or before 15 March 1994 that ViaSat's financial claim for equitable adjustment will be limited to a labor and material escalation adjustment resulting from the delay in start date from 6 January 1994 to the date of actual order placement and the schedule adjustment will be a day for day slip in schedule.

4. Funding shall be authorized under the individual delivery orders issued hereunder.

- -------------------------------------------------------------

IMPORTANT NOTICES:

This order is subject to all terms and conditions appearing herein and on any attachment hereto.

Submission of appropriate invoices is required for payment.

By acceptance of this Subcontracts Order, the supplier certifies that it is not debarred or suspended by the Federal Government.

VIASAT, INC.                  MAGNAVOX ELECTRONIC SYSTEMS COMPANY
SIGNED: /s/                    SIGNED: /s/
------------------------------- -------------------------------
TITLE: President               TITLE: Vice President of Purchasing
------------------------------- -------------------------------
DATE: 3/14/94                   DATE: March 15, 1994
SECTION I

GENERAL PROVISIONS

A. GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

As used herein "Buyer" means Magnavox Electronic Systems Company (Magnavox or MESC). "Seller" means the party identified on the face of this order. "Subcontract" includes purchase orders or subcontracts issued by Seller pursuant to this order, "Authorized Procurement Representative" means party or parties authorized by Buyer to alter, modify or change the provisions of this order, "Supplies" means all articles, work or services to be furnished pursuant to this order, and "Order" means this purchase order.

2. ACCEPTANCE

Acceptance of this order is limited to the terms and conditions stated herein. Any additions, deletions or differences in the terms proposed by Seller are objected to and hereby rejected unless Buyer agrees otherwise in writing.

3. DISPUTES

Either party may litigate any dispute arising under or relating to this Order before any court of competent jurisdiction. Pending resolution of any such dispute by settlement or by final judgment, the parties shall proceed diligently with performance. Seller's performance shall be in accordance with Buyer's written instructions.

4. ASSIGNMENT

Neither this Order nor any interest herein may be assigned, in whole or in part, by either party without the written consent of the other party, except that, without securing such prior consent, either party shall have the right to assign this Order to any successor of such party by way of merger or consolidation or the acquisition of substantially all of the entire assets of such party relating to the subject matter of this Order; provided that such successor shall expressly assume all of the obligations of such party under this Order.

5. SUBCONTRACTING

Without the written consent of Buyer, neither all or substantially all of this Order may be further subcontracted by Seller.

6. WAIVER

The failure of either party to insist on performance of any provision of this Order shall not be construed as a waiver of that provision in any later instance.

7. CHOICE OF LAW
Irrespective of the place of performance, this Order will be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contract appeals, and quasi-judicial agencies of the federal government. To the extent that federal common law of government contracts is not dispositive, the laws of the state of California shall apply.

8. PATENT, COPYRIGHT, AND TRADEMARK INDEMNITY

Seller warrants that the articles described herein, and the sale or use of them, will not infringe or contribute to or induce the infringement of any letters of patent, any copyright, or any trademark; and Seller agrees to defend, protect, indemnify, and save harmless Magnavox, its successors, assigns, and customers from all suits, damages, costs, attorney's fees, claims, and demands for actual or alleged infringement including contributory or induced infringement or any patent, copyright, or trademark by reason of the sale or use of the articles hereby ordered.

9. ADVANCE EXCESSIVE SHIPMENTS

Supplies shipped to Buyer, substantially in advance of the delivery schedule herein, may at Buyer's option be returned to Seller at Seller's expense subject to reshipment to Buyer at Seller's expense in accordance with the delivery schedule herein proscribed. Advance shipments, if retained will be subject to payment conforming to delivery schedules herein. Material shipped in excess of quantity order, if returned, will be returned at Seller's expense.

10. CONTRACT COMPLIANCE

a) The required test and/or inspection reports resulting from compliance with this Order will be maintained on file and be made available for review by Buyer's representative or Government inspectors (if applicable) at any reasonable time.

b) Unless prior written approval of Buyer is obtained, Seller shall make no substitution of material supplied by Buyer under this Order.

11. BUYER PROPERTY

All material specifications, drawings or other documents and data furnished to Seller and all tools, dies, molds, jigs, fixtures, patterns, machinery, special test equipment, special tooling, including plates, negatives, and/or film used for the purpose of reproduction, which have been furnished will be delivered in good condition (normal wear and tear excepted) to Buyer, f.o.b. the Seller's plant, immediately upon request and Seller shall be liable for all damage, loss or casualty to such property until so returned to Buyer. Seller warrants that said tools, die, molds, jigs, fixtures, and documents or data furnished, will not be used for any work or for the production of any material or parts other than for Buyer without its written permission, except to the extent authorized by the Government by a direct contract with Seller for the manufacture of products for direct sale to the Government and to the extent that such use will not interfere with Seller's performance of this or other orders from Buyer in effect at the time the Seller enters into such direct contact with the Government. Upon prior written notice to Buyer of such Government authorization and the contract number, the Seller shall have the right to use the items mentioned herein which the Government owns or has the right to use or the right to authorize others to use.
12. LABOR DISPUTES

Whenever an actual or potential labor dispute, delays or threatens to delay, the performance of this Order, Seller shall immediately give notice thereof. Such notice shall be confirmed in writing and shall contain all information relevant to the dispute.

13. PRECIOUS METALS

This Order is fixed price; therefore, in no event shall Seller increase the prices due to alleged increases in precious metals.

14. INDEMNIFICATION

In the event Seller, its officers, employees, agents or subcontractors at any time enter premises occupied by or under the control of Buyer or third parties in the performance of this order, Seller shall defend, hold harmless Buyer, its officers, employees and agents from any claim, suit, loss, cost, damage, expense to any person including Seller's employees, of whatsoever nature or kind proximately caused by the negligence actions or omissions of Seller, its officers, employees, agents, or subcontractors at any tier. Seller shall take all precautions necessary, especial or otherwise, and shall be responsible for compliance with all local, state and federal safety laws in the performance of work hereunder. Without in any way limiting the foregoing undertakings, Seller and its subcontractors at any time shall maintain public liability and property damage insurance in reasonable limits covering the obligations set forth and shall maintain proper Workmen's Comprehensive Insurance covering all employees performing this order.

15. QUALITY CONTROL AND INSPECTION

a) Seller shall provide and maintain a Quality Control system in accordance with the subcontract requirements. During performance of this order Seller's Quality Control, Inspection System and Manufacturing processes are subject to reasonable review, verification and analysis by Buyer and if a Government prime contract number or other Government designation appears on the face of this order an authorized Government representative(s).

b) All supplies ordered may be subject to (i) inspection, verification, or testing during the period of manufacturing; (ii) inspection or verification prior to shipment, and (iii) final inspection, notwithstanding any prior payment or inspection or acceptance. Such inspection and verification rights shall extend to the Government, if a Government prime contract number or other Government designation appears on the face of this order. If any inspection or test is made on the premises of the Buyer or its lower-tier suppliers, Seller shall, without additional charge to Buyer, provide and shall require its lower-tier suppliers to provide all reasonable facilities and assistance for the safety and convenience of Buyer and Government inspectors in the performance of their duties.

c) Buyer may reject supplies which do not conform to applicable specifications, drawings, samples or descriptions or which are defective in material, workmanship or design (unless such design is Buyer's detail design). Seller shall notify Buyer of past rejections of all retendered supplies. Buyer shall have reasonable access to Seller's facilities for the purpose of determining progress of work in process for this order.

16. INTEREST

Buyer shall not be obligated for payment of interest on any claim of Seller hereunder.

17. EQUAL OPPORTUNITY
The Equal Employment Opportunity clause in Section 202, of Executive Order (E.O.) 11246 as amended, and the implementation rules and regulations in Title 41, Code of Federal Regulations, part 60 are incorporated herein by references, unless this order is exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of E.O. 11246 or provisions of any superseding E.O. As used in said clause, "Contractor" means Seller. Seller agrees to provide Buyer with an executed Equal Employment Opportunity Certificate indicating Seller's compliance or exempt status, on an annual basis when requested by Buyer. In the event Seller has a current Certificate on file with Buyer, it is incorporated herein by reference and shall be valid until the next annual request by Buyer.

18. AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA

The Affirmative Action clause of Title 41, Code of Federal Regulations, Part 60, Subsection 250.4 and the implementing rules and regulations of the Department of Labor associated therewith are incorporated herein by reference unless this order is under $10,000. As used in said clause, "Contractor" means Seller and "Contract" means this order.

19. AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS

The Affirmative Action clause in Title 41, Code of Federal Regulations, Part 60, Subsection 7414 and the implementing rules and regulations of the Department of Labor associated therewith are incorporated herein by reference unless this order is under $2,500. As used in said clause, "Contractor" means Seller and "Contract" means this order.

20. CLEAN AIR AND WATER

The Clean Air Act, as amended, 42 U.S.C. 1857 et. seq., the federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et. seq., Executive Order (E.O.) 11738 dated September 10, 1973, as amended, and Environmental Protection Agency (EPA) Regulation 40 C.F.R. Part 15, as amended, are incorporated herein by references unless this order is for $100,000 or less or is otherwise exempt. Unless otherwise exempt, if this order has been awarded by Buyer in reliance upon a prior Clean Air and Water Certification executed by Seller and submitted to Buyer, said Certification is by this reference herein incorporated in this order. Seller shall obtain like certifications from his suppliers prior to the award of nonexempt orders hereunder and shall incorporate the Clean Air and Water clause and the Certification requirements in such orders.

21. OFFSET CREDIT

To the extent that any work in performance of this order is actually done by or for the Seller, or any materials, components, parts, subassemblies, assemblies, subsystems, or systems are acquired by or for the Seller outside of the United States, it is agreed that Buyer shall alone be entitled to claim any and all offset credit or other countertrade benefit in its own name and Seller shall not assert any claim to such benefit.

22. TAXES

Except as may be otherwise provided herein, the prices established herein include all applicable Federal, State, and Local taxes in effect on the date of this order.

23. INVOICE AND PAYMENT

A separate invoice shall be issued for each shipment. Unless otherwise specified in this order, no invoice shall be issued prior to shipment of goods and no payment shall be made prior to receipt and acceptance of goods and the receipt of a correct invoice. Payment due dates, including discount periods, will be computed from date of acceptance of goods and shipment or date of
receipt of correct invoice, whichever is later. Unless freight and other charges are itemized, any discount taken will be on the full amount of the invoice. Any payments for supplies delivered prior to final acceptance of the supplies, shall not constitute final acceptance of the supplies.

24. ADDITIONAL FAR/DFAR CLAUSES

The following FAR/DFAR Clauses are incorporated into this order by reference, with the same force and effect as if given in full text. Unless specified otherwise, "Contract" means this order; "Contractor" means the Seller under this order; and "Subcontractor" means the Seller's subcontractors. The full text of any clause may be obtained upon request of the Buyer's Subcontracts Department. Notwithstanding any provision herein to the contrary, access to ViaSat's books and records shall be limited to the U.S. Government.

<table>
<thead>
<tr>
<th>FAR Clause</th>
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<tbody>
<tr>
<td>52.203-01</td>
<td>OFFICIALS NOT TO BENEFIT (APR 1984)</td>
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<td>52.203-03</td>
<td>GRATUITIES (APR 1984)</td>
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<td>52.203-05</td>
<td>COVENANT AGAINST CONTINGENT FEES (APR 1984)</td>
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<td>52.203-06</td>
<td>RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (JUL 1985)</td>
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<td>52.203-07</td>
<td>ANTI-KICKBACK PROCEDURES (OCT 1988) IN WHICH CLAUSE (c)(1) IS DELETED</td>
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<tr>
<td>52.203-08</td>
<td>REQUIREMENT FOR CERTIFICATE OF PROCUREMENT INTEGRITY (NOV 1990)</td>
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<td>52.203-09</td>
<td>REQUIREMENT FOR CERTIFICATE OF PROCUREMENT INTEGRITY-MODIFICATION (NOV 1990)</td>
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<td>52.203-12</td>
<td>LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (JAN 1990)</td>
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<tr>
<td>52.204-02</td>
<td>SECURITY REQUIREMENTS (APR 1984) ALT I &amp; ALT II</td>
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<tr>
<td>52.208-01</td>
<td>REQUIRED SOURCES FOR JEWEL BEARINGS AND RELATED ITEMS (APR 1984)</td>
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Subcontract: S114TP

52.210-05 | NEW MATERIAL (APR 1984) "CONTRACTING OFFICER" MEANS BUYER AND "GOVERNMENT" MEANS BUYER IN THE LAST TWO SENTENCES

52.210-07 | USED OR RECONDITIONED MATERIAL, RESIDUAL INVENTORY AND FORMER GOVERNMENT SURPLUS PROPERTY (APR 1984)

52.212-08 | DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (SEP 1990)

52.212-13 | STOP-WORK ORDER (AUG 1989)

52.212-15 | GOVERNMENT DELAY OF WORK (APR 1984)

52.215-01 | EXAMINATION OF RECORDS BY COMPTROLLER GENERAL (FEB 1990)

52.215-02 | AUDIT -- NEGOTIATION (FEB 1993)

52.215-25 | SUBCONTRACTOR COST OR PRICING DATA -- MODIFICATIONS (DEC 1991)

52.215-26 | INTEGRITY OF UNIT PRICES (APR 1991)

52.216-21 | REQUIREMENTS (APR 1984)

52.219-08 | UTILIZATION OF SMALL BUSINESS CONCERNS AND SMALL
DISADVANTAGED BUSINESS CONCERNS (FEB 1990)

52.219-09 SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS SUBCONTRACTING PLAN (JAN 1991) "CONTRACTING OFFICER" MEANS BUYER IN THE FIRST SENTENCE OF PARA. (c)

52.220-03 UTILIZATION OF LABOR SURPLUS AREA CONCERNS (APR 1984)

52.220-04 LABOR SURPLUS AREA SUBCONTRACTING PROGRAM (APR 1984)

52.222-01 NOTICE TO THE GOVERNMENT OF LABOR DISPUTES (APR 1984) "CONTRACTING OFFICER" SHALL MEAN BUYER

52.222-04 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT-OVERTIME COMPENSATION (MAR 1986) ONLY PARA (a) THROUGH (d) APPLY. BUYER MAY WITHHOLD OR RECOVER FROM SELLER SUCH SUMS AS THE CONTRACTING OFFICER WITHHOLDS OR RECOVERS FROM BUYER BECAUSE OF LIABILITIES OF SELLER OR ITS SUBCONTRACTORS UNDER THIS CLAUSE

52.222-20 WALSH-HEALEY PUBLIC CONTRACTS ACT (APR 1984)

I-7

Subcontract: S114TP

52.222-26 EQUAL OPPORTUNITY (APR 1984)

52.222-35 AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS (APR 1984)

52.222-36 AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS (APR 1984)

52.222-37 EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (JAN 1988)

52.223-02 CLEAN AIR AND WATER (APR 1984)

52.223-03 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (NOV 1991)

52.223-06 DRUG FREE WORKPLACE (JUL 1990)

52.225-10 DUTY FREE ENTRY (APR 1984) "CONTRACTING OFFICER" MEANS BUYER. IN THE LAST SENTENCE OF PARA (h) "THE CONTRACT" MEANS THE "PRIME CONTRACT"

52.225-11 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (MAY 1992)

52.227-01 AUTHORIZATION AND CONSENT (APR 1984)

52.227-02 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (APR 1984)

52.227-09 REFUND OF ROYALTIES (APR 1984)

52.227-10 FILING OF PATENT APPLICATIONS--CLASSIFIED SUBJECT MATTER (APR 1984)

52.227-11 PATENT RIGHTS--RETENTION BY THE CONTRACTOR (SHORT FORM) (JUN 1989)

52.229-03 FEDERAL, STATE, AND LOCAL TAXES (JAN 1991)

52.232-01 PAYMENTS (APR 1984)

52.232-16 PROGRESS PAYMENTS (AUG 1987) ALT 1 (SMALL BUSINESS)

52.233-01 DISPUTES (DEC 1991)

52.243-01 CHANGES--FIXED PRICE (AUG 1987)
I-8

Subcontract: S114TP

52.243-07 NOTIFICATION OF CHANGES (APR 1984). INSERT 10 CALENDAR DAYS IN PARA (b) AND (d)

52.245-01 PROPERTY RECORDS (APR 1984)

52.245-02 GOVERNMENT PROPERTY (FIXED PRICE CONTRACTS) (DEC 1989)

52.246-02 INSPECTION OF SUPPLIES - FIXED PRICE (JUL 1985) F.O.B. - VIASAT FACILITY

52.246-15 CERTIFICATE OF CONFORMANCE (APR 1984)

52.246-16 RESPONSIBILITY FOR SUPPLIES (APR 1984)

52.246-23 LIMITATION OF LIABILITY (APR 1984)

52.249-02 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED PRICE) (APR 1984). THE RIGHT TO TERMINATE FOR CONVENIENCE SHALL BE LIMITED TO THE FOLLOWING CONDITIONS: A) THE GOVERNMENT TERMINATES CONTRACT DAA07-94-D-A010 FOR CONVENIENCE, OR B) MAGNAVOX HAS ORDERED MORE UNITS THAN THE QUANTITY THEN ON ORDER UNDER CONTRACT DAA07-94-D-A010 AND DESIRES TO TERMINATE ALL OR A PORTION OF THE EXCESS QUANTITY. SHOULD A TERMINATION FOR CONVENIENCE BE ISSUED UNDER CIRCUMSTANCE A) ABOVE, THE SUBCONTRACTOR SHALL SUBMIT A TERMINATION SETTLEMENT PROPOSAL IN ACCORDANCE WITH FAR 52.249-02. SHOULD A TERMINATION FOR CONVENIENCE BE ISSUED UNDER CIRCUMSTANCE B) ABOVE, THE SUBCONTRACTOR MAY SUBMIT A TERMINATION SETTLEMENT PROPOSAL IN ACCORDANCE WITH FAR 52.249-02 AND THE QUANTITY DELIVERED AND THE REMAINING UNITS ON ORDER FOR EACH DELIVERY ORDER IMPACTED, WILL BE REPRICED IN ACCORDANCE WITH THE RANGE QUANTITY UNIT PRICING IN SECTION B.1 TO REFLECT THE HIGHER UNIT PRICE ASSOCIATED WITH THE LOWERED QUANTITY.

52.249-08 DEFAULT (FIXED PRICE SUPPLY AND SERVICE) (APR 84)

52.252-02 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

b) DFAR CLAUSES

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Subcontract: S114TP

252.203-7003 PROHIBITION AGAINST RETALIATORY PERSONNEL ACTIONS (APR 1992)

252.204-7002 PAYMENT OF SUBLINE ITEMS NOT SEPARATELY PRICED (DEC 1991)

252.204-7003 CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT (APR 1992)

252.225-7001 BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM (DEC 1991)

252.225-7009 DUTY-FREE ENTRY-QUALIFIED COUNTRY END PRODUCTS AND SUPPLIES (DEC 1991)
252.225-7026 REPORTING OF OVERSEAS SUBCONTRACTS (DEC 1991)
252.225-7031 SECONDARY ARAB BOYCOTT OF ISRAEL (JUN 1992)
252.227-7013 RIGHTS IN TECHNICAL DATA AND COMPUTER SOFTWARE (OCT 1988) ALT II
252.227-7018 RESTRICTIVE MARKINGS ON TECHNICAL DATA (OCT 1988)
252.227-7019 IDENTIFICATION OF RESTRICTED RIGHTS - COMPUTER SOFTWARE (DEC 1991)
252.227-7027 DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE (APR 1988)
252.227-7029 IDENTIFICATION OF TECHNICAL DATA (APR 1988)
252.227-7030 TECHNICAL DATA - WITHHOLDING OF PAYMENT (OCT 1988)
252.227-7031 DATA REQUIREMENTS (OCT 1988)
252.227-7036 CERTIFICATION OF TECHNICAL DATA CONFORMITY (MAY 1987)
252.227-7037 VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA (APR 1988)
252.231-7000 SUPPLEMENTAL COST PRINCIPLES (DEC 1991)
252.232-7004 DOD PROGRESS PAYMENT RATES (DEC 1991)
252.233-7000 CERTIFICATION OF CLAIMS AND REQUESTS FOR ADJUSTMENT OR RELIEF (DEC 1991)
252.243-7001 PRICING OF CONTRACT MODIFICATIONS (DEC 1991)
I-10
## Exhibit 10.26

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<td>[617] 271-6370</td>
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<td>(SAN DIEGO COUNTY)</td>
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<th>14. PURCHASE OFFICE POINT OF CONTACT 15. SVC/AGENCY USE</th>
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<th>18. CONTRACT ADMINISTRATION DATA</th>
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<th>21. SURV</th>
<th>22. TOTAL AMOUNT</th>
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<th>23. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION</th>
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<td>($10,592,482.00 Funded)</td>
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a. Data for SubCLIN 0001AA in accordance with the Contract Data Requirements List (CDRL), DD Form 1423,

Contract Data Requirements List (CDRL), DD Form 1423,

Descriptive data:

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<td>Info CLIN 25-KHZ SOFTWARE DEVELOPMENT</td>
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<td>SubCLIN 25-KHZ SOFTWARE DEVELOPMENT</td>
<td>1</td>
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Descriptive data:

1. Provide software architecture and technical/cost proposal to design, develop, test and deliver a 25-kHz control function in accordance with SubCLINS below.

2. Estimated cost of this cost-plus-award-fee CLIN:
   - Estimated Cost: $70,095
   - Base Fee: -0-
   - Total Estimated Cost: $70,095

Descriptive data:

1. Data for SubCLIN 0001AA in accordance with the Contract Data Requirements List (CDRL), DD Form 1423,
Exhibit A.
b. This CLIN is Not Separately Priced (NSP). Price is included in SubCLIN 0001AA.

Quantity
Item No Supplies/Services Purch Unit Total Item Amount

0001AC Option SubCLIN sec class: U
noun: 25-KHZ SOFTWARE DEVELOPMENT
site codes cqa: S acp: S fob: S
type contract: R
descriptive data:
a. Design, develop, test and deliver a 25kHz control function, if option exercised.
b. Estimated cost of this cost-plus-award-fee CLIN:
   Estimated Cost $ TBN
   Base Fee $ TBN
   Total Estimated Cost $ TBN

0002 Option Info CLIN sec class: U
noun: DATA/COMPUTER SOFTWARE
descriptive data:
Data and Computer Software for SubCLIN 0001AC in SubCLINs 0002AA and 0002AB below, if option exercised.

0002AA Option SubCLIN sec class: U
noun: DATA IAW EXHIBIT B
site codes cqa: D acp: D fob: D
type contract: R
descriptive data:
a. Data for SubCLIN 0001AC in accordance with the Contract Data Requirements List (CDRL), DD Form 1423, Exhibit B.
b. This CLIN is Not Separately Priced (NSP). Price is included in the estimated cost of SubCLIN 0001AC, if option exercised.

0002AB Option SubCLIN sec class: U
noun: COMPUTER SOFTWARE IAW EXHIBIT C
site codes cqa: D acp: D fob: D
type contract: R
descriptive data:
a. 25kHz Computer Software for SubCLIN 0001AC in accordance with the CDRL, Exhibit C.
b. This CLIN is Not Separately Priced (NSP). Price is included in the estimated cost of SubCLIN 0001AC, if option exercised.

4

70B -- PART I, SECTION B OF THE SCHEDULE

Item No Supplies/Services Quantity Unit Price

- --------- ----------------- ---------------
- --- -- ---- --

- --------- ----------------- ---------------
Design, fabricate, integrate, install, test and deliver a 15-channel, plus one (1) spare modem 5kHz Network Control Station (NCS) Engineering Development Model (EDM). In addition, procure and assemble NCS test bed.

b. Training: The Contractor shall develop Type I operator and maintenance training and conduct the initial class at the Contractor's facility in accordance with SOW paragraph 3.10.3.1.

c. The Contractor shall conduct site surveys and install equipment racks, computer systems, antennas and all ancillary NCS equipment associated with the site activation, Kaena Pt., in accordance with the Statement of Work (SOW), utilizing the labor categories and rates set forth in Section J, Attachment 7.

d. Estimated cost of this cost-plus-award-fee CLIN:
   Estimated Cost       $3,261,121
   Base Fee              -0-
   Total Estimated Cost  $3,261,121

Breakout for funding/payment purposes. See Section G for payment instructions.

Breakout for funding/payment purposes. See Section G for payment instructions.

a. Data for CLIN 0003 in accordance with the Contract Data Requirements List (CDRL), DD Form 1423, Exhibit D.

b. This CLIN is Not Separately Priced (NSP). Price is included in the price of CLIN 0003.
0005  CLIN  sec class: U  1  E$209,930.00  LO  E$209,930.00

noun:  TECHNICAL MANUALS IAW EXHIBIT E
acrn:  AB  nsn:  N
site codes  cqa:  D  acp:  S  fob:  D
pr/mipr data:  FY7620-96-MCX329
type contract:  R

descriptive data:
a. Technical Manuals in accordance with the CDRL, Exhibit E.
b. Estimated cost of this cost-plus-award-fee CLIN:
   Estimated Cost     $209,930
   Base Fee           -0-
   Total Estimated Cost  $209,930

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70B - PART I, SECTION B OF THE SCHEDULE

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F19628-96-C-0015

7
70B - PART I, SECTION B OF THE SCHEDULE
<table>
<thead>
<tr>
<th>Item No</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit Price</th>
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<tbody>
<tr>
<td>0007</td>
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</tr>
<tr>
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<td></td>
</tr>
<tr>
<td>a. Data for SubCLINs 0006AA (and 0006AB, if option exercised) in accordance with the Contract Data Requirements List (CDRL), DD Form 1423, Exhibit F.</td>
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</tr>
<tr>
<td>b. This CLIN is Not Separately Priced (NSP). Price is included in the prices of CLINs 0006AA (and 0006AB, if option exercised).</td>
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<td>descriptive data:</td>
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<td></td>
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<tr>
<td>a. T&amp;M Site Activation Re: Brandywine, Kadena and Aviano.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. The Contractor shall, on a time-and-materials basis, conduct site surveys and install equipment racks, computer systems, antennas and all ancillary NCS equipment associated with site activation as set forth in SubCLINs 0008AA-0008AC.</td>
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<tr>
<td>a. T&amp;M Site Activation Re: Brandywine, Kadena and Aviano.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>b. The Contractor shall conduct site surveys and install equipment racks, computer systems, antennas and all ancillary NCS equipment associated with the site activation in accordance with the Statement of Work (SOW), utilizing the labor categories and rates set forth in Section J, Attachment 7.</td>
<td></td>
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<tr>
<td>c. The ceiling price for this time-and-materials SubCLIN is $373,101.00.</td>
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70B - PART I, SECTION B OF THE SCHEDULE
noun: TRAVEL AND ODC
acrn: AC  nsn: N
site codes  cqa: D  acp: D  fob: D
pr/mipr data: FY7620-96-MCX330 Amd 03
type contract: Y
descriptive data:
a. Travel and Other Direct Costs (ODC) in support of SubCLIN 0008AA. No profit or fee will be paid in support of this SubCLIN. In addition, rates will not exceed those established in the Joint Travel Regulation (in effect at the time of travel) for both per diem and travel expenses.
b. The ceiling price for this time-and-materials SubCLIN is $175,168.00.

0008AC SubCLIN  sec class: U  1  NSP
      LO  NSP

noun: DATA FOR SUBCLIN 0008AA IAW EXHIBIT G
acrn: AC  nsn: N
site codes  cqa: D  acp: D  fob: D
pr/mipr data: FY7620-96-MCX330 Amd 03
type contract: Y
descriptive data:
a. Data for SubCLIN 0008AA in accordance with the CDRL, DD Form 1423, Exhibit G.
b. This CLIN is Not Separately Priced (NSP). Price is included in SubCLIN 0008AA.

0009 RESERVED

0010 RESERVED

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-8-

9

70B - PART I, SECTION B OF THE SCHEDULE

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<td>0011</td>
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<td>$991,165.00</td>
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noun: PRODUCTION UPGRADE
descriptive data:
Provide and fully populate four (4) NCSs (16 channels per NCS) with all necessary Prime Mission Equipment (PME) to bring all NCSs up to full operational capability in accordance with the Statement of Work (SOW) and the Systems Requirements Document (SRD), at
a firm-fixed price of $991,165.00.

0011AB
SubCLIN
sec class: U
1 NSP
LO NSP

noun: DATA FOR SubCLIN 0011AA IAW EXHIBIT H
noun: PRODUCTION UPGRADE
acrn: AC
nsn: N
site codes
cqa: D
acp: D
fob: D
pr/mipr data: FY7620-96-MCX330
type contract: J
descriptive data:
a. Data for SubCLIN 0011AA in accordance with the
CDRL, DD Form 1423, Exhibit H.
b. This CLIN is Not Separately Priced (NSP). Price
is included in SubCLIN 0011AA.

F19628-96-C-0015
-9-

10

70B - PART I, SECTION B OF THE SCHEDULE

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<th>Item No</th>
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<td>Option Info CLIN</td>
<td>sec class: U</td>
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noun: CONTRACTOR LOGISTICS SUPPORT (CLS)
descriptive data:
The Contractor shall provide logistics support
to include (but not limited to) contractor depot
maintenance, on-call technical support, test and
evaluation maintenance support, and modem and
control/indicator refurbishment/retrofit as set
forth in SubCLINs 0012AA-0012AC, if option exercised.

0012AA
Option SubCLIN
sec class: U
noun: LOGISTICS SUPPORT
site codes
cqa: D
acp: D
fob: D
type contract: J
descriptive data:
a. The Contractor shall provide logistics support
for 24 months after acceptance of hardware at each
site, in accordance with Statement of Work paragraph
TBD, utilizing the labor categories and rates set
forth in Section J, Attachment 7.
b. Logistics support shall be both contractor depot
and on-call basis.
c. The firm-fixed price for this SubCLIN is
$5 TBN, if option exercised.

0012AB
RESERVED

F19628-96-C-0015
-10-

11

70B - PART I, SECTION B OF THE SCHEDULE

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<thead>
<tr>
<th>Item No</th>
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<th>Quantity</th>
<th>Unit Price</th>
<th>Purch Unit</th>
<th>Total Item Amount</th>
</tr>
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</table>
Option SubCLIN
sec class: U
noun: DATA FOR CLIN 0012 IAW EXHIBIT J
site codes  cqa: D  acp: D  fob: D
type contract: J
descriptive data:
a. Data for SubCLIN 0012AA, in accordance with the CDRL, Exhibit J.
b. This SubCLIN is Not Separately Priced (NSP). Price is included in SubCLIN 0012AA, if option exercised.

RESERVED

CLIN
sec class: U
1  $729,688.00
LO  $729,688.00
noun: INITIAL SPARES
acrn: AD  nsn: N
site codes  cqa: S  acp: S  fob: S
pr/mipr data: FY7620-96-MCX379
type contract: J
descriptive data:
Provide initial spares in support of NCS and all delivered PME in accordance with Section J, Attachment 9, Recommended Initial Spares List, at a firm-fixed price of $729,688.00.

Option CLIN
sec class: U
noun: TRAINING ON-SITE
site codes  cqa: D  acp: D  fob: D
type contract: J
descriptive data:
a. The Contractor shall conduct on-site training in accordance with SOW paragraph TBD.
b. Training program and training materials delivered via CLINs 0003 and 0004.
c. The firm-fixed price for this SubCLIN is $ TBN, if option exercised.

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<table>
<thead>
<tr>
<th>Item No</th>
<th>Supplies/Services</th>
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70B - PART I, SECTION B OF THE SCHEDULE

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<td>0016</td>
<td>SPARES/PROVISIONING</td>
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descriptive data:
Provide spares in support of NCS and all delivered PME (Re: CLIN 0003 and Option CLIN 0006) as set forth in SubCLINs 001601-001603.

Info SubCLIN
sec class: U
noun: SPARES - INVESTMENT TYPE
site codes  cqa: D  acp: D  fob: D
type contract: J
opr: A
descriptive data:
Provide spares/repair for all repairable spares not supportable by the Government in accordance with
SOW paragraph TBD. Individual orders, quantities, ACRNs, shipping and delivery schedule to be negotiated by the Administrative Contracting Officer (ACO) and specified on each individual Provisioning Item Order (PIO).

001602  Info SubCLIN  sec class: U
noun: SPARES - EXPENSE TYPE
site codes  cqa: D acp: D fob: D
type contract: J
opr: A

descriptive data:
Provide spares/repair for all repairable spares not supportable by the Government in accordance with SOW paragraph TBD. Individual orders, quantities, ACRNs, shipping and delivery schedule to be negotiated by the Administrative Contracting Officer (ACO) and specified on each individual Provisioning Item Order (PIO).

001603  Info SubCLIN  sec class: U
noun: DATA FOR SPARES IAW EXHIBIT K
site codes  cqa: D acp: D fob: D
type contract: J
opr: A

descriptive data:
a. Provide data in accordance with the CDRL, Exhibit K.
b. To be negotiated by the ACO and specified in each individual Provisioning Item Order.
c. Not Separately Priced (NSP). Price is included in SubCLINs 001601 and 001602.

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70B - PART I, SECTION B OF THE SCHEDULE

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<tr>
<td>noun: DAMA CERTIFICATION</td>
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</table>

descriptive data:
a. The Contractor shall perform certification testing which meet the requirements of MIL-STDs 188-182 and 188-183 in accordance with SOW paragraph TBD.
b. Performance and delivery as set forth in SubCLINs 0017AA-0017AC, if options exercised.

0017AA Option SubCLIN  sec class: U
noun: MIL-STD-188-183 TESTING/CERTIFICATION
site codes  cqa: D acp: D fob: D
type contract: R

descriptive data:
a. Contractor shall perform MIL-STD-188-183 Certification Testing, perform software fixes, and prepare certification test report in accordance with SOW para TBD.
b. Estimated cost of this cost-plus-award-fee CLIN, if option exercised:

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<tbody>
<tr>
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<td>Base Fee</td>
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<td>TBN</td>
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<tr>
<td>Total Estimated Cost</td>
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<td>TBN</td>
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Option SubCLIN  sec class: U
noun: MIL-STD-188-182 RETESTING/RECERTIFICATION
site codes  cqa: D  acp: D  fob: D
type contract: R

descriptive data:
a. Contractor shall perform MIL-STD-188-183 Certification Retesting and prepare certification test report in accordance with SOW para TBD.
b. Estimated cost of this cost-plus-award-fee CLIN, if option exercised:

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70B - PART I, SECTION B OF THE SCHEDULE

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<tr>
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<td>a. Data in accordance with the CDRL, Exhibit L.</td>
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<td>b. Not Separately Priced (NSP). Price included in SubCLINs 0017AA and 0017AB, if options exercised.</td>
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CLIN  sec class: U
noun: SPECIAL ANALYSIS TASK LABOR
acrn: 9  nsn: N
site codes  cqa: D  acp: D  fob: D
pr/mipr data: See Info SubCLIN below
type contract: Y

descriptive data:
a. The Contractor shall provide Special Analysis Tasks in accordance with SOW paragraph 3.6; Other Special Contract Requirement H.D.1; and utilizing the labor rates set forth in Section J, Attachment 7.
b. The ceiling price for this time-and-materials CLIN is $500,000.00.

---

Info SubCLIN  sec class: U
noun: $250,000.00
acrn: AB
pr/mipr data: FY7620-96-MCX329
descriptive data:
Breakout for funding/payment purposes. See Section G for payment instructions.
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noun: TRAVEL & ODC FOR CLIN 0018
acrn: 9 nsn: N
site codes cqa: D acp: D fob: D
pr/mipr data: See SubCLINs below
type contract: Y
descriptive data:
  a. The Contractor shall provide travel and Other Direct Costs (ODC) in support of CLIN 0018. No profit or fee will be associated with this CLIN. In addition, rates will not exceed those established in the Joint Travel Regulation (in effect at the time of travel) for both per diem and travel expenses.
  b. The ceiling price for this time-and-materials CLIN is $100,000.00.

001901 Info SubCLIN  sec class: U noun: $50,000.00 acrn: AB
pr/mipr data: FY7620-96-MCX329
descriptive data:
  Breakout for funding/payment purposes.
  See Section G for payment instructions.

0020 CLIN  sec class: U 1 NSP
noun: DATA FOR CLIN 0018 IAW EXHIBIT M acrn: AB nsn: N
site codes cqa: D acp: D fob: D
pr/mipr data: FY7620-96-MCX329
type contract: Y
descriptive data:
  a. Data for CLIN 0018 in accordance with CDRLs as identified in individual Task Requirement Notices. Data Requirements List (CDRL), DD Form 1423, Exhibit M.
  b. This CLIN is Not Separately Priced (NSP). Price is included in the estimated cost of CLIN 0018.

Note: opr: An "A" designates the ACO as the Government Representative responsible for the definitization of the action; a "P" designates the PCO as the Government Representative responsible for definitization of the action (price/schedule).

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SECTION B - SUPPLIES OR SERVICES AND PRICES/COST (continued)

B. Exercise of Options

1. The Government reserves the right to exercise Option CLIN/SubCLINs 0001AC, 0002AA and 0002AB not later than 120 days after acceptance of data delivered under SubCLIN 0001AB.

2. The Government reserves the right to exercise the option for SubCLIN 0006AB not later than 30 days after completion of SubCLIN 0017AA.

3. The Government reserves the right to exercise Option CLIN/SubCLINs 0012AA, 0012AC and 0015 not later than 120 days after receipt of proposal.
4. The Government reserves the right to exercise the option for SubCLINs 0017AA, 0017AB and 0017AC not later than 30 days after completion of CLIN 0001.

C. AFMC FAR Sup Clauses in Full Text

5352.232-9000 IMPLEMENTATION OF LIMITATION OF FUNDS (DEC 1995)

(a) The sum allotted to this contract and available for payment of costs under CLINs/SubCLIN 0001AA, 0003 and 0005 through __________ in accordance with the clause in Section I entitled "Limitation of Funds" is $3,541,146.00.

(b) In addition to the amount allotted under the Limitation of Funds clause, the additional amount of $ -0- is obligated for payment of fee for work completed under CLINs/SubCLIN 0001AA, 0003 and 0005.

D. Additional Notices

1. REFERENCE TO SPECIFIC PARAGRAPHS OF THE STATEMENT OF WORK (AUG 1993)

ESC/B-4

Reference to specific paragraphs of the Statement of Work (SOW) indicates only where the CLIN/SubCLIN requirement is principally described and does not absolve the Contractor from the requirement to comply with the contractual provisions applicable to those CLINs/SubCLINs.
### B3. THE SCHEDULE

B3.1 The estimated cost of performance for the base period is $2,367,000 of which $2,176,552 is cost and $190,448 is fee. The total estimated cost of this contract is $6,158,791 and the total estimated fee is $538,894. 00 should all

<table>
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<th>DESCRIPTION</th>
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options be exercised (see Paragraph H11).
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<td>3.</td>
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<td>F19628-95-C-0149</td>
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<td>95OCT02</td>
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<td>6.</td>
<td>ISSUED BY</td>
<td>7.</td>
<td>ADMINISTERED BY (IF OTHER THAN BLOCK 7)</td>
</tr>
<tr>
<td></td>
<td>ELECTRONIC SYSTEMS CENTER/MD</td>
<td></td>
<td>DCAA San Diego</td>
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<tr>
<td></td>
<td>AIR FORCE MATERIAL COMMAND, USAF</td>
<td></td>
<td>7675 Daggett St., Suite 200</td>
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<tr>
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<td>95 GIFFORD STREET</td>
<td></td>
<td>San Diego, CA 92111-2241</td>
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<td>BAESECOM AFB, WA 97311-1620</td>
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<tr>
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<td>BUYER: FRISCILLA A. ROBA, ESC/MDX</td>
<td></td>
<td>617-271-6370</td>
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<tr>
<td>8.</td>
<td>CONTRACTOR</td>
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<td>SUBMIT INVOICES</td>
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<td></td>
<td>CODE 47358</td>
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<td>CODE 50514A</td>
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<td>VSAT INTEGRATED</td>
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<td>&quot;E&quot; FOR</td>
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<td>2090 OCEANSIDE CIV</td>
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<td>&quot;M&quot;</td>
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<td>1N % DAYS</td>
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<td>2 % DAYS</td>
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<td>4 % DAYS</td>
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<td>11.</td>
<td>AUTHORIZED RATE</td>
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<td>CONTRACT PERCENT FEE</td>
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<tr>
<td>A.</td>
<td>PROGRESS PAY</td>
<td>B.</td>
<td>RECUP</td>
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<td>13.</td>
<td>PAYMENT WILL BE MADE BY</td>
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<td>IF &quot;E&quot; FOR</td>
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<td>UNION</td>
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<td>14.</td>
<td>PURCHASE OFFICE POINT OF CONTACT</td>
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<tr>
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<td>DLA-Columbus Center</td>
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<td>JPAS-CD/Santa Ana Division</td>
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<td></td>
<td>HCF/137/HLB</td>
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<td></td>
<td>P.O. BOX 182381</td>
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<td>SEE SECTION &quot;E&quot;</td>
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<tr>
<td></td>
<td>COLEBROOK, OH 43218-2381</td>
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<td>TYPE CONTRACTOR</td>
<td>17.</td>
<td>SECURITY</td>
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<td></td>
<td>B</td>
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<td>18.</td>
<td>CONTRACT ADMINISTRATION DATA</td>
<td>19.</td>
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<tr>
<td></td>
<td>B.</td>
<td>CONTRACT</td>
<td></td>
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<td></td>
<td>R.</td>
<td>CONT</td>
<td></td>
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<tr>
<td></td>
<td>A.</td>
<td>PART</td>
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<td></td>
<td>C.</td>
<td>ABSTRACT RECIP</td>
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<td>D.</td>
<td>SPL COST</td>
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<td>ADMIN</td>
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<td>20.</td>
<td>DATE SIGNED</td>
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<td>21.</td>
<td>SURV</td>
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<td>22.</td>
<td>TOTAL AMOUNT</td>
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<td>23.</td>
<td>AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION</td>
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<tr>
<td></td>
<td>24.</td>
<td>TABLE OF CONTENTS (The following sections marked &quot;X&quot; are contained in the contract)</td>
<td></td>
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<tr>
<td></td>
<td>25.</td>
<td>PURSUANT TO 10 USC 2304(C)</td>
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<td>26.</td>
<td>41 USC 253(C)</td>
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<td>36.</td>
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<tr>
<td></td>
<td>37.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
b. This CLIN is Not Separately Priced (NSP). Price is included in the estimated cost of CLIN 0001.

Data Requirements List (CDRL), DD Form 1423, Exhibit A.

The following documents: (a) this award/contract, (b) the solicitation, and if any, (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein.

LO: $4,247,149.00

Total Estimated Cost $4,247,149.00

Base Fee $0

Estimated Cost $4,247,149.00

noune: 5-KHZ INITIAL NETWORK CONTROL STATION
acrn: 9 nan: N
site codes cqa: S acp: S fob: S
pr/mipr data: SEE BELOW
type contract: R
descriptive data:
b. Estimated cost of this cost-plus-award-fee CLIN:

<table>
<thead>
<tr>
<th>Item No</th>
<th>Supplies/Services</th>
<th>Unit Price</th>
<th>Total Item Amount</th>
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<tbody>
<tr>
<td>0001</td>
<td>CLIN</td>
<td>sec class: U</td>
<td>$4,247,149.00</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Item No</th>
<th>Supplies/Services</th>
<th>Unit Price</th>
<th>Total Item Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Info SubCLIN</td>
<td>sec class: U</td>
<td>$3,547,796.00</td>
</tr>
</tbody>
</table>

noune: DATA IAW EXHIBIT A
acrn: 9 nan: N
site codes cqa: D acp: D fob: D
pr/mipr data: FY7620-95-MCX0018
type contract: R
descriptive data:
a. Data for CLIN 0001 in accordance with the Contract
b. This CLIN is Not Separately Priced (NSP). Price is included in the estimated cost of CLIN 0001.
### 70B - PART I, SECTION B OF THE SCHEDULE

<table>
<thead>
<tr>
<th>Item No</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit Price</th>
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</thead>
<tbody>
<tr>
<td>0004</td>
<td>CLIN</td>
<td>1</td>
<td>NSP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LO</td>
<td></td>
</tr>
<tr>
<td>noun: COMPUTER SOFTWARE IAW EXHIBIT C</td>
<td>acrn: 9</td>
<td>nsn: N</td>
<td></td>
</tr>
<tr>
<td>site codes</td>
<td>cqa: D</td>
<td>acp: D</td>
<td>fob: D</td>
</tr>
<tr>
<td>descriptive data:</td>
<td>a. 5khz Computer Software in accordance with the</td>
<td>Contract Data Requirements List (CDRL), DD Form 1423, Exhibit C.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. This CLIN is Not Separately Priced (NSP). Price is included in the estimated cost of CLIN 0001.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 0005    | CLIN             | 1        | $100,000.00 |
|         |                  | LO       |            |
| noun: SPECIAL ANALYSIS TASK LABOR | acrn: 9 | nsn: N |                    |
| site codes | cqa: D | acp: D | fob: D | pr/mipr data: SEE BELOW | type contract: Y |
| descriptive data: | a. The Contractor shall provide Special Analysis Tasks in accordance with Statement of Work paragraph 3.1.13, Other Special Contract Requirement H.D.1, and utilizing the labor rates set forth in Section J, Attachment 5. |
| | b. The ceiling price for this time-and-materials CLIN is $100,000.00. |

| 000501  | Info SubCLIN    |          | $100,000.00 |
|         |                  |          |            |
| noun: $100,000.00 | acrn: AA | nsn: |                    |
| site codes | cqa: D | acp: D | fob: D | pr/mipr data: FY7620-95-MCX0018 | type contract: Y |
| descriptive data: | Breakout for funding purposes. Payment should be made using oldest funds first. |
0006 CLIN  
sec class: U  
1  $15,000.00  
LO  $15,000.00

noun: TRAVEL AND OTHER DIRECT COSTS (ODC)
acrn: T  
nsn: N

site codes  cqa: D  acp: D  fob: D
pr/mipr data: SEE BELOW

type contract: Y

descriptive data:
a. The Contractor shall provide travel and ODC in support of CLIN 0005. No profit or fee will be associated with this CLIN. In addition, rates will not exceed those established in the Joint Travel Regulation (in effect at the time of travel) for both per diem and travel expenses.
b. The ceiling price for this time-and-materials CLIN is $15,000.00.

000601 Info SubCLIN  
sec class: U

noun: $15,000.00
acrn: AA

site codes  cqa: D  acp: D  fob: D
pr/mipr data: FY7620-95-MCX0018

type contract: Y

descriptive data:
Breakout for funding purposes. Payment should be made using oldest funds first.

0007 CLIN  
sec class: U  
1  NSP

noun: DATA FOR CLIN 0005
acrn: D  
nsn: N

site codes  cqa: D  acp: D  fob: D
pr/mipr data: FY7620-95-MCX0018

type contract: Y

descriptive data:
a. Data for CLIN 0005 in accordance with Contract Data Requirements List (CDRL), DD Form 1423, as identified by individual Task Requirement Notices.
b. This CLIN is Not Separately Priced (NSP). Price is included in the estimated cost of CLIN 0005.

B. Additional Notices

1. REFERENCE TO SPECIFIC PARAGRAPHS OF THE STATEMENT OF WORK (AUG 1993)  
(ESC/B-4)

Reference to specific paragraphs of the Statement of Work (SOW) indicates only where the CLIN/SubCLIN requirement is principally described and does not absolve the Contractor from the requirement to comply with the contractual provisions applicable to those CLINs/SubCLINs.

F19628-95-C-0149

5  
SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

A. The Contractor shall furnish the supplies and/or services set forth in Section B in accordance with the following documents:

CLIN  
DESCRIPTION

0001, 0006  
a. Statement of Work for the Ultra High Frequency Demand Assigned Multiple Access (DANA) 5-KHz Multi Channel Initial Network Control Station (INCS), dated 95SEP27, Attachment 1.

0002  
Contract Data Requirements List (CDRL), DD Form 1423, dated 95SEP17, Exhibit A.

0004  
Contract Data Requirements List (CDRL), DD
a. Statement of Work for the Ultra High Frequency Demand Assigned Multiple Access (DAMA) 5-Khz Multi Channel Initial Network Control Station (INCS), paragraph 3.1.13, dated 95SEP27, Attachment 1.

b. Other Special Contract Requirement H.D.1.

Contract Data Requirements List (CDRL), DD Form 1423, as identified by individual Task Requirement Notices.

(Note: This is a follow-on SBIR effort to the SBIR effort under contract F19628-92-C-0151.)

B. Additional Notices

1. REFERENCE TO SPECIFIC PARAGRAPHS OF THE STATEMENT OF WORK (AUG 1993) (ESC/C-10)

Reference to specific paragraphs of the Statement of Work (SOW) indicates only where the CLIN/SubCLIN requirement is principally described and does not absolve the Contractor from the requirement to comply with the contractual provisions applicable to those CLINs/SubCLINs.

-5-

F19628-95-C-0149

6

SECTION D - PACKAGING AND MARKING

The Contractor's commercial packaging/packing practices will be acceptable in the event any packaging is needed from the Contractor and that the packaging/packing practices provide the required protection. All items shall be clearly marked.

-6-

7

SECTION E - INSPECTION AND ACCEPTANCE

A. 52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

I. FEDERAL ACQUISITION REGULATION CLAUSES

52.246-6 * INSPECTION - TIME-AND-MATERIAL AND LABOR-HOUR (JAN 1986)
* ALTERNATE I (APR 1984)
52.246-8 ** INSPECTION OF RESEARCH AND DEVELOPMENT - COST-REIMBURSEMENT (APR 1984)

*Applicable to CLINs 0005, 0006 and 0007
**Applicable to CLINs 0001, 0002 and 0004

II. DEFENSE FAR SUPPLEMENT CLAUSES

252.246-7000 MATERIAL INSPECTION AND RECEIVING REPORT (DEC 1991)

B. Inspection and acceptance shall be accomplished as follows:

CLIN/SubCLINs

0001 Inspection and acceptance at source following Government approval of in-plant acceptance test, FCA/PCA minutes, and all data and computer software submitted under CLINs 0002-0004.

0002 In accordance with CDRL, Exhibit A.
In accordance with CDRL, Exhibit C.

In accordance with each individual Task Requirement Notice.

---

SECTION F - PART I, SECTION F OF THE SCHEDULE

<table>
<thead>
<tr>
<th>ITEM NO</th>
<th>SUPPLIES SCHEDULE DATE</th>
<th>DELIVERY SCHEDULE DATE</th>
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<td></td>
<td>acrn: 9</td>
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<tr>
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<td>ship to: U</td>
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<td></td>
<td>descriptive data:</td>
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</tr>
<tr>
<td></td>
<td>Delivery not later than 14 MAC (Months After Contract Award).</td>
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<tr>
<td>0002</td>
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<td></td>
<td>acrn: 9</td>
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<td></td>
<td>descriptive data:</td>
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<td></td>
<td>In accordance with CDRL, Exhibit A.</td>
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<tr>
<td>0004</td>
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<td></td>
<td>descriptive data:</td>
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<td></td>
<td>In accordance with CDRL, Exhibit C.</td>
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<tr>
<td>0005</td>
<td>CLIN Del Sch</td>
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<td>ship to: U</td>
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<td>descriptive data:</td>
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<td>In accordance with each individual Task Requirement Notice (TRN).</td>
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<tr>
<td>0006</td>
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<td>descriptive data:</td>
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<td>In accordance with each individual TRN.</td>
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<td>0007</td>
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<td>descriptive data:</td>
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<td>In accordance with CDRLs as identified in individual Task Requirement Notices.</td>
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</tbody>
</table>

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SECTION F - DELIVERIES OR PERFORMANCE (cont'd)

A. 52.242-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.
I. FEDERAL ACQUISITION REGULATION CLAUSES

52.212-13       STOP-WORK ORDER (AUG 1989)
   * ALTERNATE I (APR 1984)

52.247-30       F.O.B. ORIGIN, CONTRACTOR'S FACILITY (APR 1984)

52.247-65       F.O.B. ORIGIN PREPAID FREIGHT - SMALL PACKAGE SHIPMENTS
                (JAN 1991)

* Applicable to CLINs 0001, 0002 and 0004

10

SECTION G - CONTRACT ADMINISTRATION DATA (cont'd)

2. Administrative Information:
   a. Contracting Office Representative: Priscilla A. Busa
   b. Contracting Officer: Joseph A. Zimmerman
   c. Symbol of Purchasing Office: ESC/MCK
   d. Telephone Number: (617) 271-6370

3. Instructions Re Patents Clause:
   The ACO will forward all documentation (reports, invention disclosures,
   notices, requests) and other information concerning patents to the following
   addressee:

   ESC/JANP (Patent Counsel)
   35 Hamilton St.
   Hanscom AFB, MA 01731-2010

4. Transportation Office: Transportation Officer
   (Address - Same as Office of Administration)

5. Submit Invoices/Vouchers: DFAS-CO/El Segundo
   P.O. Box 182351
   Columbus, OH 43218-2351

6. Remittance Address: For Electronic Funds Transfer (EFT)
   Financial Institution: Union Bank, San Diego Regional Office
   530 B Street, 4th Floor
   San Diego, CA 92101-4407

   Point of Contact: Sharon L. Slofkowski
SECTION H - SPECIAL CONTRACT REQUIREMENTS

A. AF FAR Sup Clauses in Full Text

5352.210-9000 ELIMINATION OF USE OF CLASS I OZONE DEPLETING SUBSTANCES (ODS) IN AIR FORCE PROCUREMENTS (OCT 1994)

(a) It is Air Force policy to preserve mission readiness while minimizing dependency on Class I Ozone Depleting Substances (ODS), and their release into the environment, to help protect the Earth's stratospheric ozone layer.

(b) Unless a specific waiver has been approved, Air Force procurements:

(1) May not include any specification, standard, drawing or other document that requires the use of a Class I ODS in the design, manufacture, test, operation, or maintenance of any system, subsystem, item, component or process; and

(2) May not include any specification, standard, drawing or other document that establishes a requirement that can only be met by use of a Class I ODS;

(c) For the purposes of Air Force policy, the following are Class I ODS:

(1) Halons: 1011, 1202, 1211, 1301 and 2402


(3) Other Controlled Substances: Carbon Tetrachloride, Methyl Chloroform, and Methyl Bromide.

(d) The Air Force has reviewed the requirements specified in this contract to reflect this policy. Where considered essential, specific approval has been obtained to continue use of the following substances:

<table>
<thead>
<tr>
<th>Class I Ozone Depleting Substance</th>
<th>Application/Use</th>
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<tbody>
<tr>
<td>NONE</td>
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</tbody>
</table>

(e) To assist the Air Force in implementing this policy, the offeror/contractor is encouraged, but not required, to notify the contracting officer if any Class I ODS not specifically listed above, is required in the performance of this contract.

B. AFMC FAR Sup Clauses in Full Text

5352.216-9002 AWARD FEE (FEB 1995)

In addition to the profit/fee set forth elsewhere in the contract, the contractor may earn a total award fee amount of up to $633,692.00 on the basis of performance during the evaluation periods.

(a) Monitoring of Performance. The contractor's performance will be continually monitored by the performance monitors whose findings are reported to the Award Fee Review Board (AFRB). The AFRB recommends an award fee to the Fee Determining Official (FDO) who makes the final decision of the award fee amount paid based on the contractor's performance during the award fee evaluation period.

(b) Award Fee Plan. This plan provides the information set
forth in AFMCFARS 5316.404-2(b)(90)(1). The evaluation criteria and associated grades are specified in the award fee plan. The evaluation periods with the associated award fee pool amounts and performance criteria with associated percentages of available award fee are also specified in the award fee plan. Upon contract award, the contractor will be provided the FDO-approved award fee plan.

(c) Modification of Award Fee Plan. Unilateral changes may be made to the award fee plan if the contractor is provided written notification by the Contracting Officer (CO) before the start of the upcoming evaluation period. Changes affecting the current evaluation period must be by bilateral agreement.

(d) Self-Evaluation. The contractor may submit to the Contracting Officer (CO) within five (5) working days after the end of each award fee evaluation period, a brief written self-evaluation of its performance for that period. This self-evaluation shall not exceed ten (10) pages. This self-evaluation will be used in the AFRB's evaluation of the contractor's performance during this period.

(e) Disputes. All FDO decisions regarding the award fee, including but not limited to, the amount of the award fee, if any; the methodology used to calculate the award fee, the calculation of the award fee, the contractor's entitlement to the award fee, and the nature and success of the contractor's performance, shall not be subject to the "Disputes" clause nor reviewed by any Board of Contract Appeal (BCA), court, or other judicial entity.

(f) Award Fee Payment.

(1) Award fee is not subject to the allowable cost, and payment or termination clauses of this contract.

(2) The contractor may bill for the award fee immediately upon receipt of the contract modification authorizing its payment.

5352.235-9001 APPLICATION FOR FREQUENCY AUTHORIZATION (JUL 1992)

The Contractor must ensure that radio frequencies are available to support electromagnetic radiating devices in their intended environment and that adequate protection from interference can be provided to receiving devices. Accordingly, the Contractor shall submit DD Form 1494, "Application for Frequency Allocation" in triplicate to the buyer at the issuing office indicated on the cover of this document within 45 days after contract award. Instructions for preparing the form are contained in AFR 700-14, and on the form itself. The DD Form 1494 will be routed through the Administrative Activity Quality Control Office indicated on the cover of this document in accordance with paragraph 5.2c of AFR 700-14. Upon verification of frequency requirements, the Contractor shall submit, if required, information to prepare a "Standard Frequency Action Format (SFAF) Request" to the person and address specified above. Instructions for preparing an SFAF are contained in AFR 700-14. Attention is directed to the contract clause entitled "Frequency Authorization" contained in Section I.

C. ESC FAR Sup Clauses in Full Text

5352.215-9530 FOREIGN NATIONALS (DEC 1984)

(a) The parties acknowledge that technical data generated under this contract may be subject to export control, including disclosure to foreign nationals/representatives, defined in subparagraph (b) whether such data is provided orally or in written form. The Contractor agrees to obtain written approval from the Contracting Officer before assigning any foreign national/representative to perform work under the contract or before granting foreign nationals or their representatives access to data related to the following items/subject matter, whether such data is provided by the Government or generated under this contract:

Any and/or all generated data under this contract

(b) For purposes of this clause, foreign nationals are all persons not citizens of, not nationals of, nor immigrant aliens to, the United States. A foreign representative is anyone (regardless of nationality) acting as an
agent, representative, official or employee of a foreign government, a
foreign-owned or -influenced firm or corporation or person. Nothing in this
clause is intended to waive any requirement imposed by any other US Government
agency with respect to employment of foreign nationals or export control.

5352.227-9507 MODIFICATION OF DATA REQUIREMENTS (DEC 1984)

(a) From time to time during the performance of this contract, the
Contracting Officer unilaterally may change the place of delivery and the
technical office for any data item of the Contract Data Requirements List
(CDRL) hereto, at no change in contract estimated cost, fixed fee or price,
notwithstanding the provisions of the clause hereof, entitled "Changes."

(b) From time to time during the performance of this contract, the
Contracting Officer, unilaterally may increase or decrease the number of
addressees and/or increase or decrease the number of copies (regular or
reproducible) specified for any addressee of any data item of any CDRL hereto,
at no change in contract estimated cost, fixed fee or price, provided, that,
the increase in the total number of copies (regular and reproducible) for an
individual data item shall not be greater than fifty percent (50%) of the total
number of copies (regular and reproducible) initially specified nor shall the
decrease in the total number of copies (regular and reproducible) for an
individual data item be greater than fifty percent (50%) of the total number of
copies (regular and reproducible) initially specified. In the event of an
increase greater than such 50% or of a decrease greater than such 50%, the
parties will negotiate any equitable adjustments in accordance with the
procedures of the "Changes" clause.

c) Unilateral action pursuant to (a) and (b) above shall be by the
issuance of a modification to this contract which will reference this clause as
its authority and include the revised CDRL pages. Any action directed by this
requirement shall be effected by the Contractor beginning with the first
submission of the particular data item or items after receipt by the Contractor
of the modification directing such action.

5352.232-9502 LIMITATION OF FUNDS (DEC 1984)

The sum allotted to this contract and available for payment of costs under
CLINs 0001, 0002 and 0004 through 96JUL31 in accordance with the clause in
Section I entitled "Limitation of Funds" is $3,547,796.00.

5352.232-9504 SEGREGATION OF COSTS (DEC 1984)

(a) The Contractor shall segregate all costs associated with CLINs 0005,
0006 and 0007 of this contract from the costs associated with the other CLINs
of this contract in such a manner that at any time the costs incurred under
either portion shall be readily ascertainable.

(b) Costs properly allocable to CLINs 0001, 0002 and 0004 shall be
allowable and subject to reimbursement in accordance with the Limitation of
Funds clause only within the separate sum allotted set forth in the contract
schedule for such CLINs.

5352.243-9502.1 NOT-TO-EXCEED COST AGREEMENT (CPAF) (DEC 1984)
(Applicable to CLINs 0001, 0002 and 0004)

Prior to the issuance of a change order under this contract, the
Contracting Officer may solicit from the Contractor written agreement as to the
maximum (in the case of an increase) adjustments* to be made in the estimated
cost and/or in the delivery schedule (or time of performance), by reason of the
change. The Contracting Officer may also solicit such agreement on limitations
on the adjustments, to any other provisions of the contract which may be
subject to equitable adjustments by reason of the change. Any such written
agreement shall then be cited in the change order, and upon its issuance shall
be a binding part of the contract. In no event shall the definitive equitable
adjustment exceed the delivery schedule (or time of performance) adjustments so
established, nor otherwise be inconsistent with other adjustment limitations
so established. Except with respect thereto, nothing contained herein shall
affect the rights of the parties to an equitable adjustment by reason of the
change, pursuant to said "Changes" clause.
The following Government property will be furnished to the Contractor for use under this contract subject to the provisions of the clauses hereof entitled "Government Property (Cost-Reimbursement, Time-and-Material, or Labor-Hour Contracts)" and "Government Property Furnished "As Is.""

(See Section J, Attachment No. 6)

D. Other Special Contract Requirements

1. TASK REQUIREMENT NOTICES (TRNS) (APR 1995) (ESC/H-245.1)

   (Applicable to SubCLINs 0005, 0006 and 0007)

(a) Task requirements will be defined by issuance of a Task Requirement Notice (TRN) on a labor-hour basis with cost-reimbursement for other direct costs (ODCs) (Travel and Material). The PCO is authorized to issued all TRNS.

(b) The Contractor shall furnish all the necessary qualified personnel, materials, facilities, and management resources to furnish the services set forth in the Statement of Work within the terms specified and at the price(s) stated in the Contract Schedule. The quantities of services specified in the Schedule are purchased by award of this contract, but shall be expended on activities as defined in TRNs.

(c) It is understood and agreed that the Contractor shall use in the performance of the contract, the labor categories and hours specified in each TRN and shall be paid at the labor rates for each specified labor category set forth in the Contract Schedule.

(d) The labor categories and hours specified in each TRN represent the best estimate of the level of effort and labor category mix necessary to perform the effort described in each TRN. To enhance flexibility during performance and allow the Contractor to determine the optimum labor mix for the TRN, the Contractor may, without notice to the Government, increase or decrease the number of hours for each category specified in the TRN by no more than 15%. These adjustments are allowable, however, only to the extent that the not-to-exceed value of the TRN and the total number of hours of each labor category specified in the Contract Schedule are not exceeded.

(e) Within fifteen (15) days after the completion of each TRN, an authorized representative of the Contractor shall certify, in writing to the PCO, the number of hours used in each labor category and all cost-reimbursement expenditures incurred in the performance of the TRN. This certification will also identify who performed the labor, i.e., the prime Contractor or a specified subcontractor. In the event that the Contractor expends fewer hours than set forth in any individual TRN, upon completion of the TRN effort, the not-to-exceed value of that TRN shall be adjusted downward (closeout) to reflect the actual number of hours expended.

(f) Notwithstanding any other provision, the Contractor shall maintain sufficient accounting records for verification of the number of hours and categories of labor actually expended in performing each TRN under this contract. It is further understood and agreed that these accounting records shall be available for Government review during the performance of the contract and until three (3) years after final payment under the contract. In the event that subcontract labor is included in the labor effort contained in subparagraph (c) above, the records provisions of this subparagraph shall be included in all applicable subcontracts.

(g) Payment under CLIN 0005 of this contract will be in accordance with FAR 52.232-7 entitled "Payments under Time-and-Materials and Labor-hour Contracts" (Alternate II) for labor hours actually expended in performance of TRNs, up to the not-to-exceed value of each TRN issued. Payments under CLIN (ODC CLIN) 0006 will be in accordance with FAR 52.216-7, entitled "Allowable
Cost and Payment, ” not to exceed the estimated cost for CLIN 0006 as specified in each TRN. Vouchers may be submitted on a monthly basis. Payment for the actual performance in each individual TRN will be at the rates established in the Contract Schedule. Withholding of amounts otherwise due and payable as contemplated by the "Payments Under Time-and-Materials and Labor-hour Contracts" (Alternate II) clause will apply to the total contract labor-hour CLIN and not to the individual TRNs. Withholding will not exceed ten percent (10%) for the entire CLIN 0005, regardless of the number of TRNs issued against the contract, and will apply to the first orders and continue until the maximum withholding amount is reached. To facilitate closeout of early TRNs, the amount withheld may be transferred to any subsequent active TRN. "Ceiling price," as used in the clause, applies to both the not-to-exceed value of each TRN and the ceiling price set forth in the Contract Schedule for CLINS/SubCLINS in the aggregate.

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SECTION I - CONTRACT CLAUSES

Contract clauses in this section from the FAR, Defense FAR Sup, Air Force FAR Sup, Air Force Material Command FAR Sup, and Electronic Systems Center FAR Sup are current through the following updates:


A. 52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

I. FEDERAL ACQUISITION REGULATION CLAUSES

52.202-1 DEFINITIONS (SEP 1991)
52.203-3 GRATUITIES (APR 1984)
52.203-5 COVENANT AGAINST CONTINGENT FEES (APR 1984)
52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (JUL 1995)
52.203-7 ANTI-KICKBACK PROCEDURES (JUL 1995)
52.203-10 PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (SEP 1990)
52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (JAN 1990)
52.204-4 PRINTING/COPYING DOUBLE-SIDED ON RECYCLED PAPER (MAY 1995)
52.208-1 REQUIRED SOURCES FOR JEWEL BEARINGS AND RELATED ITEMS (APR 1984)
52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (AUG 1995)
52.210-5 NEW MATERIAL (MAY 1995)
52.210-7 OTHER THAN NEW MATERIAL, RESIDUAL INVENTORY, AND FORMER GOVERNMENT SURPLUS PROPERTY (MAY 1995)
52.212-8 DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (SEP 1990)
52.215-1 EXAMINATION OF RECORDS BY COMPTROLLER GENERAL (JUL 1995)
52.215-2 AUDIT - NEGOTIATION (JUL 1995)
52.215-22 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (JAN 1991)
52.215-24 SUBCONTRACTOR COST OR PRICING DATA (DEC 1994)
52.215-27 TERMINATION OF DEFINED BENEFIT PENSION PLANS (SEP 1989)
52.215-33 ORDER OF PRECEDENCE (JAN 1986)
52.215-39 REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (PRB) (FEB 1995)
52.215-40 NOTIFICATION OF OWNERSHIP CHANGES (FEB 1995)
52.216-7 ALLOWABLE COST AND PAYMENT (JUL 1991)
52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS AND SMALL DISADVANTAGED BUSINESS CONCERNS (FEB 1990)
52.219-13 UTILIZATION OF WOMEN-OWNED SMALL BUSINESSES (AUG 1986)
52.220-3 UTILIZATION OF LABOR SURPLUS AREA CONCERNS (JUL 1995)
52.220-4 LABOR SURPLUS AREA SUBCONTRACTING PROGRAM (APR 1984)

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52.222-1 NOTICE TO THE GOVERNMENT OF LABOR DISPUTES (APR 1984)
52.222-2 * PAYMENT FOR OVERTIME PREMIUMS (JUL 1990)
   (Insert "zero" in para (a))
52.222-20 WALSH-HEALEY PUBLIC CONTRACTS ACT (APR 1984)
52.222-26 EQUAL OPPORTUNITY (APR 1984)
52.222-28 EQUAL OPPORTUNITY PREAWARD CLEARANCE OF SUBCONTRACTS (APR 1984)
52.222-29 NOTIFICATION OF VISA DENIAL (APR 1984)
52.222-35 AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS (APR 1984)
52.222-36 AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS (APR 1984)
52.222-37 EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (JAN 1988)
52.223-2 CLEAN AIR AND WATER (APR 1984)
52.223-6 DRUG-FREE WORKPLACE (JUL 1990)
52.225-10 DUTY-FREE ENTRY (APR 1984)
52.225-11 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (MAY 1992)
52.227-1 AUTHORIZATION AND CONSENT (JUL 1995)
   ALTERNATE I (APR 1984)
52.227-2 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (APR 1984)
52.227-11 PATENT RIGHTS--RETENTION BY THE CONTRACTOR (SHORT FORM) (JUN 1989)
52.228-7 INSURANCE - LIABILITY TO THIRD PERSONS (APR 1984)
   (See ESC FAR Sup 5352.228-9500 for implementation)
52.229-4 ** FEDERAL, STATE, AND LOCAL TAXES (NONCOMPETITIVE CONTRACT) (JAN 1991)
52.229-5 ** TAXES - CONTRACTS PERFORMED IN U.S. POSSESSIONS OR PUERTO RICO (APR 1984)
52.232-7 ** PAYMENTS UNDER TIME-AND-MATERIALS AND LABOR-HOUR CONTRACTS (APR 1984)
   ALTERNATE II (JAN 1986)
52.232-8 DISCOUNTS FOR PROMPT PAYMENT (APR 1989)
52.232-9 LIMITATIONS ON WITHHOLDING OF PAYMENTS (APR 1984)
52.232-17 INTEREST (JAN 1991)
52.232-22 * LIMITATION OF FUNDS (APR 1984)
52.232-23 ASSIGNMENT OF CLAIMS (JAN 1986)
52.232-25 PROMPT PAYMENT (MAR 1994)
   (Insert "14th day" in para (b)(2) for CLINs 0001, 0002 & 0004;
   and "30th day" for CLINs 0005, 0006 & 0007)
52.232-28 ELECTRONIC FUNDS TRANSFER PAYMENT METHODS (APR 1989)
52.233-1 DISPUTES (MAR 1994)
52.233-3 PROTEST AFTER AWARD (AUG 1989)
   * ALTERNATE I (JUN 1985)
52.242-1 * NOTICE OF INTENT TO DISALLOW COSTS (APR 1984)
52.242-13 BANKRUPTCY (JUL 1995)
52.243-2 * CHANGES - COST REIMBURSEMENT (AUG 1987)
   ALTERNATE V (APR 1984)
52.243-3 ** CHANGES - TIME-AND-MATERIALS OR LABOR-HOURS (AUG 1987)
52.243-6 CHANGE ORDER ACCOUNTING (APR 1984)
52.243-7 NOTIFICATION OF CHANGES (APR 1984)
   (Insert "30 days" in paras (b) and (d))
52.244-2 * SUBCONTRACTS (COST-REIMBURSEMENT AND LETTER CONTRACTS) (FEB 1995)
   (In para (e), insert "None")
   ALTERNATE I (APR 1985)
52.244-3 ** SUBCONTRACTS (TIME-AND-MATERIALS AND LABOR-HOUR CONTRACTS) (APR 1985)
52.244-5 COMPETITION IN SUBCONTRACTING (APR 1984) (N/A**)
52.245-5 GOVERNMENT PROPERTY (COST-REIMBURSEMENT, TIME-AND-MATERIAL, OR LABOR-HOUR CONTRACTS) (JAN 1986)

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52.245-19 GOVERNMENT PROPERTY FURNISHED "AS IS" (APR 1984)
II. DEFENSE FAR SUPPLEMENT CLAUSES

252.201-7000 CONTRACTING OFFICER'S REPRESENTATIVE (DEC 1991)
252.203-7000 STATUTORY PROHIBITION ON COMPENSATION TO FORMER DEPARTMENT OF DEFENSE EMPLOYEES (DEC 1991)
252.203-7001 SPECIAL PROHIBITION ON EMPLOYMENT (APR 1993)
252.203-7002 DISPLAY OF DOD HOTLINE POSTER (DEC 1991)
252.203-7003 PROHIBITION AGAINST RETALIATORY PERSONNEL ACTIONS (APR 1992)
252.204-7000 DISCLOSURE OF INFORMATION (DEC 1991)
252.204-7002 PAYMENT FOR SUBLINE ITEMS NOT SEPARATELY PRICED (DEC 1991)
252.204-7003 CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT (APR 1992)
252.205-7000 PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS (DEC 1991)
252.209-7000 ACQUISITION FROM SUBCONTRACTORS SUBJECT TO ON-SITE INSPECTION UNDER THE INTERMEDIATE-RANGE NUCLEAR FORCES (INF) TREATY (DEC 1991)
252.215-7000 PRICING ADJUSTMENTS (DEC 1991)
252.215-7002 COST ESTIMATING SYSTEM REQUIREMENTS (DEC 1991)
252.223-7004 DRUG-FREE WORK FORCE (SEP 1988)
252.225-7001 BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM (JAN 1994)
252.225-7002 QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS (DEC 1991)
252.225-7005 IDENTIFICATION OF EXPENDITURES IN THE UNITED STATES (DEC 1991)
252.225-7009 DUTY-FREE ENTRY -- QUALIFYING COUNTRY END PRODUCTS AND SUPPLIES (DEC 1991)
(For the purpose of paragraphs (f) (2) (vii) and (k), the address of the CAO is set forth in Block 7, page 1, hereof. Pursuant to para (k), the CAO Activity Address Number is DLA8DC VH.)
252.225-7010 DUTY-FREE ENTRY -- ADDITIONAL PROVISIONS (DEC 1991)
(For the purpose of paragraphs (e) (3) and (d), the address of the CAO is set forth in Block 7, page 1, hereof. Pursuant to para (d), the CAO Activity Address Number is DLA8DC VH.)
252.225-7012 PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES (MAY 1994)
252.225-7014 PREFERENCE FOR DOMESTIC SPECIALTY METALS (DEC 1991)
252.225-7025 FOREIGN SOURCE RESTRICTIONS (APR 1993)
252.225-7026 REPORTING OF CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES (MAY 1995)
252.225-7031 SECONDARY ARAB BOYCOTT OF ISRAEL (JUN 1992)
252.225-7034 RESTRICTION ON ACQUISITION OF COAL AND PETROLEUM PITCH CARBON FIBER (MAY 1994)

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252.227-7016 RIGHTS IN BID OR PROPOSAL INFORMATION (JUN 1995)
252.227-7018 RIGHTS IN NONCOMMERCIAL TECHNICAL DATA AND COMPUTER SOFTWARE--SMALL BUSINESS INNOVATIVE RESEARCH (SBIR) PROGRAM (JUN 1995)
252.227-7019 VALIDATION OF ASSERTED RESTRICTIONS--COMPUTER SOFTWARE (JUN 1995)
252.227-7027 DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE (APR 1988)
252.227-7030 TECHNICAL DATA--WITHHOLDING OF PAYMENT (OCT 1988)
252.227-7034 PATENTS--SUBCONTRACTS (APR 1984)
252.227-7036 CERTIFICATION OF TECHNICAL DATA CONFORMITY (MAY 1987)
252.227-7039 PATENTS--REPORTING OF SUBJECT INVENTIONS (APR 1990)
252.231-7000 SUPPLEMENTAL COST PRINCIPLES (DEC 1991)
252.231-7001 * PENALTIES FOR UNALLOWABLE COSTS (MAY 1994)
252.232-7006 REDUCTION OR SUSPENSION OF CONTRACT PAYMENTS UPON FINDING OF FRAUD (AUG 1992)
252.233-7000 FREQUENCY AUTHORIZATION (DEC 1991)
252.234-7003 ACKNOWLEDGEMENT OF SUPPORT AND DISCLAIMER (MAY 1995)
252.235-7001 FREQUENCY AUTHORIZATION (DEC 1991)
252.236-7004 MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM (DEC 1991)
252.237-7000 PROTECTION AGAINST COMPROMISING EMANATIONS (MAY 1994)
252.239-7000 POSTAWARD CONFERENCE (NOV 1994)
252.240-7001 REPORTS OF GOVERNMENT PROPERTY (MAY 1994)
252.241-7001 REPORTS OF GOVERNMENT PROPERTY (MAY 1994)
252.242-7000 POSTAWARD CONFERENCE (MAY 1995)
252.242-7004 MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM (MAY 1995)
252.243-7000 REPORTS OF GOVERNMENT PROPERTY (MAY 1994)
252.249-7001 NOTIFICATION OF SUBSTANTIAL IMPACT ON EMPLOYMENT (MAY 1994)
252.249-7002 NOTIFICATION OF SUBSTANTIAL IMPACT ON EMPLOYMENT (MAY 1994)
252.249-7003 NOTIFICATION OF SUBSTANTIAL IMPACT ON EMPLOYMENT (MAY 1994)
252.249-7004 NOTIFICATION OF SUBSTANTIAL IMPACT ON EMPLOYMENT (MAY 1994)
252.250-7001 NOTIFICATION OF PROGRAM TERMINATION OR REDUCTION (MAY 1994)
252.250-7002 NOTIFICATION OF PROGRAM TERMINATION OR REDUCTION (MAY 1994)
252.250-7003 NOTIFICATION OF PROGRAM TERMINATION OR REDUCTION (MAY 1994)
252.250-7004 NOTIFICATION OF PROGRAM TERMINATION OR REDUCTION (MAY 1994)

A. FAR Clauses in Full Text

52.203-9
REQUIREMENT FOR CERTIFICATE OF PROCUREMENT INTEGRITY -- MODIFICATION (SEP 1995)

(a) Definitions. The definitions set forth in FAR 3.104-4 are hereby incorporated in this clause.

(b) The Contractor agrees that it will execute the certification set forth in paragraph (c) of this clause when requested by the Contracting Officer in connection with the execution of any modification or this contract.

(c) Certification. As required in paragraph (b) of this clause, the officer or employee responsible for the modification proposal shall execute the following certification: . The certification in paragraph (b)(2) of this provision is not required for a procurement of commercial items.

CERTIFICATE OF PROCUREMENT INTEGRITY - MODIFICATION (NOV 1990)

(1) I,_______________________________, am the officer or employee responsible for the preparation of this modification proposal and hereby certify that, to the best of my knowledge and belief, with the exception of any information described in this certification, I have no information concerning a violation or possible violation of subsection 27(a), (b), (d), or (f) of the Office of Federal Procurement Policy Act, as amended* (41 U.S.C. 423), (hereinafter referred to as "the Act"), as implemented in the FAR, occurring during the conduct of this procurement ____________________, [contract and modification number].

(2) As required by subsection 27(e)(1)(B) of the Act, I further certify that to the best of my knowledge and belief, each officer, employee, agent, representative, and consultant of __________________________ [Name of Offeror] who has participated personally and substantially in the preparation or submission of this proposal has certified that he or she is familiar with, and will comply with, the requirements of subsection 27(a) of the Act, as implemented in the FAR, and will report immediately to me any information concerning a violation or possible violation of subsections 27(a), (b), (d), or (f) of the Act, as implemented in the FAR, pertaining to this procurement.

(3) Violations or possible violations: (Continue on plain bond paper if necessary and label Certificate of Procurement Integrity - Modification (Continuation Sheet), ENTER NONE IF NONE EXIST) __________________________________________

__________________________________________

[Signature of the officer or employee responsible for the modification proposal and date]
*Subsections 27(a), (b), and (d) are effective on December 1, 1990.

Subsection 27(f) is effective on June 1, 1991.

THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER TITLE 18, UNITED STATES CODE, SECTION 1001.

(End of Certification)

(d) In making the certification in paragraph (2) of the certificate, the officer or employee of the competing Contractor responsible for the offer or bid, may rely upon a one-time certification from each individual required to submit a certification to the competing Contractor, supplemented by periodic training. These certifications shall be obtained at the earliest possible date after an individual required to certify begins employment or association with the contractor. If a contractor decides to rely on a certification executed prior to the suspension of section 27 (i.e. prior to December 1, 1989), the Contractor shall ensure that an individual who has so certified is notified that section 27 has been reinstated. These certifications shall be maintained by the Contractor for a period of 6 years from the date a certifying employee's employment with the company ends or, for an agency, representative, or consultant, 6 years from the date such individual ceases to act on behalf of the contractor.

(e) The certification required by paragraph (c) of this clause is a material representation of fact upon which reliance will be placed in executing this modification.
continue work on those item(s) beyond that point. The Government will not be obligated in any event to reimburse the Contractor in excess of the amount allotted to the contract for those item(s) regardless of anything to the contrary in the clause entitled "Termination for Convenience of the Government." As used in this clause, the total amount payable by the Government in the event of termination of applicable contract line item(s) for convenience includes costs, profit, and estimated termination settlement costs for those item(s).

(c) Notwithstanding the dates specified in the allotment schedule in paragraph (i) of this clause, the Contractor will notify the Contracting Officer in writing at least ninety days prior to the date when, in the Contractor's best judgment, the work will reach the point at which the total amount payable by the Government, including any cost for termination for convenience, will approximate 85 percent of the total amount then allotted to the contract for performance of the applicable item(s). The notification will state (1) the estimated date when that point will be reached and (2) an estimate of additional funding, if any, needed to continue performance of applicable line items up to the next scheduled date for allotment of funds identified in paragraph (i) of this clause, or to a mutually agreed upon substitute date. The notification will also advise the Contracting Officer of the estimated amount of additional funds that will be required for the timely performance of the item(s) funded pursuant to this clause, for a subsequent period as may be specified in the allotment schedule in paragraph (i) of this clause or otherwise agreed to be the parties. If after such notification additional funds are not allotted by the date identified in the Contractor's notification or by an agreed substitute date, the Contracting Officer will terminate any item(s) for which additional funds have not been allotted, pursuant to the clause entitled "Termination for Convenience of the Government."

(d) When additional funds are allotted for continued performance of the contract line item(s) identified in paragraph (a) of this clause, the parties will agree as to the period of contract performance which will be covered by the funds. The provisions of paragraphs (b) through (d) of this clause will apply in like manner to the additional allotted funds and agreed substitute date, and the contract will be modified accordingly.

(e) If, solely by reason of failure of the Government to allot additional funds, by the dates indicated below, in amounts sufficient for timely performance of the contract line item(s) identified in paragraph (a) of this clause, the Contractor incurs additional costs or is delayed in the performance of the work under this contract and if additional funds are allotted, an equitable adjustment will be made in the prices (Including appropriate target, billing, and ceiling prices where applicable) of the item(s), or in the time of delivery, or both. Failure to agree to any such equitable adjustment hereunder will be a dispute concerning a question of fact within the meaning of the clause entitled "Disputes."

(f) The Government may at any time prior to termination allot additional funds for the performance of the contract line item(s) identified in paragraph (a) of this clause.

(g) The termination provisions of this clause do not limit the rights of the Government under the clause entitled "Default." The provisions of this clause are limited to the work and allotment of funds for the contract line item(s) set forth in paragraph (a) of this clause. This clause no longer applies once the contract is fully funded except with regard to the rights or obligations of the parties concerning equitable adjustments negotiated under paragraphs (d) or (e) of this clause.

(h) Nothing in this clause affects the right of the Government to terminate this contract pursuant to the clause of this contract entitled "Termination for Convenience of the Government."

(i) The parties contemplate that the Government will allot funds to this contract in accordance with the following schedule:
(a) The Contractor shall --

(1) Certify any proposal to establish or modify billing rates or to establish final indirect cost rates;

(2) Use the format in paragraph (c) of this clause to certify; and

(3) Have the certificate signed by an individual of the Contractor's organization at a level no lower than a vice president or chief financial officer of the business segment of the Contractor that submits the proposal.

(b) Failure by the Contractor to submit a signed certificate, as described in this clause, shall result in payment of indirect costs at rates unilaterally established by the Government.

(c) The certificate of indirect costs shall read as follows:

CERTIFICATE OF INDIRECT COSTS

This is to certify that to the best of my knowledge and belief:

1. I have reviewed this indirect cost proposal;

2. All costs included in this proposal (identify proposal and date) to establish billing or final indirect cost rates for (identify period covered by rate) are allowable in accordance with the requirements of contracts to which they apply and with the cost principles of the Department of Defense applicable to those contracts;

3. This proposal does not include any costs which are unallowable under applicable cost principles of the Department of Defense, such as (without limitation): advertising and public relations costs, contributions and donations, entertainment costs, fines and penalties, lobbying costs, defense of fraud proceedings, and goodwill; and

4. All costs included in this proposal are properly allocable to Defense contracts on the basis of a beneficial or causal relationship between the expenses incurred and the contracts to which they are allocated in accordance with applicable acquisition regulations.

I declare under penalty of perjury that the foregoing is true and correct.

Firm: ______________________________________________________

Signature: __________________________________________________

Name of Corporation Official: _______________________________

Title: ______________________________________________________

Date of Execution: __________________________________________
(a) The Contracting Officer may ask the Contractor to prepare engineering change proposals for engineering changes within the scope of this contract. Upon receipt of a written request from the Contracting Officer, the Contractor shall prepare and submit an engineering change proposal in accordance with the instructions of MIL-STD-973, in effect on the date of contract award.

(b) The Contractor may initiate engineering change proposals. Contractor initiated engineering change proposals shall include a "not to exceed" estimated cost or a "not less than" estimated cost and delivery adjustment. Change orders issued under the Changes clause of this contract are not an authorization to exceed the estimated cost in the schedule unless there is a statement in the change order, or other contract modification, increasing the estimated cost.

(c) When the estimated cost of the engineering change is $500,000 or more, the Contractor shall submit:

(1) A completed SF 1411, Contract Pricing Proposal Cover Sheet, and

(2) At the time of agreement on estimated cost, a signed Certificate of Current Cost or Pricing Data.

(a) Definitions.

As used in this clause --

(1) "Components" means articles, materials, and supplies incorporated directly into end products at any level of manufacture, fabrication, or assembly by the Contractor or any subcontractor.

(2) "Department of Defense" (DoD) means the Army, Navy, Air Force, Marine Corps, and defense agencies.

(3) "Foreign flag vessel" means any vessel that is not a U.S.-flag vessel.

(4) "Ocean transportation" means any transportation aboard a ship, vessel, boat, barge, or ferry through international waters.

(5) "Subcontractor" means a supplier, materialman, distributor, or vendor at any level below the prime contractor whose contractual obligation to perform results from, or is conditioned upon, award of the prime contract and who is performing any part of the work or other requirement of the prime contract.

(6) "Supplies" means all property, except land and interests in land, that is clearly identifiable for eventual use by or owned by the DoD at the time of transportation by sea.

(i) An item is clearly identifiable for eventual use by the DoD if, for example, the contract documentation contains a reference to a DoD contract number or a military destination.

(ii) "Supplies" includes (but is not limited to) public works; buildings and facilities; ships; floating equipment and vessels of every character, type, and description, with parts, subassemblies, accessories, and equipment; machine tools; material; equipment; stores of all kinds; end items; construction materials; and components of the foregoing.

(7) "U.S.-flag vessel" means a vessel of the United States or belonging to the United States, including any vessel registered or having national status under the laws of the United States.

(b) The Contractor shall employ U.S.-flag vessels in the transportation by sea of any supplies to be furnished in the performance of this contract.
Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or designated available U.S.-flag vessels, if the Contractor or a subcontractor believes that--

(1) U.S.-flag vessels are not available for timely shipment;

(2) The freight charges are inordinately excessive or unreasonable; or

(3) Freight charges are higher than charges to private persons for transportation of like goods.

(c) The Contractor must submit any request for use of other than U.S.-flag vessels in writing to the Contracting Officer at least 45 days prior to the sailing date necessary to meet its delivery schedules. The Contracting Officer will process requests submitted after such date(s) as expeditiously as possible, but the Contracting Officer's failure to grant approvals to meet the shipper's sailing date will not of itself constitute a compensable delay under this or any other clause of this contract. Requests shall contain at a minimum--

(1) Type, weight, and cube of cargo;

(2) Required shipping date;

(3) Special handling and discharge requirements;

(4) Loading and discharge points;

(5) Name of shipper and consignee;

(6) Prime contract number; and

(7) A documented description of efforts made to secure U.S.-flag vessels, including points of contact (with names and telephone numbers) with at least two U.S.-flag carriers contacted. Copies of telephone notes, telegraphic and facsimile message or letters will be sufficient for this purpose.

(d) The Contractor shall, within 30 days after each shipment covered by this clause, provide the Contracting Officer and the Division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590, one copy of the rated on board vessel operating carrier's ocean bill of lading, which shall contain the following information --

(1) Prime contract number;

(2) Name of vessel;

(3) Vessel flag of registry;

(4) Date of loading;

(5) Port of loading;

(6) Port of final discharge;

(7) Description of commodity;

(8) Gross weight in pounds and cubic feet if available;

(9) Total ocean freight in U.S. dollars; and

(10) Name of the steamship company.

(e) The Contractor agrees to provide with its final invoice under this contract a representation that to the best of its knowledge and belief --

(1) No ocean transportation was used in the performance of this contract;
(2) Ocean transportation was used and only U.S.-flag vessels were used for all ocean shipments under the contract;

(3) Ocean transportation was used, and the Contractor had the written consent of the Contracting Officer for all non-U.S.-flag ocean transportation; or

(4) Ocean transportation was used and some or all of the shipments were made on non-U.S.-flag vessels without the written consent of the Contracting Officer. The Contractor shall describe these shipments in the following format:

<table>
<thead>
<tr>
<th>ITEM</th>
<th>CONTRACT DESCRIPTION</th>
<th>CONTRACT LINE ITEMS</th>
<th>QUANTITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(f) If the final invoice does not include the required representation, the Government will reject and return it to the Contractor as an improper invoice for the purposes of the Prompt Payment clause of this contract. In the event there has been unauthorized use of non-U.S.-flag vessels in the performance of this contract, the Contracting Officer is entitled to equitably adjust the contract, based on the unauthorized use.

(g) The Contractor shall include this clause, including this paragraph (g) in all subcontracts under this contract, which exceed the small purchase limitation of section 13.000 of the Federal Acquisition Regulation.

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252.247-7024 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA (DEC 1991)

(a) The Contractor has indicated by the response to the solicitation provision, Representation of Extent of Transportation by Sea, that it did not anticipate transporting by sea any supplies. If, however, after the award of this contract, the Contractor learns that supplies, as defined in the Transportation of Supplies by Sea clause of this contract, will be transported by sea, the Contractor--

(1) Shall notify the Contracting Officer of that fact; and

(2) Hereby agrees to comply with all the terms and conditions of the Transportation of Supplies by Sea clause of this contract.

(b) The Contractor shall include this clause, including this paragraph (b), revised as necessary to reflect the relationship of the contracting parties, in all subcontracts hereunder.

D. AF FAR Sup Clauses in Full Text

5352.235-9000 SCIENTIFIC/TECHNICAL INFORMATION (STINFO) (JAN 1992)

If not already registered, the Contractor shall register for Defense Technical Information Center (DTIC) service by contacting the following:

Defense Technical Information Center
ATTN: Registration Section (DTIC-BCS) Bldg 5
Cameron Station, Alexandria, Virginia 22304-6145
(703)274-6871

To avoid duplication of effort and conserve scientific and technical resources, the Contractor shall search existing sources in DTIC to determine the current state-of-the-art concepts, studies, etc.

E. AFMC FAR Sup Clauses in Full Text

5352.212-9000 CONTRACTOR REPORTING REQUIREMENTS (JUL 1992)
Any report required by 15 CFR 700, Subpart D, Section 700.13(d) of the Defense Priorities and Allocation System regulation relating to an actual or anticipated delayed shipment, reason for delay, and/or new projected shipment date is to be sent concurrently by the Contractor to both the Procuring Contracting Officer (PCO) and the Administrative Contracting Officer (ACO) within the specified ten (10) calendar days.

30 - F. ESC FAR Sup Clauses in Full Test

5352.205-9500 RELEASE OF INFORMATION (MAY 1993)

(a) It is Air Force policy to encourage publication of scientific and technological advances and information developed under its contracts. One copy of each paper planned for publication will be submitted for review and comment to the Public Affairs Office, HQ ESC/PAM, 9 Eglin Street, Hanscom AFB, MA 01731-2118 at least 30 days prior to submission for publication.

(b) News releases and media contacts, including photographs and films, public announcements, or other forms of publicity concerning the technical content of this contract, will not be made without prior clearance from the Air Force. Requests for publicity approval should be addressed to HQ ESC/PAM, 9 Eglin Street, Hanscom AFB, MA 01731-2118 for approval.

5352.228-9500 INSURANCE CLAUSE IMPLEMENTATION (JUL 1993)

The following minimum kinds and amounts of insurance are applicable in the performance of the work under this contract, as contemplated by the clause in Section I, FAR 52.228-7, "Insurance - Liability to Third Persons."

(a) Workmen's Compensation and Employers' Liability Insurance. Compliance with applicable workmen's compensation and occupational disease statutes is required. In jurisdictions where all occupational diseases are not compensable under applicable law, insurance for occupational disease shall be required under the employer's liability section of the insurance policy; however, such additional insurance shall not be required where contract operations are commingled with the Contractor's commercial operations so that it would be impracticable to require such coverage. Employer's liability coverage in the minimum amount of $100,000 is required except in states with exclusive or monopolistic funds which do not permit the writing of workers' compensation by private carriers (Nevada, North Dakota, Ohio, Washington, West Virginia and Wyoming).

(b) General Liability Insurance. Bodily injury liability insurance in the minimum limits of $500,000 per occurrence, is required on the comprehensive form of policy, however, property damage liability shall not be required.

(c) Automobile Liability Insurance. This insurance shall be required on the comprehensive form of policy and shall provide bodily injury liability and property damage liability covering the operation of all automobiles used in connection with the performance of the contract. At least the minimum limits of $200,000 per person and $500,000 per occurrence for bodily injury and $20,000 per occurrence for property damage shall be required.

(d) Aircraft Public and Passenger Liability Insurance. When aircraft are used in connection with the performance of the contract, such insurance is required coverage. The minimum limits of $200,000 per person and $500,000 per occurrence for bodily injury, other than passenger liability, and a limit of $200,000 per occurrence for property damage shall be required. Passenger liability bodily injury limits of $200,000 per passenger with an aggregate equal to total number of seats or number of passengers, whichever is greater, shall also be required.

31 - TECHNICAL REVIEW (MITRE) (DEC 1984)

(a) The Government has contracted with the MITRE Corporation for the services of a technical group which, under the program management of the Electronic Systems Center, is responsible to the Government for overall
technical review of certain Government programs, including the efforts under this contract.

(b) Explanation of MITRE Role.

1. Technical Review is defined as the process of continually reviewing the technical efforts of Contractors. It does not include any modification, realignment, or redirection of Contractor efforts under this contract; such action may be effected only by the prior written direction of the Contracting Officer.

2. The purpose of the review is to:
   a. Evaluate from a technical standpoint whether system concept and performance can be expected to be achieved on schedule and within cost.
   b. Assure that the impact of new data, new developments and modified requirements is properly assessed and exploited.
   c. Assure that The MITRE Corporation has available data on the status and technology of Government programs and projects to enable it to carry out its inter-system integration responsibilities to the Government.

3. The MITRE Corporation has agreed not to engage in the manufacture or the production of hardware or software, to refrain from disclosing proprietary information to unauthorized personnel, and not to compete with any profit seeking concern.

(c) The Contractor agrees to cooperate with The MITRE Corporation by engaging in technical discussions with MITRE personnel, and permitting MITRE personnel access to information and data relating to technical matters (including cost and schedule) concerning this contract to the same degree such access is accorded Government project personnel.

(d) It is expressly understood that the operation of this clause will not be the basis for an equitable adjustment. Modifications, realignment or redirection of the Contractor's technical efforts and/or contract requirements shall be effected only by the written direction of the Contracting Officer.

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5352.295-9501.1 TECHNICAL REVIEW (ASEC) (DEC 1984)

(a) The Government has contracted with Analytical Systems Engineering Corporation (ASEC) for the services of a technical group which, under the program management of the Electronic Systems Center, is responsible to the Government for technical review of certain Government programs, including the efforts under this contract.

(b) Explanation of ASEC Role.

1. Technical Review is defined as the process of continually reviewing the technical efforts of Contractors. It does not include any modification, realignment, or redirection of Contractor efforts under this contract; such action may be effected only by the prior written direction of the Contracting Officer.

2. The purpose of the review is to:
   a. Evaluate from a technical standpoint whether system concept and performance can be expected to be achieved on schedule and within cost.
   b. Assure that the impact of new data, new developments and modified requirements is properly assessed and exploited.
   c. Assure that ASEC has available data on the status and technology of Government programs and projects to enable it to carry out its inter-system integration responsibilities to the Government.

3. ASEC has agreed not to engage in the manufacture or
production of hardware or software which is related to the program/ system for which this contract is issued, and to refrain from disclosing proprietary information to unauthorized personnel or use of such information for unauthorized purposes."

(c) The Contractor agrees to cooperate with ASEC by engaging in technical discussions with ASEC personnel, and permitting ASEC personnel access to information and data relating to technical matters (including cost and schedule) concerning this contract to the same degree such access is accorded Government project personnel.

(d) It is expressly understood that the operation of this clause will not be the basis for an equitable adjustment. Modifications, realignment or redirection of the Contractor's technical efforts and/or contract requirements shall be effected only by the written direction of the Contracting Officer.

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5352.295-9501.2 TECHNICAL REVIEW (Bernier) (DEC 1984)

(a) The Government has contracted with Bernier & Associates for the services of a technical group which, under the program management of the Electronic Systems Center, is responsible to the Government for technical review of certain Government programs, including the efforts under this contract.

(b) Explanation of Bernier Role.

1. Technical Review is defined as the process of continually reviewing the technical efforts of Contractors. It does not include any modification, realignment, or redirection of Contractor efforts under this contract; such action may be effected only by the prior written direction of the Contracting Officer.

2. The purpose of the review is to:

   a. Evaluate from a technical standpoint whether system concept and performance can be expected to be achieved on schedule and within cost.

   b. Assure that the impact of new data, new developments and modified requirements is properly assessed and exploited.

   c. Assure that Bernier has available data on the status and technology of Government programs and projects to enable it to carry out its inter-system integration responsibilities to the Government.

3. Bernier & Associates has agreed not to engage in the manufacture or production of hardware or software which is related to the program/ system for which this contract is issued, and to refrain from disclosing proprietary information to unauthorized personnel or use of such information for unauthorized purposes."

(c) The Contractor agrees to cooperate with Bernier by engaging in technical discussions with Bernier personnel, and permitting Bernier personnel access to information and data relating to technical matters (including cost and schedule) concerning this contract to the same degree such access is accorded Government project personnel.

(d) It is expressly understood that the operation of this clause will not be the basis for an equitable adjustment. Modifications, realignment or redirection of the Contractor's technical efforts and/or contract requirements shall be effected only by the written direction of the Contracting Officer.

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5352.295-9501.3 TECHNICAL REVIEW (Tecolote) (DEC 1984)

(a) The Government has contracted with Tecolote for the services of a technical group which, under the program management of the Electronic Systems
Center, is responsible to the Government for technical review of certain Government programs, including the efforts under this contract.

(b) Explanation of Tecolote Role.

1. Technical Review is defined as the process of continually reviewing the technical efforts of Contractors. It does not include any modification, realignment, or redirection of Contractor efforts under this contract; such action may be effected only by the prior written direction of the Contracting Officer.

2. The purpose of the review is to:

   a. Evaluate from a technical standpoint whether system concept and performance can be expected to be achieved on schedule and within cost.

   b. Assure that the impact of new data, new developments and modified requirements is properly assessed and exploited.

   c. Assure that Tecolote has available data on the status and technology of Government programs and projects to enable it to carry out its inter-system integration responsibilities to the Government.

3. Tecolote has agreed not to engage in the manufacture or production of hardware or software which is related to the program/system for which this contract is issued, and to refrain from disclosing proprietary information to unauthorized personnel or use of such information for unauthorized purposes.

(c) The Contractor agrees to cooperate with Tecolote by engaging in technical discussions with Tecolote personnel, and permitting Tecolote personnel access to information and data relating to technical matters (including cost and schedule) concerning this contract to the same degree such access is accorded Government project personnel.

(d) It is expressly understood that the operation of this clause will not be the basis for an equitable adjustment. Modifications, realignment or redirection of the Contractor's technical efforts and/or contract requirements shall be effected only by the written direction of the Contracting Officer.

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35
5352.295-9501.4  TECHNICAL REVIEW (HTI) (DEC 1984)

(a) The Government has contracted with Horizons Technology, Inc. (HTI), for the services of a technical group which, under the program management of the Electronic Systems Center, is responsible to the Government for technical review of certain Government programs, including the efforts under this contract.

(b) Explanation of HTI Role.

1. Technical Review is defined as the process of continually reviewing the technical efforts of Contractors. It does not include any modification, realignment, or redirection of Contractor efforts under this contract; such action may be effected only by the prior written direction of the Contracting Officer.

2. The purpose of the review is to:

   a. Evaluate from a technical standpoint whether system concept and performance can be expected to be achieved on schedule and within cost.

   b. Assure that the impact of new data, new developments and modified requirements is properly assessed and exploited.
3. HTI has agreed not to engage in the manufacture or production of hardware or software which is related to the program/system for which this contract is issued, and to refrain from disclosing proprietary information to unauthorized personnel or use of such information for unauthorized purposes.

(c) The Contractor agrees to cooperate with HTI by engaging in technical discussions with HTI personnel, and permitting HTI personnel access to information and data relating to technical matters (including cost and schedule) concerning this contract to the same degree such access is accorded Government project personnel.

(d) It is expressly understood that the operation of this clause will not be the basis for an equitable adjustment. Modifications, realignment or redirection of the Contractor's technical efforts and/or contract requirements shall be effected only by the written direction of the Contracting Officer.

35

5352.295-9501.5 TECHNICAL REVIEW (DRC) (DEC 1984)

(a) The Government has contracted with Dynamics Research Corporation (DRC), for the services of a technical group which, under the program management of the Electronic Systems Center, is responsible to the Government for technical review of certain Government programs, including the efforts under this contract.

(b) Explanation of DRC Role.

1. Technical Review is defined as the process of continually reviewing the technical efforts of Contractors. It does not include any modification, realignment, or redirection of Contractor efforts under this contract; such action may be effected only by the prior written direction of the Contracting Officer.

2. The purpose of the review is to:

   a. Evaluate from a technical standpoint whether system concept and performance can be expected to be achieved on schedule and within cost.

   b. Assure that the impact of new data, new developments and modified requirements is properly assessed and exploited.

   c. Assure that DRC has available data on the status and technology of Government programs and projects to enable it to carry out its inter-system integration responsibilities to the Government.

3. DRC has agreed not to engage in the manufacture or production of hardware or software which is related to the program/system for which this contract is issued, and to refrain from disclosing proprietary information to unauthorized personnel or use of such information for unauthorized purposes.

(c) The Contractor agrees to cooperate with DRC by engaging in technical discussions with DRC personnel, and permitting DRC personnel access to information and data relating to technical matters (including cost and schedule) concerning this contract to the same degree such access is accorded Government project personnel.

(d) It is expressly understood that the operation of this clause will not be the basis for an equitable adjustment. Modifications, realignment or redirection of the Contractor's technical efforts and/or contract requirements shall be effected only by the written direction of the Contracting Officer.
SECTION J - LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

Attachments

1. Statement of Work for the Ultra High Frequency Demand Assigned Multiple Access (DAMA) 5-Khz Multi-Channel Initial Network Control Station (INCS), dated 95JUN15, 27 pages; (with Atch 1, 4 pages; Atch 2, 8 pages; Atch 3, 4 pages; Atch 4, 7 pages; Atch 5, 7 pages; and Atch 6, 2 pages).

2. System Specification for the Initial Network Control Station (INCS) of the Ultra High Frequency Demand Assigned Multiple Access Satellite Communications Systems, dated 95MAY19, 57 pages; with Appendix A, 59 pages; and Appendix B, 49 pages.

3. Multi-Channel Initial Network Control Station (INCS) Award Fee Plan, dated 95SEP22, 15 pages.


5. Labor Category and Labor Rates Re: CLIN 0005AA, dated 95SEP29, 1 page.


Exhibits

A. Contract Data Requirements List (CDRL), DD Form 1423, dated 95SEP27, 44 pages.

B. RESERVED

C. Contract Data Requirements List (CDRL), DD Form 1423, dated 95SEP27, 3 pages.
<table>
<thead>
<tr>
<th>1. CONTRACT ID CODE</th>
<th>PAGE OF PAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**2. AMENDMENT/MODIFICATION NO.**
<table>
<thead>
<tr>
<th>3. EFFECTIVE DATE</th>
<th>4. REQUISITION/ORDER NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>000012</td>
<td>MAR 18 1996</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. PROJECT NO. IF APPLICABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>N00039-94-MD-2A02.13/14</td>
</tr>
</tbody>
</table>

**6. ISSUED BY**
<table>
<thead>
<tr>
<th>CODE N00039</th>
</tr>
</thead>
<tbody>
<tr>
<td>T. ADMINISTERED BY (If other than Item 6)</td>
</tr>
<tr>
<td>CODE S05514A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of the Navy</th>
</tr>
</thead>
<tbody>
<tr>
<td>DCMAO San Diego</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>77 and Naval Warfare Systems Command</th>
</tr>
</thead>
<tbody>
<tr>
<td>7675 Daggett St., Suite 200</td>
</tr>
</tbody>
</table>

**8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)**

| ViaSat Inc |
| Carlsbad, CA 92009-1585 |

**9. AMENDMENT OF SOLICITATION NO.**
| 47158 |
| FACILITY CODE |

<table>
<thead>
<tr>
<th>10. MODIFICATION OF CONTRACT/ORDER NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>N00039-94-C-0032</td>
</tr>
</tbody>
</table>

**10. DATED (SEE ITEM 11)**
| 29 Sep 93 |

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

---

**12. ACCOUNTING AND APPROPRIATION DATA (If required)**

See attached Financial Accounting Data Sheet

---

**13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

---

**14. DESCRIPTION OF AMENDMENT/MODIFICATION**

(Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

See attached.

---

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.
The purpose of this modification to Contract N00039-94-C-0092 is to reallocate CLIN 0001, 0002, and 0009 funds in accordance with modification P00011 and to deobligate $60,177 in funds previously allotted to CLIN 0009.

1. Modification P00011 to the above contract combined CLINs 0009 and 0002; the latter in turn was listed as NSP and was included in the CLIN 0001 amount as shown by that modification's "Allotment of Funds" summary. However, this allocation is not reflected in the financial accounting data sheet provided by that modification or by any previous funding action. Therefore, in order to correctly reflect the NSP status of CLIN 0002, and to equate the P00011 funding summary with the financial accounting data sheet totals, funds in the amount of $340,000 are hereby deobligated from CLIN 0002 and obligated to CLIN 0001 as shown by Attachment "A" hereto. This change results in no change to the total amount of the contract.

2. The $60,177 in funds deobligated by this modification were replaced by funds obligated to CLIN 0001 by P00011. Therefore, the $60,177 deobligated from CLIN 0009 as shown on Attachment "B" hereto is not matched by an equal increase, as is the case for CLIN 0002. The total amount allotted to CLIN 0001 is thus reduced by the $60,177 deobligated from CLIN 0009, and is done so in accordance with the "Allotment of Funds" paragraph as stated below:

**ALLOTMENT OF FUNDS (applicable to CLIN 0001)**

(i) The amount available for payment, allotted to cost, fee, and cost growth for this fully funded line item is hereby decreased by $60,177 from $5,940,392 to $5,880,215.

The funded cost and fixed fee amounts are reflected below:

<table>
<thead>
<tr>
<th>Item</th>
<th>Prior Funding</th>
<th>Funding This Mod</th>
<th>Total Funding to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>$4,681,392</td>
<td>$ (55,335)</td>
<td>$4,626,057</td>
</tr>
<tr>
<td>Fixed Fee</td>
<td>$ 397,352</td>
<td>$ 4,842)</td>
<td>$392,510</td>
</tr>
<tr>
<td>Cost Growth</td>
<td>$ 861,648</td>
<td>$ 0</td>
<td>$861,648</td>
</tr>
<tr>
<td>--------------</td>
<td>---------------</td>
<td>------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td></td>
<td>$5,940,392</td>
<td>$ (60,177)</td>
<td>$5,880,215</td>
</tr>
</tbody>
</table>

3. For informational purposes, a summary of the financial accounting sheet reallocation:

<table>
<thead>
<tr>
<th>From</th>
<th>By</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLIN 0001</td>
<td>$ 5,540,215</td>
<td>$ 340,000</td>
</tr>
<tr>
<td>CLIN 0002</td>
<td>$ 340,000</td>
<td>($ 340,000)</td>
</tr>
<tr>
<td>CLIN 0009</td>
<td>$ 60,177</td>
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4. As a result of these changes, the total contract amount is decreased by $60,177 from $6,277,192 to $6,217,015.

5. Except as provided herein, all other terms and conditions of contract N00039-94-C-0092 remain unchanged and in full force and effect.

Total: $5,940,392 ($60,177) $5,880,215
5

| D | PACKAGING AND MARKING | 4 | PART IV - REPRESENTATIONS AND INSTRUCTIONS |
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CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. /K/ CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 2 copies to issuing office.)
Contractor agrees to furnish and deliver all items or perform all services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)

18. / / AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.

| 19A. NAME AND TITLE OF SIGNER (Type or print) | 20A. NAME OF CONTRACTING OFFICER |
| Gregory D. Monahan | F. Janilea Bays |
| V.P. Administration & General Counsel | CONTRACTING OFFICER |

| 19B. NAME OF CONTRACTOR | 19C. DATE SIGNED | 20B. UNITED STATES OF AMERICA | 20C. DATE SIGNED |
| ______________________ | ________ | ______________________ | ________ |
| 6120 PASEO DEL NORTE, SUITE J2 | 9/23/93 | WASHINGTON NAVY YARD | 9/27/93 |
| INFORMATION TECHNOLOGY ACQUISITION CENTER | CONTRACT DIRECTORATE, CODE 02328 |
| DEPARTMENT OF NAVY | Washington, D.C. 20374-5070 |
| CODE 021A | |

| 10A. MODIFICATION OF CONTRACT/ORDER NO. | 9A. AMENDMENT OF SOLICITATION NO. |
| ______________________ | ________ |
| VISATI, INC. | 29 SEPTEMBER 1993 |
| 4120 PASEO DEL NORTE, SUITE J2 | |
| CARLSBAD, CA 92009-1118 | |

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

/ / The above numbered solicitation is amended as set forth in Item 14.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:
(a) By completing Items 8 and 15, and returning copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. Failure of your acknowledgement to be received at the place designated for the receipt of offers prior to the hour and date specified may result in rejection of your offer. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)
13. **THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS.**

IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

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A. **THIS CHANGE ORDER IS ISSUED PURSUANT TO:** (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).

C. **THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:**

D. **OTHER (Specify type of modification and authority)**

**LIMITATION OF FUNDS CLAUSE**

E. IMPORTANT: Contractor /X/ is not, / / is required to sign this document and return ________ copies to the issuing office.

14. **DESCRIPTION OF AMENDMENT/MODIFICATION** (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

1. The purpose of this modification is to:
   a. add to Block 14 of the SF 26 the following Document number: DO# N0003993RCDA019;
   b. identify incremental funding in the amount of $441,000.00 for CLIN 0001;  
   c. and insert page 3a in Section B which contains Paragraph 84., Allotment of funds.

2. **EXCEPT AS PROVIDED HEREIN, ALL OTHER ITEMS AND CONDITIONS OF CONTRACT N66032-93-C-0025 REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.**

**EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE DOCUMENT REFERENCED IN ITEM 9A OR 10A, AS HERETOFORE CHANGED, REMAINS UNCHANGED AND IN FULL FORCE AND EFFECT.**

15A. NAME AND TITLE OF SIGNER (Type or print)  | 15A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)  
| LYNDA J. BOLCS,  |  
| CONTRACTING OFFICER  |  

15B. CONTRACTOR/OFFEROR  | 15C. DATE SIGNED
|  |   |
|  |   |
|  |   |

(Signature of person authorized to sign)  |  (Signature of Contracting Officer)  |
|  |   |
|  |   |

16A. **UNITED STATES OF AMERICA**  | 16C. DATE SIGNED  
|  |   |
|  |   |
|  |   |

14 Oct 93
CONTRACT DOCUMENTS

1. Definitions & Interpretation
   (a) In the Contract, words and expressions used as defined terms shall have the meanings assigned to them in the Conditions of Contract.
   (b) A reference in the Contract to a document listed under Clause 2 hereof shall be a reference to the document contained in the corresponding Annex.
   (c) Headings are for convenience only and do not affect interpretation. The rules of interpretation set out in the Conditions of Contract apply throughout the Contract unless the context requires otherwise.

2. Contract Documents
   ----------------------
   The Contract shall consist of this Agreement and the following Annexes:
   Annex 1  Conditions of Contract
   Annex 2  Product and Price Schedule
   Annex 3  Delivery and Payment Schedule
   Annex 4  Scope of Works
   Annex 5  Technical Specifications
   Annex 7  Test Plan (including Test Procedures)
   Annex 8  Contractor Quality Management System
   Annex 9  Further Purchase Product and Price Schedule
   Annex 10  Further Purchase Delivery and Payment Schedule
   Annex 11  Form of Performance Bond
   Annex 12  Form of Letter of Credit
   Annex 13  List of terms for letter of credit for Further Purchases
   Annex 14  List of Replacement Parts

3. Hierarchy of Documents
   ------------------------
In case of inconsistencies between the terms of any document forming part of the Contract the inconsistency shall be resolved in the following order or priority.

(a) First, this Agreement.

(b) Second, each of the Annexes in the order they are attached to this Agreement.

4. Proper Law

This Agreement shall be governed by English law. The parties submit to the non-exclusive jurisdiction of courts exercising jurisdiction there.

Signed by

/s/ for and on behalf of HUTCHISON CORPORATE ACCESS (HK) LIMITED

/s/ for and on behalf of VIASAT, INC.

Annex 1

CONCLUSIONS OF CONTRACT
for PROCUREMENT, INSTALLATION AND COMMISSIONING
of THE HCA TELECOMMUNICATIONS NETWORK

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1. DEFINITIONS

1.1 Where the context permits, the following expressions shall have the following meanings:

"Agreement": the agreement between the Purchaser and the Contractor, to which these Conditions are annexed;

"Annexes": the annexes to the Agreement specified in Clause 2 of the Agreement;

"Business Day": a day on which banks are open for general banking business in Hong Kong;

"Component": any distinct item or part of any Equipment;

"Condition": a provision in these Conditions of Contract;

"Contract": the agreement between the Purchaser and the Contractor incorporating the Agreement and the Annexes as amended by any Contract Amendment;

"Contract Amendment": a document by which changes to any part of the Contract are made pursuant to Condition 17;

"Contract Price": the price payable by the Purchaser to the Contractor under the Contract for the full and proper performance and execution by the Contractor of the Works other than Works relating to Further Purchases and New Products.

"Contractor Documentation": the Documentation required by the Scope of Works to be provided by the Contractor to the Purchaser and such other Documentation to be provided by the Contractor as may be agreed by the parties in writing;

"Date of Contract": the last date of signature of the Agreement by both parties;
"Delivery and Payment Schedules": Annex 3 and Annex 10 (but in the latter case only to the extent that the Purchaser exercises the right of Further Purchase);

"Design Review": the process by which the Purchaser reviews and approves the Designs required by the Contract to be approved by the Purchaser, such reviews to be conducted in accordance with Condition 4 and the Scope of Works;

"Design Review Certificate": a certificate given by the Purchaser to the Contractor in accordance with Condition 4;

"Design Review Meetings": meetings held for the purpose of approving Designs, agreeing on Tests and Contract Amendments and other matters as further described in the Scope of Works;

"Designs": the design of the intended facilities, functions and capabilities of the Network as set forth in the Technical Specifications;

"Documentation": plans, manuals, charts, designs, diagrams, drawings, specification, information, documents and data whether in written, computer storage or other computer generated form;

"Equipment":
(a) hardware to be supplied by the Contractor in accordance with Annex 2 (and, to the extent that the Purchaser exercises its right of Further Purchase from time to time, any hardware comprised within Further Purchase Products to be supplied by the Contractor); and
(b) any Software forming a part of, or to be used on any such hardware (and includes without limitation, firmware);

"Factory Acceptance Test Certificate": the certificate in respect of the satisfactory completion of the Factory Acceptance given by the Purchaser to the Contractor in accordance with Condition 4;

"Factory Acceptance Tests": the factory tests required to be conducted on each Phase as set out or to be set out in the Test Plan, Test Procedures and Scope of Works;

"Force Majeure": any circumstances which (despite prudent management and operation) are beyond the control of the party affected and which prevents that party from fulfilling its obligations under the Contract in a timely manner, including any act of God, fire, flood, war, sabotage, government or non-government embargo causing export and import delay or prohibiting export and import, strikes and labour disputes affecting the State of California in the United States generally but specifically excluding failures or delays of either party arising out of (i) any failure or delay on the part of any supplier or subcontractor engaged by such party which itself is not caused by Force Majeure, (ii) shortages of fuel, supplies or services which itself is not caused by Force Majeure (iii) for the avoidance of doubt, strikes and labour disputes which only affects the Contractor;

"Further Purchase": the option granted to the Purchaser to acquire all or part of the Further Purchase Products in accordance with Condition 16;

"Further Purchase Products": all or part of the Equipment set out in Annex 9 in respect of which the Purchaser may exercise the right of Further Purchase;

"Intellectual Property Rights": patents, trademarks, service marks, trade names, registered designs, designs, copyrights and other forms of
intellectual or industrial property (in each case in any part of the world and whether or not registered or registrable and for the full period thereof and all extensions and renewals thereof and applications for registration of or otherwise in connection with the foregoing), know-how, inventions, formulae, confidential or secret processes, trade secrets and confidential information, and any other protected rights and assets, and any licences and permissions in connection therewith;

"Letter of Credit": the letter of credit securing the payment of the Contract Price by the Purchaser as specified in Condition 25, in the form set out in Annex 12 or such other form as may be approved by the Contractor;

"Milestones": such approval not to be unreasonably withheld the achievement of certain performance targets or the completion of certain tasks by the relevant Milestone Date as set out in the Delivery and Payment Schedule;

"Milestone Date": in respect of each Milestone, the date specified in the Delivery & Payment Schedule as the date by which certain tasks must be completed or certain performance targets achieved or such other date as provided for in the Contract including but not limited to the date following from extension(s) granted under Condition 19.1. For the avoidance of doubt, for the purpose of liquidated damages and termination for delay, a milestone shall be deemed to have been completed when the required tasks are completed or when required performance targets are achieved notwithstanding that the Purchaser may not have issued a certificate signifying completion.

"Milestone Payment": the payment due upon achievement of a Milestone, subject to the terms of the Contract in accordance with Annex 3 or Annex 10;

"Network": the telecommunication network the Components of which are listed in Annex 2 (and, to the extent that the Purchaser exercises the right of Further Purchase, any Components comprised within Further Purchase Products) and described in the Scope of Works and Technical Specifications;

"Network Terminal": such terminal as defined in the Scope of Works;

"Performance Bond": a bond securing the performance by the Contractor of the Contract as specified in Condition 13, in the form set out in Annex 11 or such other form as may be approved by the Purchaser;

"Performance Periods": such periods as specified in the Scope of Works;

"Price Schedules": means Annex 2 and Annex 9 (but in the latter case only to the extent that the Purchaser exercises the right of Further Purchase);

"PSTN": any public switched telephone network to be connected to the Network;

"Ready for Service": with respect to the relevant Equipment means its being properly installed and ready for commercial use;

"Phase 1, Phase 2 and Phase 3": all deliverables listed in Annex 2 and respectively referred to as such in the Technical Specifications and the Scope of Works and "Phase" means any of them;

"Replacement Part": any equipment supplied to the Purchaser by the Contractor in the course of Contractor complying with its obligations to repair, correct or replace any Equipment under Condition 9 and any such equipment referred to in the Scope of Works as "spares" or "parts";

"Services": all services to be provided by the Contractor to the Purchaser under the Contract;

"Site": the location at which a part of the Network is or is to be installed;
"Software": an item of Equipment comprising of computer programming (not including Source Code), computer software and related data, to be provided or provided by the Contractor under the Contract in whatever form whether as floppy or hard disks, cartridges, magnetic tapes, semiconductor chips or otherwise) or however designated (whether as firmware, microcode or otherwise) and includes all changes, additions, revisions, replacements, manuals and documentation which may be provided, including but not limited to Starwire NCS owned by the Contractor;

"Source Code": the source codes for all Software to be provided to the Purchaser under the Contract;

"Sub-Contractor": any sub-contractors or agents contracted by the Contractor to carry out any of the Works any part of the sub-assembly of the Equipment, notified by the Contractor in accordance with the Scope of Works (for avoidance of doubt, excluding any manufacturers of component parts);

"Subscriber": any end user of a Network Terminal;

"System Acceptance Certificates": the certificates in respect of the compliance and performance of each Phase to be given by the Purchaser to the Contractor in accordance with Conditions 6 and 7;

"System Acceptance Date": the date on which the Purchaser grants the System Acceptance Certificate with respect to each Phase to the Contractor;

"System Acceptance Tests": the tests required by the Contract to be conducted to demonstrate that each Phase is Ready for Service as set out in the Test Plan;

"Term of the Contract": means the period commencing on the Date of Contract and ending on the date which is ten (10) years after the date on which the System Acceptance Test Certificate is granted in respect of Phase 3;

"Test Procedures": means the detailed description of the testing techniques, methods, instrumentation, test configuration, test results to be achieved and the test results record format pursuant to the requirements expressed in the Test Plan and to be agreed by the parties in accordance with the Scope of Works;

"Tests": the Factory Acceptance Tests, System Acceptance Tests, and any other tests required under the Contract;

"Warranties": means the warranties of the Contractor under Condition 9;

"Works": all work which the Contractor is or may be required to execute, provide, deliver or procure under the Contract in order to deliver the Equipment, and provide the Services.

1.2 A reference in the Contract to an Act of Parliament or to any regulation, ordinance, code or other statutory instrument or to any section or provision thereof shall be read as if the words "or any other statutory provision having the like or similar effect or dealing with the like or similar subject matter" were added to such reference, and such references shall include any statute or statutory provision which amends or replaces, or has amended or replaced it, and shall include any sub-ordinate legislation made under the relevant statute.

1.3 References in the Contract to writing shall include typewriting, printing, lithography, photography, telefax, facsimile and telex messages and any mode of reproducing words in a legible and non-transitory form.

1.4 In the Contract, words importing the singular include the plural and vice versa, words importing a gender include every gender and
1.5 Headings in these Conditions are for convenience only and shall not affect the construction of the Contract.

2. SCOPE OF CONTRACT

2.1 The Contractor shall provide the Network and deliver the Services in accordance with the Contract on a turnkey basis. The Contractor assumes complete responsibility for the design, manufacture, delivery, installation and commissioning of the Equipment, identified in Annex 2 and the Scope of Works as equipment to be installed by the Contractor. The Contractor assumes complete responsibility for the manufacture and delivery to the designated carrier for all other Equipment.

3. CONTRACT PRICE

The Contract Price is specified in Annex 2. Subject to adjustments expressly provided for in the Contract, the Contract Price shall be payable in US dollars in the instalments specified in the relevant Delivery and Payment Schedules.

4. DESIGN REVIEWS

4.1 Design Review Certificate

The Purchaser shall issue a Design Review Certificate only when the Designs and Contractor Documentation which are the subject of the relevant Design Reviews are complete and comply fully with the Scope of Works, the Implementation Plan, the Test Plan and the Technical Specifications.

A Design Review shall be deemed to have been satisfactorily completed if the Purchaser does not reject the relevant designs and Contractor Documentation with a reasonably detailed explanation in writing within 5 Business Days after receipt notice of completion from the Contractor.

4.2 Non-Compliances

If the Designs indicate that there are non-compliances or omissions from the relevant parts of the Scope of Works, Test Plan or Technical Specifications, the Contractor shall remedy to the reasonable satisfaction of the Purchaser any such non-compliances or omissions within fourteen (14) days after receipt by Contractor of written notice of deficiencies from the Purchaser unless otherwise agreed by the Purchaser. Upon such remedy, the Purchaser shall issue the Design Review Certificate.

5. FACTORY ACCEPTANCE

The Factory Acceptance Tests shall be deemed to have been satisfactorily completed if the Purchaser does not reject the Factory Acceptance Tests with a reasonably detailed explanation in writing within 5 Business Days (in respect of Phase 1) and 10 Business Days (in respect of Phase 2 and Phase 3) after receipt of test reports from the Contractor.

The Purchaser shall issue a Factory Acceptance Certificate with respect to each Phase only when:

(a) the relevant Phase has passed the requisite Factory Acceptance Tests; and

(b) the deficiencies or omissions listed on the list attached to the Design Review Certificate (if any) have been corrected.

6. SYSTEM ACCEPTANCE WITH RESPECT TO PHASE 1 AND PHASE 2

6.1 Certificates

Except as provided herein, the Purchaser shall issue a System Acceptance Certificate with respect to each of Phase 1 and Phase 2.
when the relevant System Acceptance Tests and the relevant Performance Period are successfully completed and all defects or deficiencies (if any) listed in the attachment to the relevant Factory Acceptance Certificate have been corrected.

If the System Acceptance Tests or the Performance Period demonstrate that there are minor non-compliances, defects or deficiencies in any of the Equipment but that the Equipment is otherwise Ready for Service and:

(a) such outstanding minor non-compliances or defects or deficiencies will not affect operational service or performance of the Equipment in any material way; and

(b) correction of the defects or deficiencies will not require down time to the Network outside the Purchaser's normal down time periods;

then the Purchaser shall instead of rejecting the Equipment, grant the relevant System Acceptance Certificate. A list of the non-compliances, defects or deficiencies which are outstanding shall be attached by the Purchaser to the System Acceptance Certificate. The Contractor shall use its best efforts to minimize disruption to any commercial use of the Equipment.

6.2 Serious Defects or Deficiencies

If the System Acceptance Tests are not successfully completed due to a serious defect or deficiency in Phase 1 or Phase 2 (as the case may be) the Purchaser shall not be required to grant the relevant System Acceptance Certificate. The Contractor shall investigate the reasons for such failure and may run or re-run the applicable Tests for such purpose. The Contractor shall discuss and agree with the Purchaser the nature of such defects or deficiencies or non-compliances and shall agree the steps required to be taken to rectify such defects or deficiencies or non-compliances. The Contractor shall take such steps without cost to the Purchaser. The Contractor shall then re-submit the said Equipment to the relevant Tests, giving to the Purchaser at least three days notice of such further Tests. If any of the Equipment still does not so comply, the Contractor shall repeat and continue to repeat the steps set out in this Condition 6.2 until the relevant Equipment passes the relevant Test, Ready for Services and completes the Performance Period.

6.3 The relevant System Acceptance Tests shall be deemed to have been satisfactorily completed if the Purchaser does not reject in writing the relevant System Acceptance Test and or correction of deficiencies within 5 Business Days (in respect of Phase 1) and 10 Business Days (in respect of Phase 2 and Phase 3) after the receipt of test reports from the Contractor or completion of corrections.

7. SYSTEM ACCEPTANCE WITH RESPECT TO PHASE 3

7.1 Requirements

The Purchaser shall issue System Acceptance Certificate with respect to Phase 3 only when:

(a) Phase 3 System Acceptance Tests has been completed; and

(b) all defects or deficiencies identified pursuant to Condition 6 have been corrected.

The Purchaser may require the Contractor to conduct the Tests in its
7.2 The System Acceptance Tests shall be deemed to have been satisfactorily completed if the Purchaser does not reject the relevant System Acceptance Tests with a reasonably detailed explanation in writing within 10 Business Days after receipt of the relevant test reports from the Contractor.

8. DELAY IN TESTS

If the Purchaser's representative attends a Test at the time agreed for that Test and the Test is delayed through reasons within the Contractor's control or the control of any Sub-Contractor or should any Designs not pass the relevant Test, then the additional costs for travel, lodging and meals which are reasonably incurred by the Purchaser by reason of the delay or of any further visits required to attend deferred or repeated inspections, measurements or tests shall be met by the Contractor, and may be deducted by the Purchaser from any money that may become due to the Contractor under the Contract.

9. CONTRACTOR'S WARRANTIES AND UNDERTAKINGS

9.1 Definitions. In this Condition the following definitions apply.

"Design Defect" means a failure of the Equipment or a Component due to a defect in design (other than a Network Loading Defect) to meet any of the requirements of the Technical Specifications.

"Equipment Defect": means a failure of the Equipment or a Component other than a Design Defect or a Network Loading Defect, whether caused by a defect in material, workmanship or a random component failure, which results in a failure to meet any of the requirements of the Technical Specifications.

"Network Loading Defect": means a failure of the Equipment or a Component due to defect in design, to meet any of the requirements in respect of the loading capacity of the Network set out in the Technical Specifications.

"Warranty Period" means:

a) in respect of Equipment Defect, the period commencing on the later of the System Acceptance Date for Phase 3 and the shipment date of the relevant Equipment and ending on the date two years thereafter;

b) in respect of Design Defects, the period commencing on the System Acceptance Date for Phase 3 and ending on the day 2 years thereafter;

c) in respect of Network Loading Defects, the period commencing on the System Acceptance Date for Phase 3 and ending on the last day of the Term of the Contract.

9.2 Warranties

9.2.1 Equipment Defect Warranty

The Contractor warrants that the Equipment shall be free from Equipment Defects during the Warranty Period.

9.2.2 Equipment Defect Rectification Service

During the Warranty Period, and for Equipment Defects notified before the expiry of the Warranty Period, the Contractor shall repair or replace the defective Component or Equipment according to the terms of this Condition 9.
9.2.3 Design Defect Warranty

The Contractor warrants that the Equipment shall be free from Design Defects for the Warranty Period.

9.2.4 Design Defect Rectification Service

During the Warranty Period and for Design Defects notified before the expiry of the Warranty Period, the Contractor shall rectify the Design Defect according to the terms of this Condition 9.

9.2.5 NETWORK LOADING DEFECT WARRANTY

The Contractor warrants that the Equipment shall be free from Network Loading Defect during the Warranty Period.

9.2.6 NETWORK LOADING DEFECT RECTIFICATION SERVICE

During the Warranty Period and for Network Loading Defects notified before the expiry of the Warranty Period, the Contractor shall rectify the Network Loading Defects according to the terms of this Condition 9.

9.2.7 WARRANTY REPAIR, REPLACEMENT OR RECTIFICATION

The Contractor shall provide rectification services for Equipment Defects, Design Defects or Network Loading Defects as the case may be, within 28 days of:

a) receipt of the defective Equipment or Component at the Contractor's facilities, carriage prepaid by the Purchaser;

b) receipt of notification of Software defects; or

c) notification of the defects if the relevant Service is to be provided on Site pursuant to Condition 9.2.6.

If the Purchaser reasonably requires the rectification services on an urgent basis, the Contractor shall use its best endeavours to provide such services immediately on the Purchaser giving notice that it requires such services. The Purchaser shall dispatch any hardware component returned to the Contractor by carriage pre-paid to the Contractor's facilities and the Replacement parts supplied by the Contractor shall be dispatched carriage pre-paid by the Contractor to the destination specified by the Purchaser.

In respect of Software defects, the Contractor shall to the extent possible, provide remote diagnosis of the defects and downline load changes to the Software or the replacement Software onto the Network. If the correction of any Software defect requires visits to the relevant site, the Contractor shall make that visits in accordance with Condition 9.2.8. In all instances of Software repair, the Contractor shall provide support to cutover the changes to or the replacement version of the relevant Software. The Contractor shall also follow proper Software control procedures as required by its internal control plan to document the changes to and/or the replacement version.

The warranties contained in this Condition 9 shall not apply to any Equipment or Components thereof that (a) has had the Serial Number, Model Number, or other identification markings altered, removed or rendered illegible, (b) has been damaged by or subject to improper installation or operation, misuse, neglect, use in any way with equipment not previously approved in writing by the Contractor, (c) has been repaired or altered by other than the Contractor personnel and/or
9.2.8 SITE VISITS AND INVESTIGATIONS

During the Term of the Contract, the Contractor shall visit each Site for investigations and repairs in accordance with Clauses 9.2 and 9.3 of the Scope of Works.

9.2.9 PURCHASER'S RIGHTS

If the Contractor fails to effect a remedy in accordance with Condition 9.2.7 or 9.2.8, the Purchaser may do so at the reasonable expense of the Contractor and the Purchaser may contract with a third party to effect that remedy. Any such emergency repair of any Equipment or Component by the Purchaser's staff will not invalidate the Contractor's obligations under this Condition, except to the extent the Purchaser damages the Equipment or Component as a result of that repair or that the repair is improper (including installation of defective Replacement Parts).

9.2.10 REPLACEMENT PARTS

The Contractor warrants and undertakes to and with the Purchaser that any Replacement Parts provided to the Purchaser shall be warranted in the same terms as set out in this Condition 9 for the balance of the Warranty Period.

Upon supply of a hardware Replacement Part, the item of the Equipment that is replaced shall automatically become the property of the Contractor and the Replacement Part shall become the property of the Purchaser.

The Purchaser shall be responsible for installing Replacement Parts except that the Contractor shall install a Replacement Part if the relevant defect is discovered as a result of a visit to the Site by the Contractor.

Annex 1

If a Replacement Part relates to Equipment produced by third parties and listed in Annex 2 as items 1.2, 2.8 and 3.4 and in Annex 9 as item 6 and needs to be paid for by the Contractor due to limitations of the relevant third party warranty that result in costs to the Contractor, in purchasing the Replacement Part from the third party supplier, the Purchaser shall reimburse the Contractor for the costs of that Replacement Part within 7 Business Days after receiving from the Contractor a copy of the invoice of the third party supplier.

9.2.11 Repair or Replacement

The decision as to whether any hardware Component shall be repaired or corrected (on the one hand) or replaced (on the other hand) by the Contractor shall be made by the Contractor unless the same defect occurs more than 3 times and the Contractor has not been able to verify the existence of the failure with respect to the first Design Defect or Equipment Defect affecting the Component concerned. Thereafter, the decision with respect to that Component shall be made by the Purchaser.

9.2.12 Written Description/Report

All defective Equipment or Components shipped by the Purchaser to the Contractor will be accompanied by a written description of the fault. All repaired Equipment or Components delivered to the Purchaser will be accompanied by a written report specifying the fault and the corrective action taken.

9.3 Specific Warranties

Without prejudice to any other provision of this Condition, the Contractor warrants and undertakes to and with the Purchaser that:
(a) the Contractor will own all Equipment provided or sold to the Purchaser hereunder and that the Purchaser will acquire from the Contractor good title to all Equipment at the time when the Contractor has agreed to transfer title to the Purchaser, free and clear of all mortgages, charges, liens, encumbrances or third party interests, excluding title and ownership to the underlying intellectual property of the Contractor;

(b) each Component and Equipment will be compatible and integrate with every other Component referred to in Annex 2 and Annex 9, in accordance with the Technical Specifications;

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ANNEX 1

(c) the Equipment and each Component comply with applicable U.S. Health and Safety Laws and Regulations when properly used;

(d) It has and will carry out its obligations under the Contract promptly and with all due care and skill and has procured and will procure that any Sub-contractor employed by it shall apply the same level of promptness, care and skill;

(e) all Equipment supplied under the Contract will be new, other than Replacement Parts and Equipment repaired under this Condition and returned to the Purchaser;

(f) all Services will be performed in a professional and workmanlike manner.

9.4 Licenses

The Purchaser shall be responsible for all import licenses and customs clearance for repaired or replaced Equipment Components provided by the Contractor hereunder. The Contractor shall be responsible for any U.S. export licenses that may be required for repaired or replaced Equipment or Components provided by the Contractor hereunder.

9.5 Ad Hoc Equipment Defect Repair Service

In relation to Equipment for which the relevant Warranty Period has expired and in relation to defects which are not Design Defects or Equipment Defects, the Contractor shall provide a service substantially similar to the Equipment Defect Repair Service on an ad hoc basis at the Contractor's then prevailing charges and applicable conditions. The Purchaser shall pay for such charges plus shipping, customs, import duties, handling and transportation and other costs, taxes and levies related to the transactions.

9.6 Availability of Replacement Parts

The Contractor shall have available Replacement Parts and facilities to enable it to repair, correct or replace each Component for the Term of the Contract. Further, the Contractor shall have the items of Replacement Parts identified in Annex 14 available immediately following request for replacement in Singapore and Hong Kong.

9.7 Contractor's Disclaimer

The warranties provided in this Condition constitute Contractor's liability for established defective or non conforming Equipment and shall constitute the Purchaser's exclusive remedies therefor. These
warranties are in lieu of all other warranties expressed or implied or statutory, including but not limited to, implied warranties of merchantability or fitness for a particular purpose.

9.8 Software Maintenance After Warranty Period

Any time after the end of the Design Warranty period, the Purchaser may require the Contractor to provide Software maintenance support. The service will be provided by the Contractor for a twelve month period upon payment of the fee specified in Annex 9 and shall include but not limited to the following services:

(a) Corrections of defects in the Purchaser's current version of Software so that the Software will operate as required in the Technical Specifications.

(b) Periodic updates of the Software that may incorporate (i) corrections of any substantial defects as may be identified by Purchaser, the Contractor or other customers of the Contractor, (ii) fixes of any bugs defects as may be identified by Purchaser, the Contractor or other customers of the Contractor, and (iii) at the sole discretion of the Contractor, enhancements to the Software.

(c) Maintenance of the Contractor's facilities of a test version, including a test data base, for the most recent version of the Purchaser's Software.

(d) Costs of labour for all on-site support.

The service does not cover:

1. Enhancements or upgrades that are offered by the Contractor in accordance with Annexes 9 and 10 of the Contract.

2. Custom programming services.

3. Reasonably incurred travelling and living expenses for on-site support.

4. Hardware and related supplies.

These excluded services shall be available to the Purchaser upon request and subject to a separate price, as will be provided by the Contractor upon request from the Purchaser.

In the event that the Purchaser discontinues and then desires to resume these Software Maintenance support services, the Purchaser shall be required to pay the total maintenance fees for the discontinued period plus the required fee set out in Annex 9 for such services for a period of twelve months prior to commencement of services.

For the avoidance of doubt, any defect notified prior to expiration of the relevant Warranty Period shall be rectified under the terms of the relevant Warranty set out in this Condition 9 and not under Condition 9.8.

10. LOCAL FACILITIES AND SERVICES/COMPLIANCE WITH LOCAL LAWS/LICENCES, APPROVALS AND PERMITS

10.1 Responsibility of Contractor

For the avoidance of doubt, the Contractor shall be responsible at its own cost for the following:

(a) all locally engaged skilled and unskilled personnel required for the delivery, installation and commissioning (as the case may be) of any Components or any of the Equipment, including without limitation,
electricians, wiremen, labourers, tradesman, artisans and translators;

(b) any work and/or entry permits, licences, visas, etc. necessary for personnel employed or temporarily engaged by the Contractor (and provided that the Purchaser shall render assistance reasonably requested by the Contractor in relation to such permits, licences and visas);

(c) customs and/or excise duties on tools and personal effects of the Contractor's personnel;

(d) medical facilities as may be necessary; and

(e) telephone calls, telegrams and telex messages.

10.2 Taxes etc.

The Purchaser shall not be responsible for any tax assessed on wages paid to the Contractor's personnel or the personnel of any Sub-Contractor.

11. TERMS OF PAYMENT

11.1 General

11.1.1 Contract Price

The Purchaser shall pay the Contract Price to the Contractor in the instalments specified in Annex 3, Delivery and Payment Schedule by two methods: 1) a down payment made via wire transfer to the account specified in Condition 11.6 within 30 days of the execution date of this Contract, and 2) remaining payments to be made in accordance with the provisions of the Contract and the Letter of Credit.

11.1.2 Further Purchase

The Purchaser shall pay the prices determined under Condition 16 for Further Purchase Products acquired by the Purchaser in accordance with Annex 10, Further Purchase Delivery and Payment Schedules, as follows:

1. For purchases less than US $100,000 payment shall be made via wire transfer to the bank account specified in Condition 11.6 within thirty (30) Business Days after shipment and receipt of the appropriate invoice from the Contractor, provided that outstanding payments due for cash purchases do not exceed US $100,000.

2. For purchases of more than US $100,000 a down payment shall be made via wire transfer to the account specified in Condition 11.6 within fourteen (14) Business Days of receipt of the applicable Purchase Order and the remaining payments to be paid by letter of credit in accordance with Condition 25.3. Alternate payment provisions may be mutually agreed to between the Purchaser and the Contractor for any Further Purchases throughout the Term of the Contract.

11.2 Certificates

In relation to the instalments provided for in the Delivery and Payment Schedule which are subject to the issue by the Purchaser of a certificate, such instalments shall not be required to be paid unless and until the Purchaser has granted to the Contractor the relevant certificate.

11.3 Services
Payment for Services shall be made via wire transfer within thirty (30) days after submission of both the required certificate of completion and an invoice for the Services by the Contractor.

11.4 Payment Requirements

An amount payable by the Purchaser shall only be required to be paid with respect to any Equipment or Service if:

(i) each item of Equipment or Service so delivered or performed is priced in accordance with the Contract;

(ii) where relevant, the applicable Certificate has been issued; and

(iii) in respect of Further Purchases, the Contractor has supplied to the Purchaser shipping and other freight and delivery documents and any other documentation for payment required under letters of credit issued under Condition 25.3.

11.5 Deductions

Any damages, losses, costs, charges and expenses which the Contractor may from time to time be liable under the Conditions of the Contract to pay to the Purchaser by means of Purchaser's election to claim liquidated damages in accordance with Condition 19. or under an arbitral award or any judgement of the Court, may be deducted by the Purchaser from any moneys that may be or become due to the Contractor or, at the option of the Purchaser, (and without limiting the Purchaser's other rights to recover under the Performance Bond) recovered under the Performance Bond. If the moneys so due is more than the aggregate amount then secured by the Performance Bond or the amount due to the Contractor the excess shall be a debt due by the Contractor to the Purchaser and may be recovered by the Purchaser from the Contractor.

11.6 Cash Payments

Payments due via wire transfer shall be made in US Dollars and to the following bank account:

Union Bank
530 "B" Street
San Diego, California, 92101-4407
USA
ACH Coordinator Name Telephone: Sharon L. Slofkosky, 619-230-3761

9-digit Routing Transit Number: 122000496
Depositor Account Title: ViaSat General Account
Depositor Account Number: 4000142622

Any overdue payments shall be subject to a late payment charge of one and one-half (1-1/2%) per month, or the legal maximum, whichever is less, plus reasonable collection charges including legal fees.

12. Customs Duty and Sales Tax

12.1 Purchaser's Liability

Subject to Condition 12.2, the Purchaser shall be liable for all customs duty, import duties, taxes and similar levies payable with respect to the importation of any Equipment into any country into which the Equipment is imported after being shipped by the Contractor.

12.2 Contractor's Liability

The Contractor shall ship Equipment to such country or countries as may be nominated by the Purchaser. Except in relation to Further Purchase
Products, the Contractor shall at the Contractor's own cost provide warehouse facilities for Equipment until shipment.

The Contractor shall be liable with respect to any customs duty, import duties and similar levies and any relevant fines or penalties, payable with respect to or caused as a result of:

(a) the importation of any Equipment into any country not so nominated by the Purchaser;

(b) the re-export of Equipment from any such country; and

(c) the transhipment of Equipment through any country unless directed by the Purchaser.

12.3 Assistance

The Contractor shall use its reasonable efforts to assist the Purchaser in minimising any duties payable, including, without limitation, by arranging for importation of Equipment by or through import agents with whom the Contractor has existing relationships.

12.4 Obligations of the Purchaser and the Contractor

The Purchaser and the Contractor each agree not to export the Equipment directly or indirectly, except in compliance with all applicable U.S. export regulations. The parties will provide mutual assistance as required to comply with the said US export regulations and any necessary approvals, import licences and similar permits and regulations.

The Purchaser, more specifically, agrees that it will not export or re-export, directly or indirectly, Equipment or technical data provided hereunder, nor any product thereof, in any form including, but not limited to software, written, printed, verbal, telephonic, fax or electronic communication, to the countries listed herein to which export is restricted by the United States law or regulations without the prior written consent, if required, of appropriate United States government agencies including the office of Export Administration, Department of Commerce: North Korea, Cuba and Libya. This list may be adjusted by the Contractor from time to time as may be required by United States law and shall be provided to the Customer accordingly.

No product or technical data provided under this Agreement shall be used either directly or indirectly in any nuclear activity nor the design, development, production, stockpiling, transportation or use of nuclear, biological or chemical weapons or missiles nor in any facility engaged in such activities without prior written authorisation from the U.S. Government and the Contractor. This Agreement is conditioned upon the obtaining and the continuing validity of all necessary United States of America governmental approvals including but not limited to export licences and no transaction shall be required by the Purchaser hereunder without such approvals.

The Contractor shall obtain all export licences or approvals required to export the Equipment and deliver it to the Purchaser.

13. PERFORMANCE BOND

13.1 Provisions

The Contractor shall, at its sold cost, provide to the Purchaser the Performance Bond issued by a first class international insurance company or bank approved by the Purchaser. The Contractor shall submit the Performance Bond to the insurance company or bank as aforesaid for processing immediately following the Date of Contract, and shall procure that the Performance Bond is delivered to the Purchaser within 14 Business Days after the Date of Contract. The
Performance Bond shall be in an amount equal to 20% of the full amount of the Contract Price. The required form of the Performance is specified in Annex II.

13.2 Security
The Performance Bond shall secure the Contractor's performance of its obligations under the Contract. It may be applied by the Purchaser in whole or in part, at the Purchaser's sole option, towards satisfying the Purchaser's claims, actions, damages, costs, losses and/or any expenses whatsoever under an arbitral award or any judgement of the Court or under Condition 19 or 23 of the Contract and sustained by the Purchaser in connection with any breach by the Contractor by means of a delay in meeting a Milestone Date. The Purchaser shall not draw down on the Performance Bond for any other purpose. Save as required by law, the Purchaser shall not, however, be precluded from pursuing any other remedies it may have in respect of such breach, provided however, that any amount received by the Purchaser under the Performance Bond shall be deducted from any recovery claimed by the Purchaser in respect of that breach.

13.3 Period
The Performance Bond shall take effect upon and from the Date of Contract. The Performance Bond shall remain valid at least until fourteen (14) Business Days after the System Acceptance Date for Phase 3.

13.4 Assignment
No permitted assignment by the Purchaser of all or part of its rights, benefits or obligations under the Contract shall in any way prejudice the operation of the Performance Bond. The Contractor shall procure that it is a term of the Performance Bond that a permitted assignment by the Purchaser shall not release or otherwise exonerate the issuer of the Performance Bond.

13.5 The Purchaser shall notify the Contractor by facsimile no later than 10 Business Days prior to drawing on the proceeds of the Performance Bond of its intention to draw, the amount to be drawn and the reason for the drawing, and provide the Contractor a reasonable amount of time to cure the defect before completing the drawing.

14. INTELLECTUAL PROPERTY RIGHTS AND ROYALTIES
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14.1 Price Inclusive
The Contract Price shall include all amounts payable (including, without limitation, royalties and license fees) for rights or interests conferred under the Contract in relation to Intellectual Property Rights or in respect of the Equipment or Contractor Documentation.

14.2 Rights of Contractor
All Intellectual Property Rights in the Equipment and Contractor Documentation shall remain vested in the Contractor or its licensors, as the case may be.

14.3 Royalty Free Licence
The Contractor hereby grants to Purchaser a royalty-free, perpetual, non-exclusive, irrevocable, world-wide licence in the Intellectual Property Rights in the Equipment and Contractor Documentation in so
far as necessary to enable the Purchaser only to:

(a) use the Equipment and Contractor Documentation or
distribute to end users in accordance with the Contract; and

(b) duplicate any Contractor Documentation in accordance with
the Scope of Works.

PROVIDED THAT the above license may be revocable at the option of the
Contractor to the extent to which the license relates to Equipment
and related Contractor Documentation upon and from the date upon which
such Equipment is required to be returned to the Contractor upon
termination of the Contract.

Where any license is necessary from a third party to enable the
Contractor to grant the above license to Purchaser, the Contractor
shall obtain such licence from the third party at its own expense.

14.4 Software

Software License

(a) Purchaser's license. The Software is provided to the
Purchaser only in object code form. The Purchaser has no rights
to Source Code or non-executable code except that in the event
Contractor is unable to perform a material Software support obligation
under the Contract due to insolvency the Contractor shall, at the
option of the Purchaser, furnish the Source Code, subject to a royalty
free Source Code license agreement for the sole purpose of continuing
to maintain or to have maintained the Equipment and the Network
without interruption for the period during which Contractor is unable
to perform the said support obligation.

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The Purchaser agrees that it will use the Software only as authorised herein,
that it will not copy or modify the Software, that it will not decompile,
disassemble, translate or reverse engineer the Software, and that it will
retain all proprietary and copyright notices of Contractor and its licensors in
the Software and any copies thereof. The Purchaser agrees to maintain the
Software in confidence and not disclose the Software to third parties except as
permitted herein or to employees who have need to know and to use the Software
only as permitted.

(b) End User Licenses The Purchaser may distribute the Software only
to its authorized end user customers pursuant to end user license agreements
enforceable under applicable laws. Such end user licenses shall include
provisions which prohibit use of the Software other than by authorized users
with the Equipment with which the Software were provided, ensure that the
Contractor has no liability to the licensee and afford protection for the
Contractor's intellectual property rights which are no less protective than
those imposed on the Purchaser under paragraphs (a) and (c) herein.

The Purchaser shall be responsible for ensuring that when local law is applied
to end user licenses, that Contractor and its licensors shall be protected to
the maximum extent permissible by local law.

(c) The licenses hereunder are not a sale of the Software or any rights
thereto and convey no right or interest to the licensee other than a right to
use the Software as provided herein. Copyright to, title in, ownership of, and
all rights associated with the Software shall remain vested in the Contractor
and its licensors.

(d) Nothing herein shall prohibit a licensee from achieving
interoperability of the Software with its operating environment to the extent
the licensee has such right under Articles 5 and 6 of the European Community
Council Software Directive of May 14, 1991. The Contractor shall provide the
Purchaser with reasonable information and assistance to achieve such
interoperability.

(e) The parties acknowledge that third party software may be included as
part of the Software delivered to the Purchaser hereunder and the Purchaser
agrees that it will not unreasonably withhold its approval of any sublicense
terms and conditions that may be required by such third party software
suppliers.

(f) The Control Hubs (as defined in the Scope of Works) utilises Microsoft
Windows NT as its operational software. By acceptance and use of the Control
Hubs as defined in the Scope of Works; the Purchaser agrees to comply with all
of the terms of the Microsoft Windows NT Licensing Agreement (current version
at the time of

acceptance of individual Starwire NCS) including the requirement to
obtain client access licenses if so required under the terms of the
Microsoft Windows NT Licensing Agreement. Furthermore, the Purchaser
agrees to transfer the Microsoft licensing agreement to its sublicensees
and include in all sub-license agreements a provision identical to the
provision stated herein regarding compliance with the Microsoft
licensing agreement. Individual Microsoft licensing agreements shall be
provided by the Contractor with each of the Control Hubs.

(g) The Software licenses granted hereunder to the Purchaser may
only be terminated by the Contractor if the Purchaser has been in breach
of Condition 14.3 or 14.4 and has failed to remedy the default within 90
days of written notice from the Contractor requiring the Purchaser to
remedy the breach. In the event that a sublicensee fails to observe any
term or condition of the sublicense the license to the Purchaser
hereunder shall not be terminated provided that the Purchaser:

(1) takes reasonable steps to enforce the terms and conditions of
the sublicense;

(2) timely notifies Contractor of the sublicensee's breach;

(3) if requested by the Contractor assigns its rights of enforcement
against the sublicensee to Contractor;

(4) pays to the Contractor the applicable price hereunder for each
unauthorised copy of the Software which may be made in
connection with such breach.

Upon termination the Purchaser must immediately return all Software and
copies, in whatever form, to the Contractor. In the event of a breach,
Contractor or its suppliers are entitled to injunctive relief, in
addition to any other remedies available, it being acknowledged that
legal remedies are inadequate. The Purchaser's obligations with respect
to the Software will survive any termination or expiration of the
Contract.

14.5 Software Warranties

In addition to warranties contained in Condition 9, the Contractor
further warrants that:

(a) the Contractor or the supplier to the Contractor of any part
of the Software not owned by the Contractor (as the case may
require) is the beneficial owner of all right, title and
interest in and to the Software and all Intellectual Property
rights

subsisting in and relating to the Software, free and clear of all third
party interests;

(b) the Contractor has the full authority to sub-license any part of the
Software not owned by it to the Purchaser and its permitted assigns,
transferees, operators and lessees of the Equipment in accordance with
and on the terms of the Contract;
(c) the entry into and performance of the licence or the sub-licensing or other assignment or transfer as authorised by the licence will not breach any agreement, understanding or arrangement to which the Contractor or the supplier to the Contractor of any part of the Software is a party;

(d) the sub-licenses of the Software not owned by the Contractor hereunder shall survive any termination of any agreement between the Contractor and suppliers to the Contractor of such Software;

(e) the Contractor has the full right and authority and has obtained all necessary consents required to permit it to deliver the Contractor Documentation relating to the Contractor Licensed Software to the Purchaser;

(f) The License to use, and use of the Software by the Purchaser or any permitted assignee, transferee, operator or lessee in accordance with the licence granted by the Contractor does not, to the Contractor's best knowledge, constitute an infringement or other violation of any copyright, trademark, or patent of any third party;

(g) Neither the Contractor nor any Sub-Contractor are or will be in breach of any agreement, arrangement or understanding with any third party, or with each other, in any way which would constitute a breach of the Contractor's obligations hereunder to the Purchaser, its customers or permitted assigns or users of the Equipment.

The Contractor also represents and warrants to and undertakes with the Purchaser that the foregoing representations and warranties will be true and accurate throughout the continuance of the Contract with reference to the facts and circumstances subsisting from time to time.

14.6 Consents

The Contractor warrants that it has all Intellectual Property Rights necessary to enable the Contractor to meet it obligations under the Contract.

14.7 Firmware

The Contractor warrants that no license, approval or other right to use the firmware embodied in the Equipment is required to be obtained by any user of the Equipment or a Component provided that the end user sublicences are entered into in accordance with Condition 14.4(B).

14.8 Right to Use and Copy Documentation

The copyrights, patents and other intellectual property rights relating to any drawings and specifications and data issued by the Contractor in connection with any Contractor Documentation shall remain the property of the Contractor, but the Purchaser shall be entitled for all reasonable purposes in connection with the Contract to a royalty-free license to use such Contractor Documentation in connection with the Contract subject to Condition 14.3. The Purchaser may make copies of the Contractor Documentation provided that in the case of Contractor Documentation or parts thereof (as applicable) specified as sensitive in the Scope of Works, the Purchaser, its agents, consultants, employees and contractors shall not distribute any copies of such Contractor Documentation outside of their organisations except pursuant to Conditions 27 and 32.2. The Contractor shall not be responsible for any modification or translation of the Contractor Documentation made by the Purchaser without the express prior written consent of the Contractor.
15. TRADEMARKS

15.1 Manufacturer Details

Subject to Condition 15.2 and except as directed by the Purchaser, all Equipment (other than Software) shall bear the manufacturer's nameplate, giving the manufacturer's name, the serial and model number and the date of manufacture, provided that copyright notices on Software shall not be deleted.

15.2 Purchaser Trademarks

If requested by the Purchaser, the Contractor shall manufacture Equipment bearing the trademark, tradenames and/or logo nominated by the Purchaser. The Contractor shall be entitled to reasonable additional compensation in respect thereof.

15.3 Contractor Trade Names

Subject to Condition 15.2, the Contractor may affix its trade name, service marks or trademarks, now owned or hereafter acquired by the Contractor to any of the Equipment. The Purchaser agrees not to apply for registration of any trademarks used by the Contractor from time to time. The Contractor grants the Purchaser a non-exclusive and royalty-free licence to use the Contractor's trademarks solely for the purposes of the Contract during the Term thereof and in a manner pre-approved in writing by the Contractor. The Contractor agrees that the Purchaser may in their publications refer to "ViaSat, Inc" being the supplier of the Equipment. No prior approval from the Contractor is required in connection with such use.

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* CONFIDENTIAL TREATMENT REQUESTED

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17. CONTRACT AMENDMENTS

17.1 Purchaser May Propose

The Purchaser shall have the right at any time to propose amendments to any of the provisions of the Contract or any other instructions or course of action being followed by the Contractor in accordance with the terms of the Contract. The Purchaser shall provide the Contractor with full written particulars of any such amendment proposed by it.

[*] CONFIDENTIAL TREATMENT REQUESTED

17.2 Quotation

Within 7 Business Days of receipt of notice of an amendment given by the Purchaser pursuant to Condition 17.1 and in respect of any amendment proposed by the Contractor, the Contractor shall submit to the Purchaser a full written quotation specifying the form or likely form that the proposed amendment will take, any consequential changes (including but not limited to any change to the Implementation Plan and Milestone Dates) which in the Contractor's reasonable opinion will be required to be made to the Contract, or any work which has come or is due to come into being under it and any additional costs. Upon receipt of such quotation the Purchaser may elect:

(a) to accept such quotation in which case the Contract shall be amended accordingly forthwith by written agreement signed by the Purchaser and the Contractor;

(b) to withdraw its proposed amendment or refuse to accept the amendment proposed by the Contractor in which case the Contract will continue in force unchanged; or

(c) to discuss such quotation with the Contractor and to agree a further or revised quotation, in which case the Contract shall be amended accordingly forthwith by written agreement signed by the Purchaser and the Contractor.

17.3 Defect or Deficiency

For the avoidance of doubt, the cost of any amendments or variations required by reason of any defect or deficiency in any Design or Documentation or any Equipment or Software made or provided by the Contractor shall be borne solely by the Contractor.

17.4 Disposition

If the cost of any Equipment made obsolete or redundant as a result of an amendment made pursuant to Condition 17.2 is included in the
Contractor's quotation, the Purchaser shall have the right to prescribe the manner of disposition of such Equipment or Component and to receive any proceeds arising therefrom and the Contractor shall pay those proceeds as directed by the Purchaser.

18. LIABILITY

18.1 Each party shall be liable for, and shall indemnify the other party and hold the other party harmless against any and all claims, demands, actions, liabilities, losses, costs and expenses whateveryever and howsoever arising under any statute or at common law incurred or suffered by the other party in respect of personal injury to and/or death of any person or in respect of movable and immovable property arising out of its wilful misconduct or negligent act or omission, whether or not in the course of or caused by the performance of the Contract.

18.2 Product Liability

Notwithstanding Conditions 18.1 or any other provision of the Contract, the Contractor shall be liable for and shall indemnify the Purchaser, and hold the Purchaser harmless against, any and all claims, demands, actions, liabilities, losses, costs and expenses for which the Purchaser is required to be responsible at law on a claim by employee, contractor, lessee, customer, permitted assign or third party whateveryever and howsoever arising out of physical injury to person or property caused by the use or operation of any Equipment by the Purchaser, a Subscriber, permitted assign or authorised user to the extent not caused by any wilful misconduct or negligent act or omission of the Purchaser, a Subscriber or any other person (other than the Contractor or its sub-contractor and other than any such act or omission occurring prior to shipment to the Purchaser).

18.3 Acknowledgement by Contractor

Subject to Condition 32.9, the Contractor acknowledges that the operation of all or part of the Equipment may be undertaken by assignees, licensees, or sub-licensees from the Purchaser of all or part of the benefit of the Contract and that all or part of the Equipment may be used by third parties under lease, licence or other similar arrangements from the Purchaser, subject to the terms hereof.

18.4 Insurance

The Contractor shall provide to the Purchaser evidence satisfactory to the Purchaser of the maintenance by the Contractor of sufficient insurance against any liabilities of the Contractor under this Condition 18 and Condition 20. If the Contractor shall fail to effect any insurance required under this Condition 18.4 and Condition 20 or pay any insurance premiums in respect thereof, the Purchaser shall be entitled to effect such insurance or pay such insurance premiums and the Contractor shall repay to the Purchaser on demand all money expended by the purchaser in so doing, together with interest at the rate of one and a half (1-1/2%) per month.

18.5 Efforts to minimise liability

In consideration of the Contractor acceptance the liability provisions of the Contract, the Purchaser agrees to take all necessary steps by contract, notices, warnings or otherwise to minimise the liability of
18.6 Limitation of Liability

Under no circumstances shall the a party be liable for any special, indirect or consequential damages including, but not limited to, loss of profit, loss of use, loss of revenues or damages to business or reputation arising from the performance or non-performance of any aspect of the Contract. In no event shall a party's liability to the other party for any reason exceed an amount equal to two (2) times the Contract Price. Notwithstanding the foregoing either Party shall be entitled to pursue an action for an injunction or to compel specific performance or for other equitable relief.

19. LIQUIDATED DAMAGES FOR DELAY PRIOR TO COMPLETION OF PHASE 3

19.1 Excusable Delays

If by reason of any of the following events ("events of excusable delay"): 

(a) damage in transit occurring to any Equipment not caused by the inadequacy of the Contractor's packing or other fault of the Contractor, causing delay to the delivery of that Equipment under the Contract, or delay in the completion of any part of the Works affected thereby;

(b) Force Majeure, causing delay to the Contractor in the completion of any part of the Works; or

(c) a delay in obtaining customs clearance for any Equipment through no fault of the Contractor;

(d) any delay in respect of a Milestone Date which follows from a delay in respect of a previous Milestone Date for which liquidated damages have been paid;

(e) failure of Purchaser to obtain relevant permissions or approval for transmission from the relevant satellite operator(s) or governmental authorities, due to reasons other than default of the Contractor.

then, provided that the Contractor shall have used and shall continue to use reasonable endeavours to avoid and minimise the delay, and

provided that the Contractor shall within 7 days of becoming aware of the relevant event have given to the Purchaser notice of the claim for the event and shall have supplied the Purchaser with full particulars of the extension to which it considers itself entitled, the Purchaser shall on receipt of such notice and particulars grant to the Contractor in writing either prospectively or retrospectively, a day to day extension of the Milestone Date relevant to that part of the Work reasonably affected by the event of excusable delay provided that such extensions shall in no event exceed the period of delay caused by the event of excusable delay.

If the Contractor gives such a notice it shall from the date of notice comply with all reasonable instructions the Purchaser may give to minimise any actual or anticipated delay.

19.3 No Extension

The Contractor shall not be entitled to any extension of a Milestone Date relating to Design Reviews, Factory Acceptance Tests or System Acceptance Tests:

(a) to the extent the delay is caused by the Contractor having failed to complete any delivery or installation of any Equipment or Component or the provision of any Services or failed to comply with any of the other provisions of the Contract through no fault of the Purchaser;
19.4 Liquidated Damages

Subject to any extension granted by the Purchaser in accordance with Condition 19.1, if the Contractor fails to complete any material part of the Works before the relevant Milestone Date, the Contractor shall pay to the Purchaser liquidated damages in the amount set out in the Delivery and Payment Schedule, subject to such caps as specified therein.

19.5 Limit

The aggregate amount of all the Contractor’s liability for liquidated damages for delay under the Contract shall not exceed 20% of the Contract Price. The Contractor acknowledges such damages would not be a penalty.

19.6 No Limitation

Payment of damages by the Contractor pursuant to Condition 19.4 shall not (a) relieve the Contractor from any of its other obligations under the Contract; (b) be limited by conditions as to the payment of damages by the Contractor set out elsewhere in the Contract; (c) limit damages otherwise payable by the Contractor under the Contract.

20. TITLE RISK AND INSURANCE

20.1 Notwithstanding Conditions 22 and 23 on Termination, absolute and exclusive right, title and interest to Equipment, (but excluding the relevant Software) shall pass to the Purchaser:

(a) in the case of Equipment comprised within Phase 1, Phase 2 and Phase 3, upon payment by the Purchaser of the Milestone Payment relating to the relevant System Acceptance Date;

(b) in the case of any other Equipment, upon payment by the Purchaser.

20.2 Risk

Without prejudice to Condition 20.1, the Contractor shall have full responsibility for and risk of all Equipment.

(a) in the case of Equipment and Components comprised within each Phase until the relevant System Acceptance Date;

(b) in the case of any other Equipment or Component, upon delivery to a designated carrier by the Contractor in accordance with the Contract.

The Contractor shall, at its sole cost;

(c) for the Term of the Contract, insure, and maintain insurance:

(i) for the Equipment, the Software and each Component against loss or damage to the extent;

   (1) caused by the Contractor or its agents; or

   (2) occurring whilst the Equipment or Component is in the possession or control of the Contractor;

   in the amount of the full replacement value; and
against third party liability for a minimum amount of US$5 million; and

against product liability for a minimum amount of US$5 million.

(d) insure and maintain insurance Erection All-Risks insurance policies for the Equipment and each Component comprised within each Phase until the relevant System Acceptance Date for the full replacement value thereof.

(e) insure and effect marine insurance for the Equipment and each Component for any transit from the Contractor’s premises to any Site for its CIF value. The terms of such insurance shall include:

(i) if transit is by air:-
   - Institute Cargo Clauses (Air) (Excluding sending by post) CL 259
   - Institute Strikes Clauses (Air Cargo) CL 260
   - Institute War Clauses (Air Cargo) CL 258

(ii) if transit is by sea:-
    - Institute Cargo Clauses (A)
    - Institute Strikes Clauses (Cargo) CL 256
    - Institute War Clauses (Cargo) CL 255

(f) effect and maintain the insurances that are provided for by the laws in the country in which works are performed as insurances required of the Contractor.

The Purchaser shall be named in each such insurance policy as an additional insured thereunder in respect of its rights and interest.

20.3 Insurance Companies

The Contractor shall be required to obtain the prior approval of the Purchaser for the insurance companies providing insurance and the terms of each insurance policy referred to in Condition 20.2. Without limiting the foregoing provisions, it shall be a condition of any such insurance policy that neither the Contractor nor the insurance company may cancel the policy without giving to the Purchaser not less than 30 days prior notice in writing.

20.4 Evidence

The Contractor shall provide to the Purchaser a copy of an insurance certificate in order for the Purchaser to verify the coverage referred to

above and shall provide to the Purchaser evidence of timely payment of all premiums due in respect thereof.

20.5 Sub-Contractors

To the extent required by law (statute or common law), each party shall be responsible for the acts or omissions of persons to whom such party sub-contracts, or allows to perform, any part of the Works and in the case of the Contractor this shall include responsibility for the acts or omissions of Sub-Contractors.

20.6 Repair or Replacement

In the event that the Purchaser discovers that damage to any Equipment for which the Contractor has installation responsibility as identified in Annex 2 has occurred whilst in transit, the Purchaser shall promptly notify the Contractor and follow the reasonable instructions of the Contractor as to whether the Equipment concerned, or any Component thereof, should be held by the Purchaser for repair by the Contractor, or
returned to the Contractor for repair and / or replacement. The Purchaser shall give to the Contractor reasonable details of the damage discovered. Notwithstanding any actions taken under this Condition, the Contractor shall remain responsible for delivering Equipment or Components free of damage to the Purchaser by the relevant Milestone Date subject under the Contract, subject to excusable delays under Condition 19.2.

21. PURCHASER'S PARTICIPATION

21.1 Right to Participate

The Purchaser shall have the right to participate in all the Design Review procedures and Tests to be performed under the Contract. The Purchaser may also appoint a full time representative to work at the Contractor's offices representative for the purpose of such participation for the period commencing from the Date of Contract and ending on the Phase 3 System Acceptance Date. The Contractor shall provide such Purchaser's representative with an office and office support. The Purchaser shall reimburse the Contractor for telephone calls and faxes made by its representative.

21.2 Contractor's Employees, etc.

Any director, employee or agent of the Contractor assisting the Contractor in performance of its obligations hereunder shall remain the servant and/or agent and under the control of the Contractor. The Purchaser shall not be liable for any act or omission of such director, employee or agent but the Purchaser shall use proper care and skill in giving instructions to be carried out by such director, employee or agent.

21.3 Purchaser's Employees etc.

Any director, employee or agent of the Purchaser participating in the Works shall remain the servant and/or agent and under the control of the Purchaser. The Contractor shall not be liable for any act or omission of such director, employee or agent but the Contractor shall use proper care and skill in giving instructions to be carried out by such director, employee or agent.

22. TERMINATION OF CONTRACT BY THE CONTRACTOR

22.1 Termination for Breach

If the Purchaser commits any material breach of or fails in any material respect to comply with and observe the provisions of the Contract and such breach or failure is not remedied within thirty (30) days of written notice by the Contractor to the Purchaser, the Contractor may, by giving notice in writing to the Purchaser, terminate the Contract PROVIDED THAT the Contractor shall not be entitled to terminate the Contract for breach of the Software license granted under Condition 14.4 unless the Contractor becomes entitled to terminate such license in accordance with its terms.

22.2 Termination for Insolvency

If the Purchaser takes or has taken or instituted against it any action or proceeding whether voluntary or compulsory which has as an object or may result in the winding up of the Purchaser (other than a voluntary winding up by members for the purpose of reconstruction or amalgamation), (other than an action or proceeding which is dismissed within 30 calendar days after it is brought or commenced) or is placed under official management or enters into a compromise or other arrangement with its creditors or any class of them or an administrative receiver or administrator or receiver is appointed to carry on its business or to take control or possession of any of its assets for the benefit of its creditors or any of them (or any analogous proceedings in any jurisdiction), then in any of these events the Contractor may, by giving notice in writing to the Purchaser, terminate the Contract.
22.3 Termination for Force Majeure

Subject to Condition 22.4, and notwithstanding the provisions of Condition 20.2, if the conditions giving rise to an event of Force Majeure preventing performance by the Purchaser of its obligations under the Contract shall continue for more than 60 days, or if these conditions, once having ceased, shall recur so that the condition of Force Majeure continues for an aggregate of a 60 days in any six months period, the Contractor may forthwith terminate that part of the Contract which is affected by the Purchaser's inability to perform its obligations.

22.4 Conditions

The Contractor shall not be entitled to terminate the Contract under Condition 22.2 or 22.3 unless it has given to the Purchaser not less than thirty (30) days prior written notice of its intention to terminate and has entered into good faith negotiations with the Purchaser for such Contract Amendments as may be required in order to achieve the Purchaser's requirements through means alternative to those affected by the Force Majeure. The Contractor shall, if requested by the Purchaser if any event of Force Majeure occurs, enter into good faith negotiations with the Purchaser to minimise the effects of the Force Majeure, or for such Contract Amendment as may reasonably overcome the impediments caused by the Force Majeure.

22.5 No Other Right

The Contractor shall not be entitled to terminate or abandon the Contract under any circumstances other than those specified in this Condition 22.

22.6 No Prejudice

No action taken by the Contractor under this Condition 22 shall prejudice the right of the Contractor to recover from the Purchaser all sums that may then be due or become due to the Contract under or in relation to the Contract. Termination of the Contract under this Condition 22 shall without prejudice to any accrued rights of the parties up to the date of termination.

23. TERMINATION OF THE CONTRACT BY THE PURCHASER

23.1 Termination Rights for Delay

Prior to Phase 3 System Acceptance Date, the Purchaser may by notice in writing to the Contractor terminate the Contract forthwith:

(a) if the Contractor shall fail to complete "Proof of Critical Design #1" as referred to in the Scope of Works by its relevant Milestone Date;

(b) if the Contractor shall fail to complete the "Proof of Critical Design #2" as referred to in the Scope of Works by its relevant Milestone Date; or

(c) if the Contractor shall fail to complete the following Milestones as referred to in the Scope of Works within 10 weeks of the relevant Milestone Dates specified in Annex 3:

(1) Phase 1 Factory Acceptance
Provided that if the Purchaser shall have ordered any Further Purchase Products for delivery prior to Phase 2 System Acceptance Date the right to terminate the Contract shall cease after the successful completion of Phase 2 System Acceptance. If Purchaser is entitled to terminate under 23.1 (a), (b) or (c) Purchaser must exercise the right to terminate by written notification to the Contractor within 5 Business Days of the event giving rise to the right of termination or the right to terminate will be deemed to be waived with respect to that event.

Milestones Dates shall each be extended for the length of events of excusable delay (as listed in Condition 19.1) in accordance with Condition 19 or as otherwise may be provided for in the Contract.

23.2 Termination Rights for Default

If the Contractor commits any material breach of or fails in any material respect to comply with and observe the provisions of the Contract other than non-delivery or delayed delivery of the Equipment and such breach or failure is not remedied within thirty (30) days of written notice by the Purchaser to the Contractor, then the Purchaser may, by giving notice in writing to the Contractor, terminate the Contract.

23.3 Termination for Insolvency etc.

If the Contractor takes or has taken or instituted against it any action or proceeding whether voluntary or compulsory which has as an object or may result in the winding up of the Contractor (other than a voluntary winding up by members for the purpose of reconstruction or amalgamation), (other than in action or proceeding which is dismissed within 30 calendar days after it is brought or commenced) or is placed under official management or enters into a compromise or other arrangement with its creditors or any class of them or an administrative receiver or administrator or receiver is appointed to carry on its business or to take control or possession of any of its assets for the benefit of its creditors or any of them (or any analogous proceedings in any jurisdiction)

then in any of these events the Purchaser may, by giving notice in writing to the Contractor terminate the Contract.

23.4 Termination for Force Majeure affecting Purchaser

Notwithstanding the provisions of Condition 19.1, if the conditions giving rise to an event of Force Majeure preventing performance by the Purchaser of its obligations shall continue for more than 60 days, or if these conditions, once having ceased, shall recur so that the condition of Force Majeure continues for an aggregate of 60 days in six months' period, the Purchaser may forthwith terminate either the Contract or the order for any or all the delayed Equipment, Software, or Components.

23.5 Termination for Force Majeure affecting Contractor

Notwithstanding the provisions of Condition 19.1, if the conditions giving rise to an event of Force Majeure preventing performance by the Contractor shall continue for more than 60 days, or if these conditions, once having ceased, shall recur so that the condition of Force Majeure continues for an aggregate of 60 days in any six months period, the Purchaser may forthwith terminate that part of the Contract which is affected by the Purchaser's inability to perform its obligations, or if Phase 3 System Acceptance Date has not yet occurred by that time, the Purchaser may forthwith elect to terminate the whole of the Contract. The Purchaser shall exercise its right to terminate no later than five (5) Business Days after the conditions resulting from any particular event of Force Majeure which prevents performance have ceased. If the Purchaser shall not so exercise its rights, the Purchaser shall be
deemed to have waived its right to terminate either the Contract or that portion of the Contract so affected in respect of the particular event of Force Majeure.

23.6 No Prejudice

No action taken by the Purchaser under this Condition 23 shall prejudice the right of the Purchaser to recover from the Contractor all sums of money that may then be due or become due to the Purchaser under or in relation to the Contract whether as liquidated damages or otherwise.

23.7 Conditions

The Purchaser shall not be entitled to terminate all or part of the Contract under Condition 23.3 or 23.4 unless it has given to the Contractor not less than 30 days prior written notice of its intention to terminate and has entered into good faith negotiations with the Contractor for such Contract Amendments as may be required in order to achieve the requirements of the parties through means alternative to those affected by the Force Majeure. The Purchaser shall, if requested by the Contractor if an event of Force Majeure occurs, enter into good faith negotiations with the Contractor to minimise the effects of the Force Majeure, or for such Contract Amendment as may be reasonably required to overcome the impediments caused by the Force Majeure.

23.8 Accrued Rights

Termination of the Contract under the foregoing provisions of this Condition 22 or 23 shall be without prejudice to any accrued rights of the parties up to the date of termination.

24. RIGHTS AND OBLIGATIONS OF THE PARTIES IN THE EVENT OF TERMINATION

24.1 Refunds, Payments and Return of Equipment upon termination for delay under Condition 23.1

(a) Upon termination of the Contract under Conditions 23.1(a), 23.1(b) or 23.1(c), the Purchaser shall have the right to reject and return to the Contractor all or part of the Equipment received under the Contract. The Purchaser shall by written notice to the Contractor notify the Contractor of the items of Equipment rejected ("Rejected Equipment"). The Contractor shall within 5 Business days of receipt of such notice open an irrevocable letter of credit in the favour of the Purchaser in an amount equal to all the moneys received for the Rejected Equipment (including Further Purchase Products, if delivered to the Purchaser of the date of termination, subject to Condition 24.1(d). The letter of credit shall be payable at sight upon presentation of shipping documentation by the Purchaser. The Contractor shall bear all costs of the letter of credit.

(b) In the event of termination under condition 23.1(b), the Contract shall pay an additional sum being 10% of the Contract Price as liquidated damages to the Purchaser. This amount shall be added to the amount of the letter of credit required under Condition 24.1(a) herein.

(c) The Purchaser shall return the Rejected Equipment using a carrier and packaging instructions of the Contractor's choice within fifteen (15) days of issuance of the letter of credit specified in Condition 24.1(a) herein. Delivery Costs shall be reimbursed by the Contractor to the Purchaser.

(d) Where Rejected Equipment includes Further Purchase Products delivered to and fully paid for by the Purchaser, the Contractor shall only be required to refund to the Purchaser
50% of the purchase price for such Further Purchase Products. If following the return of such Further Purchase Products to the Contractor, the Contractor has resold them to a third party, the Contractor shall forthwith pay to the Purchaser 50% of the gross sale proceeds.

(e) Where Rejected Equipment includes Further Purchase Products partly paid for and not yet delivered, the order(s) for such Further Purchase Products shall be deemed cancelled and the Contractor shall refund to the Purchaser all monies received for such Further Purchase Products.

24.2 Termination under Condition 23.3 or 23.5 prior to completion of Phase 3

If the Contract shall be terminated under Condition 22.3 or 23.5 prior to the Phase 3 System Acceptance Date, the Purchaser shall have the right to elect either.

1) to keep all Equipment delivered under the Contract provided that all the outstanding Milestone Payments and the next Milestone Payment should have been/be made; or

2) to reject and return all or part of the Equipment for the Contractor. The Contractor shall correspondingly refund to the Purchaser all monies received by the Contractor in respect of the rejected Equipment.

24.3 Other Effect of Termination

Notwithstanding any termination of the Contract, the parties shall continue to be liable thereafter with respect to the following Conditions:

(a) Condition 9.2, to the extent of any completed Equipment delivered by the Contractor prior to or after termination;

(b) Conditions 18, 19, 27, 29 and 30;

(c) this Condition;

(d) any other provision of the Contract expressed or by its nature or intent is to continue after termination.

Termination of the Contract shall also not affect the Software license, the Performance Bond and the Letter of Credit which shall remain valid and enforceable according to their terms unless and until terminated in accordance with their terms.

48 Termination of the Contract shall be without prejudice to the accrued rights of either party under the Contract as at termination (including, without limitation, liability of the Contractor under Condition 18), and where the Purchaser has the right to deduct any damages from any payment under the foregoing provisions, nothing herein shall prevent the Purchaser separately claiming for other damages if it is permitted to do so under the Contract (subject always to Condition 18.6). Nothing in the foregoing provisions shall prevent either party from pursuing an order of specific performance of the Contract at any time prior to termination.

24.43 Warranty Service

If requested by the Purchaser in the event of termination of the Contract for any reason except for termination under Condition 22.1 the Contractor shall negotiate in good faith for the provision by the Contractor of maintenance and support service with respect to the Equipment and Software after termination of the Contract, on reasonable terms.
26. ASSIGNMENT AND SUB-CONTRACTING

26.1 No Assignment by Sub-Contractor

The Contractor shall not, without the written consent of the Purchaser first obtained assign, mortgage, charge or encumber or any obligation or benefit howsoever arising, or which may arise under the Contract except for any of the moneys due or becoming due under the Contract.

26.2 Sub-Contracts

The Contractor shall only sub-contract all or part of the Works to a Sub-Contractor approved by the Purchaser, such approval not to be unreasonably withheld.

26.3 Assignment by Purchaser
The Contractor agrees that the Purchaser shall have the right to assign any or all of its rights and benefits under the Contract to any company within the Hutchison Whampoa Group. The Contractor further agrees that the Purchaser shall have the right to assign any or all its rights and benefits under the Contract to any other third party with the prior written consent of the Contractor such consent not to be unreasonably withheld.

27. CONFIDENTIALITY

   * CONFIDENTIAL TREATMENT REQUESTED

50

The parties agree that the Reciprocal Non-Disclosure Agreement between the parties dated 11th January 1996 shall remain binding on the parties.

28. NOTICE

28.1 Any notice or other communication required or permitted to be given by or pursuant to the Contract shall be sufficiently given if given in writing and delivered personally or sent by prepaid registered airmail post or telex or facsimile to the addresses of the parties specified in Condition 28.3 or to such other address or such other person as the party may from time to time notify to the other party in writing.

28.2 Any such notice or other communication issued in accordance with this Condition shall be deemed to have been received:

(a) if delivered personally, on the date of delivery;
(b) if sent by pre-paid post, ten (10) days after the date of posting unless actually received earlier;
(c) if sent by facsimile, upon receipt, if followed immediately by pre-paid registered airmail post; or
(d) if sent by telex, on receipt of the correct answerback code of the addressee at the end of the communication.

28.3 The addresses referred to in this Condition shall be:

(a) The Purchaser:
Hutchison Corporate Access (HK) Limited
Rm 1610, 16/F One Harbourfront
22 Tak Fung Street
Hunghom, Kowloon
Hong Kong
Fax No.: (852) 2621 5696
Contact: Henry Au Yeung

(b) The Contractor:
ViaSat, Inc.
2290 Cosmos Court
Carlsbad
CA 92009-1585
U.S.A.
Fax No.: (619)4387310
Contact: Andy Paul
29. APPLICABLE LAW

The Contract shall be subject to, governed by and construed and take effect in all respects in accordance with the laws of England. The parties submit to the non-exclusive jurisdiction of courts exercising jurisdiction there.

30. ARBITRATION

If any dispute or difference of any kind whatsoever (a "Dispute") shall arise between the parties in connection with, or arising out of, the Contract, or the breach, termination or validity thereof and the Dispute cannot be settled by mutual discussions, the Dispute shall finally be settled by arbitration in accordance with the Rules of the London Court of International Arbitration, which Rules are deemed to be incorporated by reference herein. The place of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English. The arbitration tribunal (the "Tribunal") shall consist of three arbitrators. The Contractor and the Purchaser each shall appoint one arbitrator and the two arbitrators so appointed shall appoint the third arbitrator who shall act as the presiding arbitrator of the Tribunal. The award rendered shall apportion the costs of the arbitration, and may, in the discretion of the arbitrators, include provision for interest on late payments from the date such payments were required to be made. Any cash award shall be in US dollars and shall be paid promptly. The award rendered shall be in writing and shall set forth in reasonable detail the facts of the Dispute and the reasons for the Tribunal’s decision. The parties to the Dispute undertake to implement the arbitration award. The award rendered in any arbitration commenced hereunder shall be final and binding upon the parties, and judgement thereon may be entered in any court having jurisdiction for its enforcement. The parties hereby renounce their right to appeal from the decision of the Tribunal and agree that no party to a Dispute shall appeal to any court from the decision of the Tribunal. In this regard, the parties hereto expressly agree to waive Section 641 of the Reglement op de Rechtsvordering and Article V(1) (a) and Article VI of the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, so that there shall be no appeal to any court from the decision of the Tribunal. In addition, the parties agree that no party except in conjunction with an action by either Party for an injunction or to compel specific performance or for other equitable relief shall have any right to commence or maintain any suit or legal proceeding concerning a Dispute hereunder until the Dispute has been determined in accordance with the arbitration procedure provided for herein and then only to enforce or facilitate the execution of the award rendered in such arbitration.

31. ENGLISH LANGUAGE

Except as otherwise specifically provided, all documents relating to the Contract or to the Works and all communications between the parties shall be in the English language.

32. MISCELLANEOUS

32.1
32.2 No Waiver

No failure or delay by either party in exercising any right, power or remedy under the Contract against the other party shall operate as a waiver thereof, nor shall any single or partial exercise by a party of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided in the Contract are cumulative and not exclusive of any remedies provided by law except as expressly limited herein.

32.3 Severance

Any provision of the Contract prohibited by or unlawful or unenforceable under any applicable law actually applied by any court of competent jurisdiction shall, to the extent required by such law, be severed from the Contract and rendered ineffective so far as is possible without modifying the remaining provisions of the Contract. Where, however, the provisions of any such applicable law may be waived, they are hereby waived by the parties to the full extent permitted by such law to the end that the Contract shall be valid, binding and enforceable in
Except as agreed between the parties in writing and (in relation to the Reciprocal Non-Disclosure Agreement dated 15th December 1995 between the parties), the Contract sets forth the entire agreement between the parties on the subject matter hereof and supersedes any previous agreement, undertaking, correspondence, memorandum, letter of intent or representation on the subject matter hereof.

No Prejudice

The grant of approvals under Clause 6.2.6 of the Scope of Works and the issue of any Design Review Certificate, Factory Acceptance Certificate or System Acceptance Certificate by the Purchaser shall not in any way prejudice or affect the rights of the Purchaser under the Contract or amend or reduce the Contractor's responsibilities under the Contract.

No Third Party to Benefit

Nothing in the Contract shall, expressly or impliedly, give to any person other than the parties hereto any benefit or legal or equitable right, remedy or claim except as expressly provided herein.

Time is of the essence in the Contract.
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### PART I - THE SCHEDULE

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### PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH

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  - completion date: ASREQ
  - acrn: AA
  - pr/mipr data: FY7620-91-XRR24

  descriptive data:
  A. Develop a design specification and demonstration of a SBIR UHF DNA modem that meets the JVC/3A specification 9129, in accordance with Section C, Description/Specifications/Work Statement.
  B. Commencement Date: Date of Contract Award (defined as the mailing date of the contract)
  C. Completion Date: 6 MAC (Months after Contract Award)
  D. Firm-fixed-price for Line Items 0001 and 0002: $49,061.00

| 0002    | Service CLIN      |          |            | sec class: U | NSP                |

  - desc of services: SBIR PHASE I R&D DATA
  - completion date: ASREQ
  - acrn: AA
  - pr/mipr data: FY7620-91-XRR24

  descriptive data:
  A. Delivery of data shall be in accordance with Exhibit A, Contract Data Requirements List (CDRL), DD Form 1423, dated 91JUL09.
  Place of delivery is the address(es) on the exhibit.
  B. Completion Date: ASREQ
  C. F.O.B. Destination
  D. Not Separately Priced (NSP). Price is included in CLIN 0001.
4 SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

1. The Contractor shall furnish the supplies and/or services set forth in Section B as follows:

   Line Item 0001 - Develop a design specification and demonstration of a 5Khz UHF DAMA Modem that meets the JTC3A specification 9129, dated 91JAN10, incorporated herein by reference.

   Line Item 0002 - SBIR Phase I R&D Data in accordance with Exhibit A, DD Form 1423, Contract Data Requirements List (CDRL), dated 91JUL09.

2. ESD FAR Sup Clauses in Full Text

52.215-9518 INCORPORATION OF CONTRACTOR'S TECHNICAL PROPOSAL (JUL 1990)

   (a) Contractor's technical proposal referred to hereinafore is incorporated herein by reference. In the event of conflict between the provisions of the technical proposal and any clause of this contract (including, but not limited to, the Statement of Work), the conflict will be resolved in accordance with the "Order of Precedence" clause. For purposes of the "Order of Precedence" clause, the Contractor's technical proposal will be ranked last. The detailed technical content of the Contractor's proposal was an important factor in the selection of the Contractor for award of this contract. It is agreed, therefore, that in the performance of this contract the Contractor shall not change or otherwise deviate from the content of the technical proposal without prior written approval from the Contracting Officer. If it is necessary for the Contractor to change the performance, design, configuration, or other items specified in the technical proposal in order to comply with the requirements of the Statement of Work, contract clauses, or special contract requirements, the contract shall be amended at the discretion of the Government to reflect the changes at no increase in contract price or extension of the delivery schedule.

   (b) The Government, upon award of this contract, shall have rights in the technical proposal and data as defined in the "Rights in Technical Data and Computer Software" clause and Alternate II incorporated elsewhere in this contract.

-4-
Contract No. F19628-91-C-0151 is modified as follows:

1. AFSC Form 701 (Cover Page of Contract), Block 22, Total Amount - Delete: $49,061.00 and substitute the following:

SBIR PHASE I (CLINs 0001 and 0002):

FIRM FIXED PRICE: $49,061.00
2. PART I - THE SCHEDULE

SECTION B

(a) Line Items 0003 and 0004 are deleted and the following Line Items are substituted:

<table>
<thead>
<tr>
<th>Item No</th>
<th>Supplies/Services</th>
<th>Purch Unit</th>
<th>Unit Price</th>
<th>Total Item Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0003</td>
<td>Service CLIN Establish</td>
<td>sec class: U</td>
<td>$1,361,428.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>desc of services: SBIR PHASE II, R&amp;D SERVICES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>completion date: ASREQ</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>acrn: XA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>pr/mipr data: FY762092AVD63 &amp; FY762092XR105</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>type contract: J</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>descriptive data:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>A. PERFORM TASKS 1, 2, AND 4 IN ACCORDANCE WITH SECTION C.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. COMMENCEMENT DATE: Mailing Date of P00001.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>C. COMPLETION DATE: 21 MONTHS AFTER Mailing Date of P00001. SEE SECTION F.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>D. F.O.B. DESTINATION.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>E. LINE ITEMS 0003, 0004, AND 0005: FIRM FIXED PRICE: $1,361,428.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

F19628-91-C-0151, P00001
Page 2 of 16

70B - PART I, SECTION B OF THE SCHEDULE

<table>
<thead>
<tr>
<th>Item No</th>
<th>Supplies/Services</th>
<th>Purch Unit</th>
<th>Unit Price</th>
<th>Total Item Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0004</td>
<td>Service CLIN Establish</td>
<td>sec class: U</td>
<td>NSP</td>
<td></td>
</tr>
<tr>
<td></td>
<td>desc of services: SBIR PHASE II, R&amp;D DATA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>completion date: ASREQ</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>acrn: XA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>pr/mipr data: FY762092AVD63 &amp; FY762092XR105</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>type contract: J</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>descriptive data:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>A. DELIVERY OF DATA IN ACCORDANCE WITH EXHIBIT B, CONTRACT DATA REQUIREMENTS LIST. PLACE OF DELIVERY IS THE ADDRESSEE(S) ON THE EXHIBIT.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. COMPLETION DATE: IN ACCORDANCE WITH EXHIBIT B.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>C. F.O.B. DESTINATION.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>D. NOT SEPARATELY PRICED. PRICE IS INCLUDED IN CLIN 0003.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item No</th>
<th>Supplies/Services</th>
<th>Purch Unit</th>
<th>Unit Price</th>
<th>Total Item Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0005</td>
<td>Service CLIN Establish</td>
<td>sec class: U</td>
<td>NSP</td>
<td></td>
</tr>
<tr>
<td></td>
<td>desc of services: SBIR PHASE II, R&amp;D COMPUTER SOFTWARE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>completion date: ASREQ</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>acrn: XA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>pr/mipr data: FY762092AVD63 &amp; FY762092XR105</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SBIR PHASE II (CLINs 0003, 0004, and 0005): FIRM FIXED PRICE: $1,361,428.00
TOTAL AMOUNT $1,410,489.00
A. DELIVERY OF COMPUTER SOFTWARE IN ACCORDANCE WITH EXHIBIT E, CONTRACT DATA REQUIREMENTS LIST. PLACE OF DELIVERY IS THE ADDRESSEE(S) ON THE EXHIBIT.
B. COMPLETION DATE: IN ACCORDANCE WITH EXHIBIT E.
C. F.O.B. DESTINATION.
D. NOT SEPARATELY PRICED. PRICE IS INCLUDED IN CLIN 0006.

0007 Option Service CLIN Establish sec class: U
noun: OPTION 1, SBIR PHASE II, R&D DATA
acr: XA nsn:
type contract: J

descriptive data:
A. PERFORM TASK 3 IN ACCORDANCE WITH SECTION C.
B. COMPLETION DATE: 6 MONTHS AFTER COMPLETION OF CLIN 0003.
C. LINE ITEMS 0006, 0007, AND 0008:
   FIRM FIXED PRICE: $192,088.00

0008 Option Service CLIN Establish sec class: U
noun: OPTION 1, SBIR PHASE II, R&D COMPUTER SOFTWARE
acr: XA nsn:
type contract: J

descriptive data:
A. DELIVERY OF COMPUTER SOFTWARE IN ACCORDANCE WITH EXHIBIT E, CONTRACT DATA REQUIREMENTS LIST. PLACE OF DELIVERY IS THE ADDRESSEE(S) ON THE EXHIBIT.
B. COMPLETION DATE: IN ACCORDANCE WITH EXHIBIT E.
C. F.O.B. DESTINATION.
D. NOT SEPARATELY PRICED. PRICE IS INCLUDED IN CLIN 0006.

0009 Option Service CLIN Establish sec class: U
noun: OPTION 2, SBIR PHASE II, R&D SERVICES
acr: XA nsn:
type contract: J

descriptive data:
A. PERFORM TASK 6 IN ACCORDANCE WITH SECTION C.
B. COMPLETION DATE: 3 MONTHS AFTER COMPLETION OF CLIN 0003.
   SEE SECTION F.
2. EXERCISE OF OPTIONS
   
a. The Government reserves the right to exercise Options 1 and 2 within 30 days after Government approval of Exhibit B, Data Item No. B004, Test Plan.

b. The contractor is cautioned that the options may be exercised at the sole discretion of the Government. Therefore, the contractor shall not proceed with the performance of the option(s) until the appropriate exercise of the option(s) has been accomplished, in writing, by the Contracting Officer.

SECTION C
The following Line Items are added:

Line Item 0003: The contractor will design, build, test, demonstrate, and deliver a 5kHz DAMA Multi-Channel Network Controller with four (4) VM-300 Modem Sets with voice subframing capability in accordance with Tasks 1, 2, and 4 of Viasat's technical proposal entitled, "5 kHz UHF DAMA", dated 26 February 1992, incorporated herein by reference.

Line Item 0004: SBIR Phase II data in accordance with Exhibit B, Contract Data Requirements List, DD Form 1423, dated 92JUL07.

Line Item 0005: SBIR Phase II Computer Software in accordance with Exhibit C, Contract Data Requirements List, DD Form 1423, dated 92JUL07.


Line Item 0007 (OPTION 1): SBIR Phase II data in accordance with Exhibit D, Contract Data Requirements List, DD Form 1423, dated 92JUL07.

Line Item 0008 (OPTION 1): SBIR Phase II Computer Software in accordance with Exhibit E. Contract Data Requirements List, DD Form 1423, dated 92JUL07.


SECTION D - The following is added:
Packaging and marking for Line Items 0003, 0004, and 0005 will be accomplished in accordance with ASTM-D-3951, "Standard Practices for Commercial Packaging".

Packaging and marking for Line Item 0007, and 0008 (OPTION 1) will be accomplished in accordance with ASTM-D-3951, "Standard Practices for Commercial Packaging".

Packaging and marking for Line Items 0009 (OPTION 2) will be accomplished in accordance with ASTM-D-3951, "Standard Practices for Commercial Packaging".

SECTION E
1. Add the following clauses to paragraph A. I.:

   52.246-7 INSPECTION OF RESEARCH AND DEVELOPMENT - FIXED-PRICE (APR 1984)

   52.246-16 RESPONSIBILITY FOR SUPPLIES (APR 1984)
2. **Paragraph B.** - Add the following:

   Line Item 0003 - Delivered F.O.B. Destination. Inspection and acceptance will be on a DD Form 250, "Material Inspection and Receiving Report" at DCMAO, San Diego. Delivery will be at ESC/AVD, Hanscom AFB, MA 01731.

   Line Item 0004: In accordance with Exhibit B, Contract Data Requirements List, DD Form 1423, dated 92JUL07.

   Line Item 0005: In accordance with Exhibit C, Contract Data Requirements List, DD Form 1423, dated 92JUL07.

   Line Item 0006 (Option 1): 6 Months after Completion of Line Item 0003.

   Line Item 0007 (Option 1): In accordance with Exhibit D, Contract Data Requirements List, DD Form 1423, dated 92JUL07.

   Line Item 0008 (Option 1): In accordance with Exhibit E, Contract Data Requirements List, DD Form 1423, dated 92JUL07.

   Line Item 0009 (Option 2) - Delivered F.O.B. Destination. Inspection and acceptance will be on a DD Form 250, "Material Inspection and Receiving Report" at DCMAO, San Diego. Delivery will be at ESC/AVD, Hanscom AFB, MA 01731.

**SECTION F**

Add the following:

   Line Item 0003: 21 Months After Mailing Date of P00001 (If Option 1 is exercised, the completion date will be 27 Months After Mailing Date of P00001)

   Line Item 0004: In accordance with Exhibit B, Contract Data Requirements List, DD Form 1423, dated 92JUL07.

   Line Item 0005: In accordance with Exhibit C, Contract Data Requirements List, DD Form 1423, dated 92JUL07.

   Line Item 0006 (Option 1): 6 Months after Completion of Line Item 0003.

   Line Item 0007 (Option 1): In accordance with Exhibit D, Contract Data Requirements List, DD Form 1423, dated 92JUL07.

   Line Item 0008 (Option 1): In accordance with Exhibit E, Contract Data Requirements List, DD Form 1423, dated 92JUL07.

   Line Item 0009 (Option 2) - 3 Months after Completion of Line Item 0003. (If Option 1 is exercised, the completion date will be 30 Months after Mailing Date of P00001)

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<table>
<thead>
<tr>
<th>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</th>
<th>PAGE 1 OF 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. PROCEDURE IDENTIFICATION NO (253)</td>
<td></td>
</tr>
<tr>
<td>3. SPINH</td>
<td></td>
</tr>
<tr>
<td>4. EFFECTIVE DATE</td>
<td></td>
</tr>
<tr>
<td>5. REQUISITION/REQUEST NO.</td>
<td></td>
</tr>
<tr>
<td>6. BDC/DESH RATING</td>
<td></td>
</tr>
<tr>
<td>7. ISSUED BY</td>
<td></td>
</tr>
<tr>
<td>8. ADMINISTERED BY (IF OTHER THAN BLOCK 7)</td>
<td></td>
</tr>
<tr>
<td>9. CONTRACTOR</td>
<td></td>
</tr>
<tr>
<td>CODE F0718</td>
<td></td>
</tr>
<tr>
<td>FACILITY CODE</td>
<td></td>
</tr>
<tr>
<td>10. SECURITY CLASS</td>
<td></td>
</tr>
<tr>
<td>11. DISCOUNT FOR PROMPT PAYMENT</td>
<td></td>
</tr>
<tr>
<td>NET DAYS</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2T &amp; 4 DAYS</td>
<td></td>
</tr>
<tr>
<td>viasat, inc.</td>
<td></td>
</tr>
</tbody>
</table>
13. THIS BLOCK APPLIES ONLY TO AMENDMENTS OF SOLICITATIONS

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation, or as amended by one of the following methods:

(a) By signing and returning copies of this amendment, (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers.

FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE ISSUING OFFICE PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER if by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter provided such telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

14. THIS BLOCK APPLIES ONLY TO MODIFICATION OF CONTRACTS

THE ABOVE NUMBERED SOLICITATION IS AMENDED AS SET FORTH IN BLOCK 17. THE HOUR AND DATE SPECIFIED FOR RECEIPT OF OFFERS IS not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation, or as amended by one of the following methods:

(a) By signing and returning copies of this amendment, (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers.

FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE ISSUING OFFICE PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER if by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter provided such telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

15. CONTRACT ADMINISTRATION DATA

A. PAY DUE DATE: FOR 303.060-0019
B. THE CONTRACTOR'S ADDRESS IS CHANGED AS SHOWN IN BLOCK 9 ABOVE.
C. THIS SUPPLEMENTAL AGREEMENT EXERCISES OPTION 2 (CLIN 0009), PROVIDES GOVERNMENT-FURNISHED PROPERTY, AND INCORPORATES ADMINISTRATIVE CHANGES TO THE CONTRACT. THE FIRM FIXED PRICE IS INCREASED FROM $140,000 TO $1,400,000 TO COVER THE CONTRACT/ORDER.
D. CODE OF AWARD: 9007
E. PAYING OFFICE: 22. UNITED STATES OF AMERICA
F. DATE OF DD 254: 93DEC07
G. CONTRACT/ORDER NUMBER: 5601-C-0007
H. CONTRACT/ORDER: (Signature of person authorized to sign)
I. SIGNED DATE: 12/1/93
J. SIGNATURE OF CONTRACTING OFFICER: IRIS M. DURDEN
K. SIGNATURE: /S/ DIANE CHERNIAK
L. DATE: 1/1/93

APFC FORM 702 (COMPUTER GENERATED)
The purpose of this Supplemental Agreement (S/A) is to restructure the Firm Fixed Price (FFP) portion of the contract and add additional effort on a Cost Plus Fixed Fee (CPFF) and Time and Material basis.

The contract restructure revises CLINs 0003, 0004 and 0005 by extending the schedule and by amending the effort required thereunder. In addition CLIN/SubCLIN 0010, 0010AA, and 0010AB are added to the contract to reflect the restructured effort. As consideration for the schedule slip the contractor agrees to incorporate the Relay Bus Control (RBC) Architecture and Orderwire Encryption Board (OEB) enhancements into the NCS technical baseline and delivered hardware/software as described in Special Provision H.2. The contract restructure is accomplished at no change in the Firm Fixed Price of the contract.

The additional effort being added to the contract on a Cost Plus Fixed Fee basis consists of Tech Baseline Establishment (Ref CLIN 0011), MIL-STD 188/182 Certification Test Planning and Procedures (Ref CLIN 0012), MIL-STD 188/182
Certification Testing (OPTION CLIN 0013), VM-200, Version 2 Modems TRANSEC Endorsement (OPTION CLIN 0014) and Communication Service Improvement (Option CLIN 0015). Additionally, CLIN 0016 is added as a Time and Material CLIN for Interoperability Test Support.


1. SECTION A - AWARD/CONTRACT: AFSC Form 701, Block 22 is changed as follows:
   FROM: $1,585,022.00 (PO0002)
   BY: $675,911.00 (P00004 this action)
   TO: $2,260,933.00 (P00004)

2. SECTION B - SUPPLIES/SERVICES:
   a. The following pricing parameters are established for this contract.
      (1) Firm Fixed Price: FROM: $1,585,022.00 (PO0002)
          BY: $ No Change (PO0004)
          ------------
          TO: $1,585,022.00 (PO0004)
      (2) Cost Plus Fixed Fee: Estimated Cost $1,015,454.00 (P00004)
          Fixed Fee $ 81,236.00 (PO0004)
          ------------
          Total Amount $1,096,690.00 (PO0004)
      (3) Time & Material: Labor Ceiling $ 176,542.00 (PO0004)
          ODC Ceiling $ 6,696.00 (PO0004)
          ------------
          Total Ceiling $ 183,238.00 (PO0004)
   
   b. The following changes are made to the CLIN structure of the contract:
      CLIN 0003 is restructured by revising the work required therein and by re-allocating a portion of the original CLIN price to the newly established CLIN 0010 in accordance with Page 16 herein.
      CLIN 0004, Exhibit B is superseded with Revision 1 to the CDRL in accordance with Page 16 herein.
      CLIN 0005, Exhibit C is superseded with Revision 1 to the CDRL in accordance with Page 16 herein.
      F19628-91-C-0151/P00004
      
   c. The following CLINs/SUBCLINs are ADDED to the contract:
      CLINs/SUBCLINs 0010, 0010AA, 0010AB, 0011, 0011AA, 0011AB, 0012, 0012AA, 0012AB, 0016,0016AA, 0016AB, 0016AC and OPTION CLINs/SUBCLINs 0013, 0013AA, 0013AB, 0014, 0014AA, 0014AB, 0015,0015AA and 0015AB in accordance with Pages 16, 17, 18, 19, 20, 21 and 22 herein.
   
   d. EXERCISE OF OPTION
      (1) The Government reserves the right to exercise the option for CLIN/SubCLINs 0013, 0013AA and 0013AB NLT 45 days after Government approval of Exhibit H, H0010, Final Test Plan or 1 Apr 1995 whichever is later.
      (2) The Government reserves the right to exercise the option for CLIN/SubCLINs 0014,0014AA and 0014AB NLT 1 Apr 1995.
      (3) The Government reserves the right to exercise the option for CLIN/SubCLINs 0015, 0015AA and 0015AB NLT 1 Apr 1995.

   NOTE: The Government reserves the right to exercise the above options individually. The contractor shall not proceed with the performance of the option(s) until the appropriate exercise of
the option(s) has been accomplished, in writing, by the Contracting Officer.

3. SECTION C - DESCRIPTIONS/SPECIFICATIONS:

a. The following Line Items in Paragraph 1 are CHANGED TO:

<table>
<thead>
<tr>
<th>CLIN</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>LINE ITEM 0004</td>
<td>In accordance with Exhibit B, Revision 1, Contract Data Requirements List, DD Form 1423, dated 31 Aug 1994.</td>
</tr>
<tr>
<td>LINE ITEM 0005</td>
<td>In accordance with Exhibit C, Revision 1, Contract Data Requirements List, DD Form 1423, dated 31 Aug 1994.</td>
</tr>
</tbody>
</table>

b. The following Line Items are ADDED to Paragraph 1:

<table>
<thead>
<tr>
<th>CLIN</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>LINE ITEM 0011AA</td>
<td>In accordance with Statement of Work dated 31 Aug 1994, Paragraph 3.5.1.2.</td>
</tr>
<tr>
<td>LINE ITEM 0011AB</td>
<td>In accordance with Exhibit G. Contract Data Requirements List, DD Form 1423, dated 31 Aug 1994.</td>
</tr>
<tr>
<td>LINE ITEM 0012AA</td>
<td>In accordance with Statement of Work dated 31 Aug 1994. Paragraphs 3.2.6.1, 3.2.6.2, 3.2.6.2.1, 3.2.6.2.2 and 3.2.6.2.3.</td>
</tr>
<tr>
<td>LINE ITEM 0013AA</td>
<td>&quot;IF OPTION EXERCISED&quot; In accordance with Statement of Work dated 31 Aug 1994, Paragraphs 3.2.6.1, 3.2.6.2, 3.2.6.2.4 and 3.2.6.2.5.</td>
</tr>
<tr>
<td>LINE ITEM 0013AB</td>
<td>&quot;IF OPTION EXERCISED&quot; In accordance with Exhibit J, Contract Data Requirements List, DD Form 1423, dated 31 Aug 1994.</td>
</tr>
<tr>
<td>LINE ITEM 0014AA</td>
<td>&quot;IF OPTION EXERCISED&quot; In accordance With Statement of Work dated 31 Aug 1994,</td>
</tr>
</tbody>
</table>
Paragraphs 3.2.7, 3.2.7.1, 3.2.7.2, 3.2.7.3 and Baseline Spec Draft dated 19 Jan 1994.

LINE ITEM 0014AB "IF OPTION EXERCISED" In accordance with Exhibit K, Contract Data Requirements List, DD Form 1423, dated 31 Aug 1994.

LINE ITEM 0015AA "IF OPTION EXERCISED" In accordance with Statement of Work dated 31 Aug 1994, Paragraph 3.2.8.

LINE ITEM 0015AB "IF OPTION EXERCISED" In accordance with Exhibit L, Contract Data Requirements List, DD Form 1423, dated 31 Aug 1994.

LINE ITEM 0016AA The contractor shall provide additional engineering tasks in accordance with Statement of Work dated 31 Aug 1994, Paragraph 3.6.3 utilizing the labor categories and rates set forth in Special Provision H.3, herein, entitled "Time and Materials." Individual efforts will be directed by letter via Task Requirement Notices.

LINE ITEM 0016AB Travel and ODC in support of SubCLINs 0016AA, 0016AC in accordance with Statement of Work dated 31 Aug 1994, Paragraph 3.8.2. Travel and ODC will be specified by TRNs. No profit or fee will be associated with this CLIN. The estimated cost of this CLIN is $6,696.00.

LINE ITEM 0016AC In accordance with Exhibit M, Contract Data Requirements List, DD Form 1423, dated 31 Aug 1994.

NOTE: Reference to specific Statement of Work paragraphs is for information purposes and is not intended to be an inclusive Listing of ALL Statement of Work Paragraphs applicable to a particular CLIN/SubCLIN.

3. SECTION C - DESCRIPTIONS/SPECIFICATIONS CONTINUED

c. Delete the following ESC FAR Sup Clause 52.215-9518
   INCORPORATION OF CONTRACTOR'S TECHNICAL PROPOSAL (JUL 1990)
   in its entirety from Paragraph 2.

d. Add the following ESC FAR Sur) Clause In Full Text:

5352.235-9504 GUARANTEED FINAL REPORT (JUL 1993)
   (APPLICABLE TO CLINs 0011, 0012, 0016
   AND 0013, 0014 AND 0015 IF OPTION EXERCISED)

In the event the Contractor is unable to complete the entire work as specified in the contract because the cost of completion would be in excess of funds allotted to the contract, the Contractor agrees, notwithstanding any other terms or clauses of this contract, to furnish a Final Technical Report (Reproducible Copy) covering the work accomplished without any increase in the amount of funds allotted hereunder.

4. SECTION D - PACKAGING AND MARKING:

The following SubCLINs are added:

Packaging and marking for SubCLINs 0010AA, 0010AB, 0011AB, 0012AB
and 0016AC will be accomplished in accordance with ASTM-D-3951, "Standard Practices for Commercial Packaging."

Packaging and marking for SubCLINs 0013AB, 0014AB and 0015AB "If Options Exercised" will be accomplished in accordance with ASTM-D-3951, "Standard Practices for Commercial Packaging."

5. SECTION E - INSPECTION AND ACCEPTANCE:

a. Delete the following descriptions of CLINs 0003 and 0004 in Paragraph B and replace with the following:

<table>
<thead>
<tr>
<th>CLIN</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>0003</td>
<td>Inspection and Acceptance following Government approval of all Data delivered under CLIN 0004, as evidenced by an executed DD Form 250.</td>
</tr>
<tr>
<td>0004</td>
<td>In accordance with Exhibit B, Revision 1, Contract Data Requirements List, DD Form 1423, dated 31 Aug 1994.</td>
</tr>
</tbody>
</table>

b. Add the following SubCLINs to Paragraph B:

<table>
<thead>
<tr>
<th>CLIN</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>0010AA</td>
<td>Upon successful/completion of the Over the Air Test as evidenced by the Government approval of Over the Air Test Report (Exhibit F) as evidenced by an executed DD Form 250.</td>
</tr>
<tr>
<td>0011AA</td>
<td>Upon Government authentication of Technical Baseline Specification as evidenced by an executed DD Form 250.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CLIN</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>0012AA</td>
<td>Upon Government approval of DAMA Certification Test Plan and Test Procedures (Exhibit H) as evidenced by an executed DD Form 250.</td>
</tr>
<tr>
<td>0013AA</td>
<td>&quot;IF OPTION EXERCISED&quot; Upon Government approval of successful completion of DAMA Certification Testing and Certification Test Report (Exhibit J) as evidenced by an executed DD Form 250.</td>
</tr>
<tr>
<td>0013AB</td>
<td>&quot;IF OPTION EXERCISED&quot; In accordance with Exhibit J, Contract Data Requirements List, DD Form 1423, dated 31 Aug 1994.</td>
</tr>
<tr>
<td>0014AA</td>
<td>&quot;IF OPTION EXERCISED&quot; Upon Government approval of Data delivered under SubCLIN 0014AB as evidenced by an executed DD Form 250.</td>
</tr>
</tbody>
</table>
"IF OPTION EXERCISED" In accordance with Exhibit K, Contract Data Requirements List, DD Form 1423, dated 31 Aug 1994.

"IF OPTION EXERCISED" Upon Government approval of Data delivered under SubCLIN 0015AB as evidenced by an executed DD Form 250.

"IF OPTION EXERCISED" In accordance with Exhibit L, Contract Data Requirements List, DD Form 1423, dated 31 Aug 1994.

Inspection and Acceptance at destination concurrent with acceptance of Data under SubCLIN 0016AC, as evidenced by an executed DD Form 250 at the completion of each TRN.


5. SECTION F - DELIVERIES OR PERFORMANCE:
   a. Add the following Federal Acquisition Regulation Clause to Paragraph A.I.:

52.212-13 ALTERNATE I (APR 1984) (Applicable to CLINs 0011, 0012 and 0014 and 0015 if Ordered)

b. Paragraph B, CLINs (Line Items) 0003, 0004, 0005 and 0009 are deleted in their entirety and replaced in accordance with Page 23 herein.

c. Add the following SubCLINs 0010AA, 0010AB, 0011AA, 0011AB, 0012AA, 0012AB, 0013AA, 0013AB, 0014AA, 0014AB, 0015AA, 0015AB, 0016AA, 0016AB and 0016AC to Paragraph B in accordance with Pages 23, 24, and 25 herein.

6. SECTION G - ACCOUNTING DATA:

   Section G is changed in accordance with Page 26 herein.

ESC FAR Sup Clauses in Full Text

a. Add the following clauses to Paragraph A:

5352.232-9502 LIMITATION OF FUNDS (DEC 1984)

   (a) The sum allotted to this contract and available for payment of costs under CLINs 0011 AND 0012 THRU 31 JANUARY 1995 in accordance with the clause in Section I entitled "Limitation of Funds" is $168,176.00.

   (b) In addition to the amount allotted under the Limitation of Funds clause, the additional amount of $14,624.00 is obligated for payment of fee for work completed under CLINs 0011 and 0012.

5352.232-9504 SEGREGATION OF COSTS (DEC 1984)

   (a) The Contractor shall segregate all costs associated with Contract Line Items (CLINs) 0001, 0002, 0003, 0004, 0005, 0009 and 0010 of this contract from the costs associated with other CLINs of this contract in such a manner that at any time the costs incurred under any portion shall be readily ascertainable.

   (b) The Contractor shall segregate all costs associated with Contract Line Items (CLINs/SubCLINs) 0011, 0011AA, 0012, 0012AA and 0013, 0013AA, 0014, 0014AA, 0015, and 0015AA if ordered of this contract from the costs associated with other CLINs of this contract
in such a manner that at any time the costs incurred under any portion shall be readily ascertainable.

(c) The Contractor shall segregate all costs associated with Contract Line Items (CLINs/SubCLINs 0016, 0016AA and 0016AB of this contract from the costs associated with other CLINs of this contract in such a manner that at any time the costs incurred under any portion shall be readily ascertainable.

(d) Costs properly allocable to CLINs 0011, 0012 and (If Ordered) 0013, 0014 and 0015 shall be allowable and subject to reimbursement in accordance with the "Limitation of Funds" clause only within the separate "sum allotted" set forth in the contract schedule for such CLINs/SubCLINs.

5352.243-9501 NOT TO EXCEED COST AGREEMENT (CPFF) (DEC 1984) (APPLICABLE TO CLINS 0011, 0012 AND 0013, 0014 AND 0015 IF ORDERED)

(a) Prior to the issuance of a change order under this contract, the Contracting Officer may solicit from the Contractor written agreement as to the maximum (in the case of an increase) adjustments or (in the case of a reduction) a Not-Less-Than amount adjustments to be made in both the estimated cost and fixed fee, and/or in the delivery schedule (or time of performance), by reason of the change. The Contracting Officer may also solicit such agreement on limitations on the adjustments, to any other provisions of the contract which may be subject to equitable adjustments by reason of the change. Any such written agreement shall then be cited in the change order, and upon its issuance shall be a binding part of the contract. In no event shall the definitive equitable adjustment exceed the delivery schedule (or time of performance) adjustments so established, nor otherwise be inconsistent with other adjustment limitations so established. Except with respect thereto, nothing contained herein shall affect the rights of the parties to an equitable adjustment by reason of the change, pursuant to said "Changes" clause.

P19628-91-C-0151/P00004 Page 7 of 26
The purpose of this modification is to fully fund to completion CLINs/SubCLINs 0011, 0011AA, 0011AB, 0012, 0012AA, 0012AB and to exercise Option CLIN/SubCLIN 0015, 0015AA and 0015AB. The contract is modified as follows:

1. SECTION A - AWARD/CONTRACT: AFSC Form 701, Block 22 is changed as follows:

   FROM: $2,260,933.00 (PO0004)

   BY: $178,373.00 (PO0005 this action)

   TO: $2,439,306.00 (PO0005)

2. SECTION B - SUPPLIES/SERVICES:

   (a) SEE ATTACHED AMIS FORM 70B ON PAGE 4 HEREIN.

   (b) REPLACE PARAGRAPH a. (2) in its entirety with the following:

   "(2) Cost Plus Fixed Fee: Estimated Cost $1,015,454.00 (PO0004)

   Fixed Fee $81,236.00 (PO0004)

   Total Amount $1,096,690.00 (PO0004)"

(c) REPLACE PARAGRAPH c. in its entirety with the following:
CLINs/SubCLINs 0010, 0010AA, 0010AB, 0011, 0011AA, 0011A.B, 0012, 0012AA, 0012AB, 0015, 0015AA, 0015AB, 0016, 0016AA, 0016AB, 0016AC and OPTION CLINs/SubCLINs 0013, 0013AA, 0013AB, 0014, 0014AA and 0014AB

(d) DELETE PARAGRAPH d. (3), Exercise of Option in its entirety.

3. SECTION C - DESCRIPTIONS/SPECIFICATIONS:

In PARAGRAPH 1 delete the words "IF OPTION EXERCISED" on Line Items 00115AA and 00115AB.

4. SECTION D - PACKAGING AND MARKING:

REPLACE PARAGRAPH 1 AND 2 in their entirety.

Packaging and marking for SubCLINs 0010AA, 0010AB, 0011AB, 0012AB, 0015AB and 0016AC will be accomplished in accordance with ASTM-D-3951, "Standard Practices for Commercial Packaging."

Packaging and marking for SubCLINs 0013AB and 0014AB "If Options Exercised" will be accomplished in accordance with ASTM-D-3951, "Standard Practices for Commercial Packaging."

F19628-91-C-0151/P00005
Page 2 of 6
The purpose of this modification is to exercise Option CLIN/SubCLIN 0014, 0014AA and 0014AB. The contract is modified as follows:

1. SECTION A - AWARD/CONTRACT: AFSC Form 701, Block 22 is changed as follows:

   FROM: $2,439,306.00 (P00005)
   BY: $ 288,600.00 (P00007 this action)
   TO: $2,727,906.00 (P00007)

2. SECTION B - SUPPLIES/SERVICES:

   (a) SEE ATTACHED AMIS FORM 70B ON PAGE 4 HEREIN.

   (b) REPLACE PARAGRAPH c. in its entirety with the following:

   CLINS/SubCLINs 0010, 0010AA, 0010AB, 0011, 0011AA, 0011AB, 0012, 0012AA, 0012AB, 0015, 0015AA, 0015AB, 0016, 0016AA, 0016AB, 0016AC 0014, 0014AA and 0014AB and OPTION CLINS/SubCLINs 0013, 0013AA, 0013AB,

   (d) DELETE PARAGRAPH d. (2), Exercise of Option in its entirety-

3. SECTION C - DESCRIPTIONS/SPECIFICATIONS

   In PARAGRAPH 1 delete the words "IF OPTION EXERCISED" on Line Items 0014AA and 0014AB.

4. SECTION D - PACKAGING AND MARKING:

   REPLACE PARAGRAPH 1 AND 2 in their entirety.

   Packaging and marking for SubCLINs 0010AA, 0010AB, 0011AB, 0012AB, 0014AA, 0015AB and 0016A will be accomplished in accordance with ASTM-D-3951, "Standard Practices for Commercial Packaging."

   Packaging and marking for SubCLIN 0013AB "If Options Exercised" will be accomplished in accordance with ASTM-D-3951, "Standard Practices for Commercial Packaging."

5. SECTION E - INSPECTION AND ACCEPTANCE:

   This supplemental agreement is entered into pursuant to authority of
   AFMC Form 702 (Computer generated)

   19. CONTRACT ADMINISTRATION DATA

   A. KIND  B. MOD ABST  C. DATE OF SIGNATURE  D. CHANGE IN CONTRACT AND  E. LOSING PO/CAD  F. GAINING PO/CAD  G. SVC/AGENCY US
   OF MOD  RECIEPIENT ADF P MODIFICATION INCREASE (+) DECREASE (-) ON TRANSFER ON TRANSFER
   B.  $288,600.00 (+)

   16. ENTER ANY APPLICABLE CHANGES

   A. PAY  B. EFFECTIVE DA  C. CONTRACT  D. TYPE  E. SURV  F. SPL CONTN  G. PAYING OFC  H. DATE SIGNED  I. SECURITY [1]:CLASS
   CODE OF AMEND  (1)TYPE (2)KIND CONTR CRIT PROVISIONS CODE  (2) DATE OF DD 254

   17. REMARKS (Except as provided herein, all items and conditions of the contract, as heretofore changed, remain unchanged and
   in full force and effect).

   F19628-91-C-0151-P00007

   Page 2 of 6
In PARAGRAPH B, delete the words "IF OPTION EXERCISED" on SubCLINs 0014AA and 0014AB.

6. SECTION F - DELIVERIES OR PERFORMANCE:

SEE ATTACHED AMIS FORM 70F ON PAGE 5 HEREIN.

7. SECTION G - ACCOUNTING DATA:

SEE ATTACHED AMIS FORM 60G ON PAGE 6 HEREIN.

8. NO CHANGES TO ANY OTHER SECTIONS OF THIS CONTRACT.

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Page 3 of 6

24

70B - PART I, SECTION B OF THE SCHEDULE

<table>
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<td>descriptive data:</td>
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<td>Contractor shall participate in the NSA's</td>
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<td></td>
<td>Commercial COMMSEC Endorsement Program (CCEP) to obtain endorsement of the VM-200, Version 2, Rev (-) Modems at an Estimated Cost of $267,222.00 and a Fixed Fee of $21,378.00.</td>
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<td>descriptive data:</td>
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<td></td>
<td>Data IAW Exhibit K, CDRL Data Items.</td>
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<tr>
<td></td>
<td>Not Separately Priced (NSP). Price included in the price of SubCLIN 0014AA.</td>
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</tr>
</tbody>
</table>

F19628-91-C-0151-P00007
Page 4 of 6

25
The purpose of this modification is to to exercise Option CLIN/SubCLIN 0013, 0013AA and 0013AB. The contract is modified as follows:

1. SECTION A - AWARD/CONTRACT: AFSC Form 701, Block 22 is changed as follows:

FROM: $2,727,906.00 (P00007)
BY: $137,044.00 (P00008 this action)
TO: $2,864,950.00 (P00008)
2. SECTION B - SUPPLIES/SERVICES:
   (a) SEE ATTACHED AMIS FORM 70B ON PAGE 4 HEREIN.
   (b) REPLACE PARAGRAPH c. in its entirety with the following:
       "CLINs/SubCLINs 0010, 0010AA, 0010AB, 0011, 0011AA, 0011AB, 0012, 0012AA, 0012AB, 0013, 0013AA, 0013AB, 0014, 0014AA, 0014AB, 0015, 0015AA, 0015AB, 0016, 0016AA, 0016AB and 0016AC."
   (c) DELETE PARAGRAPH d., Exercise of Option in its entirety.
3. SECTION C - DESCRIPTIONS/SPECIFICATIONS:
   In Paragraph 3 delete the words ""If Option Exercised"" on Line Items 0013AA and 0013AB.
4. SECTION D - PACKAGING AND MARKING:
   (a) REPLACE PARAGRAPH 1 in its entirety with the following:
       Packaging and marking for SubCLINs 0010AA, 0010AB, 0011AB, 0012AB, 0013AB, 0014AB 0015AB and 0016AC will be accomplished in accordance with ASTM-D-3951, "Standard Practices for Commercial Packaging."
   (b) DELETE PARAGRAPH 2 in its entirety.
5. SECTION E - INSPECTION AND ACCEPTANCE:
   In PARAGRAPH B, delete the words ""IF OPTION EXERCISED"" on SubCLINs 0013AA and 0013AB.

F19628-91-C-0151/P00008
Page 2 of 6

6. SECTION F - DELIVERIES OR PERFORMANCE:
   SEE ATTACHED AMIS FORM 7OF ON PAGE 5 HEREIN.
7. SECTION G - ACCOUNTING DATA:
   SEE ATTACHED AMIS FORM 60G ON PAGE 6 HEREIN.
8. NO CHANGES TO ANY OTHER SECTIONS OF THIS CONTRACT.

F19628-91-C-0151/P00008
Page 3 of 6

70B - PART I, SECTION B OF THE SCHEDULE

<table>
<thead>
<tr>
<th>ITEM NO</th>
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<tr>
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<td>nsn:</td>
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<td>B. Data in accordance with SubCLIN 0013AB.</td>
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<td>sec class: U</td>
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noun: MIL-STD 188-182 CERTIFICATION. Conduct
Tests and Submit Test Reports.
acrn: AE nsn: N
site codes cqa: D acp: D fob: D
pr/mipr data: FY7620-95-MCX068 AMD 03
type contract: U
descriptive data:
Contractor shall conduct MIL-STD 188-182
Certification Testing and prepare
Certification Test Report IAW Statement of
Work (SOW) dated 31 August 1994, Paragraph
3.2.6.1, 3.2.6.2, 3.2.6.2.4 and 3.2.6.25 at
an Estimated Cost of $126,893.00 and a Fixed
Fee of $10,151.00.

0013AB Exercise Option SubCLIN sec class: U 1 NSP
acrn: AE nsn: N
site codes cqa: D acp: D fob: D
pr/mipr data: FY7620-95-MCX068 AMD 03
type contract: U
descriptive data:
Deliver in accordance with Exhibit J, CDRL
Data Item. Not separately priced (NSP). Price
included in the price of CLIN 0013AA.
This Supplemental Agreement (S/A) adds additional effort to the Contract on a Firm Fixed Price basis consisting of the delivery of 12 VM-200 modems, 6 control indicators and the performance of EMI Testing (Ref CLIN 0018). It also adds additional effort on a Cost Plus Fixed Fee basis which consists of the Development of Interface Software for MIL-STD-1553 Bus; Frequency Control and MIL-STD-1553 Interface Software Demonstration Plans and Procedures; Frequency Control and MIL-STD-1553 Interface Software Demonstration Test Report; Frequency Control Software; Modem/Control Indicator Performance Test; Control Indicator Acceptance Testing Plans and Procedures; Control Indicator Acceptance Test/Report Requirements and Control Indicator Environmental Qualification/Electromagnetic Interference (EMI) Testing (Ref CLIN 0019). Additionally, CLIN 0020 is added as a Time and Material CLIN for NCS and Terminal 5kHz/25-kHz DAMA interoperability Testing.

1. SECTION A - AWARD/CONTRACT: AFSC Form 701, Block 22 is changed as follows:

   FROM: $2,864,950.00 (P00008)  
   BY: $1,928,801.00 (P00010 this action)  
   TO: $4,793,751.00 (P00010)

2. SECTION B - SUPPLIES/SERVICES:

   a. "DELETE and REPLACE PARAGRAPH a. in its ENTIRETY with the following:

      1. Firm Fixed Price:  
         FROM: $1,585,022.00 (P00004)  
         BY: $ 637,481.00 (P00010 this action)  
         TO: $2,222,503.00 (P00010)

         FROM: $1,096,690.00 (P00004)  
         BY: $1,154,712.00 (P00010 this action)  
         TO: $2,251,402.00 (P00010)

      3. Time & Materials: Labor Ceiling  
         FROM: $176,542.00 (P00004)  
         BY: $107,976.00 (P00010 this action)
b. "The following CLINs/SubCLINs are added to the contract:

CLINS/SUBCLINS 0018, 0018AA, 0018AB, 0019, 0019AA, 0019AB, 0020, 0020AA, 0020AB and 0020AC in accordance with PAGES 11, 12 and 13 herein."

31

3. SECTION C - DESCRIPTIONS/SPECIFICATIONS:

a. "The following Line Items are ADDED to PARAGRAPH 1:

<table>
<thead>
<tr>
<th>CLIN</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>LINE ITEM 0018AA</td>
<td>In accordance with Statement of Work, Revision 2, dated 22 June 1995 and Spec No ESC-ABN-MOD-FS001B dated 30 June 1995</td>
</tr>
<tr>
<td>LINE ITEM 0018AB</td>
<td>In accordance with Exhibit Q, Contract Data Requirements List, DD Form 1423, dated 22 June 1995</td>
</tr>
<tr>
<td>LINE ITEM 0019AA</td>
<td>In accordance with Statement of Work, Revision 2, dated 22 June 1995 and Spec No ESC-ABN-MOD-FS001B dated 30 June 1995</td>
</tr>
<tr>
<td>LINE ITEM 0019AB</td>
<td>In accordance with Exhibit P, Contract Data Requirements List, DD Form 1423, dated 22 June 1995</td>
</tr>
<tr>
<td>LINE ITEM 0020AA</td>
<td>The contractor shall provide additional engineering tasks in accordance with the Statement of Work, Revision 2, dated 22 June 1995, Paragraph 3.6.3 utilizing labor categories and rates set forth in Special Provision H.3.(i), herein entitled &quot;Time and Materials.&quot; Individual efforts will be directed by letter via Task Requirement Notices.</td>
</tr>
<tr>
<td>LINE ITEM 0020AB</td>
<td>Travel and ODC in support of SubCLIN 0020AA, 0020AC in accordance with Statement of Work, Revision 2, dated 22 June 1995, Paragraph 3.8.2. Travel and ODC will be specified by TRNs. No profit or fee will be associated with this CLIN. The estimated cost of this CLIN is $28,632.00.</td>
</tr>
<tr>
<td>LINE ITEM 0020AC</td>
<td>In accordance with Exhibit R, Contract Data Requirements List, DD Form 1423, dated 22 June 1995</td>
</tr>
</tbody>
</table>

NOTE: Reference to specific Statement of Work paragraphs is for information purposes and is not intended to be an inclusive listing of ALL Statement of Work Paragraphs applicable to a particular CLIN/SubCLIN."

b. Delete paragraph d. in its entirety and replace with the following:

d. "ADD THE FOLLOWING ESC FAR SUP CLAUSE IN FULL TEXT:
In the event the Contractor is unable to complete the entire work as specified in the contract because the cost of completion would be in excess of funds allotted to the contract, the Contractor agrees, notwithstanding any other terms or clauses of this contract, to furnish a Final Technical Report (Reproducible Copy) covering the work accomplished without any increase in the amount of funds allotted hereunder."

F19628-91-C-0151/P00010
Page 3 of 16
This Supplemental Agreement A) increases the funding, for the ESTIMATED COST ONLY, on CLINs 0012AA and 0013AA so that the contractor may complete the effort that is required on these CLINs. There will be NO INCREASE IN THE FIXED FEE on these CLINs.

1. SECTION A - AWARD/CONTRACT: AFSC Form 701, Block 22 is changed as follows:
   FROM: $4,793,751.00 (P00010)
   BY: $271,593.00 (P00011 this action)
   TO: $5,065,344.00 (P00011)

2. SECTION B - SUPPLIES/SERVICES:
   a. "DELETE and REPLACE PARAGRAPH a. in its ENTIRETY with the following:
      1. FIRM FIXED PRICE:
         FROM: $1,585,022.00 (P00004)
         BY: $637,481.00 (P00010 this action)
         TO: $2,222,503.00 (P00010)

      2. COST PLUS FIXED FEE:
         EST COST
         FROM: $2,251,402.00 (P00010)
         BY: $271,593.00 (P00011 this action)
         TO: $2,522,995.00 (P00011)

      3. TIME & MATERIALS:
         LABOR CEILING
         FROM: $176,542.00 (P00004)
         BY: $107,976.00 (P00010 this action)
         TO: $284,518.00 (P00010)

         ODC CEILING
         FROM: $6,696.00 (P00004)
         BY: $28,632.00 (P00010 this action)
         TO: $35,328.00 (P00010)

         TOTAL CEILING
         FROM: $183,238.00 (P00004)
         BY: $136,608.00 (P00010 this action)
         TO: $319,846.00 (P00010)"

   b. "THE FOLLOWING SubCLINs are deleted in their entirety and replaced with the following:
      SUBCLINS 0012AA and 0013AA in accordance with PAGE 4 herein."

3. SECTION C - DESCRIPTIONS/SPECIFICATIONS:
   NO CHANGE

4. SECTION D - PACKAGING AND MARKING:
   NO CHANGE
5. SECTION E - INSPECTION AND ACCEPTANCE:

NO CHANGE

6. SECTION F - DELIVER OR PERFORMANCE:

"REPLACE the following SUBCLIN 0012AA in its entirety to paragraph B in accordance with PAGE 5 herein."

7. SECTION G - ACCOUNTING DATA:

SECTION G is CHANGED in accordance with PAGE 6 herein.

8. SECTION H - SPECIAL CONTRACT REQUIREMENTS:

5352.232-9502 LIMITATION OF FUNDS (DEC 1984)

DELETE PARAGRAPH (a) AND (b) IN THEIR ENTIRETY AND REPLACE WITH THE FOLLOWING:

"(a) THE SUM ALLOTED TO THIS CONTRACT AND AVAILABLE FOR PAYMENT OF COSTS UNDER CLINS 0011, 0012 AND 0013 THRU COMPLETION IN ACCORDANCE WITH THE CLAUSE IN SECTION I ENTITLED "LIMITATION OF FUNDS" IS $854,665.00.

(b) IN ADDITION TO THE AMOUNT ALLOTED UNDER THE LIMITATION OF FUNDS CLAUSE, THE ADDITIONAL AMOUNT OF $46,645.00 IS OBLIGATED FOR PAYMENT OF FEE FOR WORK COMPLETED UNDER CLINS 0011, 0012 AND 0013.

9. SECTION I - CONTRACT CLAUSES:

NO CHANGE

10. SECTION J - LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS:

NO CHANGE

RELEASE OF CLAIMS: This Supplemental Agreement constitutes full, complete and final settlement of any and all rights to any equitable adjustment under the "Changes" clause or any other provision of this contract arising out of or relating to the modifications contained herein.

70B - PART I, SECTION B OF THE SCHEDULE

<table>
<thead>
<tr>
<th>Item No</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>0012AA</td>
<td>SubCLIN Change</td>
<td>1</td>
<td>$681,028.00</td>
</tr>
<tr>
<td></td>
<td>sec class: U</td>
<td>LO</td>
<td>$209,603.00+</td>
</tr>
</tbody>
</table>

noun: MIL-STD 188-182 Certification, Test Planning and Procedures.
acrn: XB
pr/mpr data: FY7620-95-MCX-320
type contract: U
descriptive data:
Contractor shall develop plans and procedures for MIL-STD-188-182 DAMA Certification IAW Statement of Work (SOW) dated 31 Aug 1994,
Paragraphs 3.2.6.1, 3.2.6.2, 3.2.6.2.1, 3.2.6.2.2, and 3.2.6.2.3 at an Estimated Cost of $846,108.00 and Fixed Fee of $34,920.00.

**0013AA** SubCLIN Change  sec class: U  LO $199,034.00  LO $1,990.00+

noun: MIL-STD 188-182 Certification. Conduct
Tests and Submit Test Reports.
acrn: AE  nsn: N
site codes: cqa: D acp: D fob: D
pr/mipr data: F19620-95-MCX-320
type contract: U
descriptive data:
Contractor shall conduct MIL-STD 188-182
Certification Testing and prepare Certification
Test Report IAW Statement of Work (SOW) dated 31
August 1994, Paragraph 3.2.6.1, 3.2.6.2,
3.2.6.2.4 and 3.2.6.2.5 at an Estimated Cost of
$188,883.00 and a Fixed Fee of $10,151.00.
F19628-91-C-0151/P00011

**Page 4 of 6**

<table>
<thead>
<tr>
<th>2. PROC INSTRUMENT ID NO (PIN)</th>
<th>3. SPIIN</th>
<th>4. EFFECTIVE DATE</th>
<th>5. REQUISITION/PURCHASE REQUEST</th>
<th>6. BDC/DMS RATING</th>
<th>7. ISSUED BY</th>
<th>8. ADMINISTERED BY (IF OTHER THAN BLOCK 7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>F19628-91-C-0151</td>
<td>P00013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**9. CONTRACTOR**

<table>
<thead>
<tr>
<th>NAME AND ADDRESS</th>
<th>FACILITY CODE</th>
<th>10. SECURITY CLASS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad, CA 92009-1585</td>
<td>CODE FA8709</td>
<td></td>
</tr>
<tr>
<td>Hanscom AFB, MA 01731-1620</td>
<td>CODE S0514A</td>
<td></td>
</tr>
</tbody>
</table>

**12. PURCHASE OFFICE POINT OF CONTACT**

<table>
<thead>
<tr>
<th>MULTIPLE</th>
<th>DISCOUNT FOR PROMPT PAYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST % DAYS</td>
<td></td>
</tr>
<tr>
<td>RE % DAYS</td>
<td></td>
</tr>
</tbody>
</table>

**14. THIS BLOCK APPLIED ONLY TO MODIFICATION OF CONTRACTS**

<table>
<thead>
<tr>
<th>THIS CHANGE IS ISSUED PURSUANT TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>THE ABOVE NUMBERED CONTRACT/ORDER</td>
</tr>
<tr>
<td>THE ABOVE NUMBERED CONTRACT IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (SUCH AS CHANGES</td>
</tr>
<tr>
<td>IN PAYING OFFICE, APPROPRIATION DATA, ETC.) SET FORTH HEREIN.</td>
</tr>
<tr>
<td>X</td>
</tr>
<tr>
<td>THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY THE &quot;CHANGES CLAUSE&quot; PAR 52.243-1 AND</td>
</tr>
<tr>
<td>52.243-2</td>
</tr>
<tr>
<td>THIS MODIFICATION IS ISSUED PURSUANT TO</td>
</tr>
</tbody>
</table>
This Supplemental Agreement (S/A) establishes SubCLIN 0015AC for the Updated Communication Service Improvement Study, a cost reimbursable SubCLIN and CLIN 0021, Proposal Preparation costs for the Advanced Change Study Notice a Firm-Fixed Price CLIN.

1. SECTION A - AWARD/CONTRACT: AESC Form 701, Block 22 is changed as follows:

   FROM: $5,065,344.00 (P00012)
   BY: $ 69,014.00 (P00013 this action)
   TO: $5,134,358.00 (P00013)

2. SECTION B - SUPPLIES/SERVICES:

   a. "DELETE AND REPLACE PARAGRAPH a. in its ENTIRETY with the following:

      1. FIRM FIXED PRICE: FROM: $2,222,503.00 (P00012)
         BY: $ 61,850.00 (P00013 this action)
         TO: $2,284,353.00 (P00013)

      2. COST PLUS FIXED FEE:
         EST COST FROM: $2,522,995.00 (P00012)
         BY: $ N/C (P00013 this action)
         TO: $2,522,995.00 (P00013)

      3. TIME MATERIALS:
         LABOR CEILING FROM: $ 291,162.32 (P00012)
         BY: $ N/C (P00013 this action)
         TO: $ 291,152.32 (P00013)

         ODC CEILING FROM: $ 28,683.68 (P00012)
         BY: $ N/C (P00013 this action)
         TO: $ 28,683.68 (P00013)

         TOTAL CEILING FROM: $ 319,846.00 (P00012)
         BY: $ N/C (P00013 this action)
         TO: $ 319,846.00 (P00013)

   4. COST REIMBURSABLE:
      ESTABLISHED $ 7,164.00 (P00013)"
b. "THE following CLIN/SUBCLIN are added to the contract:

CLIN/SUBCLIN 0015AC AND 0021 in accordance with Page 6 herein."

F19628-91-C-0151/P00013
Page 2 of 8
A. The purpose of this supplemental agreement is to implement changes to contract F19628-91-C-0151 as indicated. SubCLIN 0019AC has been added to encompass cost overruns for the airborne modem and control indicator test and development work to be completed under SubCLIN 0019AA. This SubCLIN was established at a value of $105,000.00.

B. The following changes are made to individual sections of this contract:

1. SECTION A - SOLICITATION/CONTRACT FORM:

   AFSC Form 701, Block 22 is changed as follows:

   FROM:   $5,134,358.00 (P00013)
   BY:     $  105,000.00 (P00015)
   ---------------------
   TO:     $5,239,358.00 (P00015)

2. SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS:

   SubCLIN 0019AC -- This SubCLIN was added to encompass cost overruns for the airborne modem and control indicator test and development work to be completed under SubCLIN 0019AA. The SubCLIN was established at a value of $105,000.00. This money shall be applied to complete the tasks shown below:

<table>
<thead>
<tr>
<th>Job Number</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. 605946</td>
<td>CI Presets</td>
</tr>
<tr>
<td>b. 605946</td>
<td>Low-level Software</td>
</tr>
<tr>
<td>c. 605949</td>
<td>Dry Runs</td>
</tr>
<tr>
<td>d. 605949</td>
<td>Miscellaneous Tests</td>
</tr>
<tr>
<td>e. 605947</td>
<td>Environmental Tests</td>
</tr>
</tbody>
</table>

   Any remaining/unused funds shall be used in support of this same SubCLIN 0019AA at the discretion of the VisSat Program manager.

   These changes are reflected in the attached AMIS forms, [ATTACHMENT 1 TO THIS MODIFICATION].

3. SECTION C - DESCRIPTIONS/SPECIFICATIONS:

   Section C, Paragraph 3(b) ADD:


4. SECTION D - PACKAGING AND MARKING:

   No Change

5. SECTION E - INSPECTIONS AND ACCEPTANCE:

   Section E, Paragraph B ADD:

   SubCLIN 0019AC -- Inspection and Acceptance following Government approval of all Data delivered under SubCLIN 0019AB, as evidenced by and executed DD Form 250.

6. SECTION F - DELIVERIES OR PERFORMANCE:
SubCLIN 0019AC -- Deliver in accordance and concurrent with SubCLIN 0019AA.

These changes are reflected in the attached AMIS forms, [ATTACHMENT 1 TO THIS MODIFICATION].

7. SECTION G - CONTRACT ADMINISTRATIVE DATA:

Section G, ACRN AF -- ADD SubCLIN 0019AC funding to read as follows:

FROM: $ 7,164.00 (P00013)
BY: $105,000.00 (P00015)

TO: $112,164.00 (P00015)

The new Obligated Amount under ACRN AF is $112,164.00.

These changes are reflected in the attached AMIS forms, [ATTACHMENT 1 TO THIS MODIFICATION].

8. SECTION H - SPECIAL CONTRACT REQUIREMENTS:

No Change

9. SECTION I - GENERAL PROVISIONS:

To the following FAR Clauses ADD: "Applicable to CLIN 0019."

10. SECTION J - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS:

No Change

C. Release of Claims

This Supplemental Agreement, P00015, constitutes full, complete, and final settlement of the Contractor's right to equitable adjustment to the "Changes" clause or any other provision of this contract arising out of or relating to the modification described herein. This release does not preclude any claim by either party for any future action, inaction, or omission, by either party, related to work under this contract.

F19628-91-C-0151/P00015
PAGE 3 OF 3
1. SECTION A - AWARD/CONTRACT: AFSC Form 701, Block 22 is changed as follows:

"FROM:  $5,559,194.00  (P00015)  
BY:  $ 418,655.00  (P00016)
"---------
TO:  $5,977,849.00  (P00016)"

2. SECTION B - SUPPLIES/SERVICES:

a. DELETE AND REPLACE PARAGRAPH a. IN ITS ENTIRETY with the following:

(1) Firm Fixed Price:  FROM:  $2,284,353.00  (P00013)  
BY:  $  N/C  (P00016)
"---------
TO:  $2,284,353.00  (P00016)"
(2) Cost Plus Fixed Fee:     FROM:   $2,522,995.00  (P00013)  
                         ESTIMATED COST             BY:   $ 105,000.00  (P00015)  
                                  BY:   $ 418,655.00  (P00016)  
                        ------------------  
                                  TO:   $3,046,650.00  (P00016)  

(3) Time Materials:     
                         LABOR CEILINGS       FROM:   $ 291,152.32  (P00013)  
                                  BY:   $  N/C       (P00016)  
                        ------------------  
                                  TO:   $ 291,152.32  (P00016)  

                         ODC CEILINGS         FROM:   $ 28,683.68  (P00013)  
                                  BY:   $  N/C       (P00016)  
                        ------------------  
                                  TO:   $ 28,683.68  (P00016)  

                         TOTAL CEILING        FROM:   $ 319,846.00  (P00013)  
                                  BY:   $  N/C       (P00016)  
                        ------------------  
                                  TO:   $ 319,846.00  (P00016)  

(4) Cost Reimbursable:     FROM:   $ 7,164.00  (P00013)  
                                  BY:   $  N/C       (P00016)  
                        ------------------  
                                  TO:   $ 7,164.00  (P00016)  

b. (1) "UPDATE SUBCLINS 0012AA, 0013AA AND 0019AC IN ACCORDANCE WITH PAGES 4 AND 5 HEREIN."

(2) Add SubCLIN 0015AD in accordance with PAGE 4 herein."

3. SECTION C - DESCRIPTION/SPECIFICATIONS:

"Add the following Line item to Paragraph 1:

<table>
<thead>
<tr>
<th>CLIN</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>LINE ITEM 0015AD</td>
<td>In accordance with Statement of Work (Sow), Rev 4 dated 30 October 1995, Paragraph 3.2.8.&quot;</td>
</tr>
</tbody>
</table>
### EXHIBIT 10.31

<table>
<thead>
<tr>
<th>2. AMENDMENT/MODIFICATION NO.</th>
<th>3. EFFECTIVE DATE</th>
<th>4. REQUISITION/PURCHASE REQ. NO.</th>
<th>5. PROJECT NO. (if applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FD0058</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Table 3. Effective Date

<table>
<thead>
<tr>
<th>Date Signed</th>
<th>Type of Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-9-94</td>
<td>P. Janilea Bays</td>
</tr>
</tbody>
</table>

### 6. ISSUED BY

<table>
<thead>
<tr>
<th>CODE NO0173</th>
<th>ADMINISTERED BY (if other than Item 6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CODE S0514</td>
<td>Code S0514</td>
</tr>
</tbody>
</table>

#### 9. Amendment of Solicitation No.

<table>
<thead>
<tr>
<th>A. AMENDMENT OF SOLICITATION NO.</th>
<th>B. DATED (SEE ITEM 11)</th>
</tr>
</thead>
<tbody>
<tr>
<td>VIASAT INC</td>
<td>93 SEP 27</td>
</tr>
</tbody>
</table>

#### 10. Modification of Contract/Order

<table>
<thead>
<tr>
<th>A. MODIFICATION OF CONTRACT/ORDER NO.</th>
<th>B. DATED (SEE ITEM 13)</th>
</tr>
</thead>
<tbody>
<tr>
<td>N00014-93-C-2130</td>
<td>11/29/94</td>
</tr>
</tbody>
</table>

### 9B. DATED (SEE ITEM 11)

9B. DATED (SEE ITEM 11)

### Accounting and Appropriation Data (If required)

<table>
<thead>
<tr>
<th>SEE CONTINUATION PAGE</th>
</tr>
</thead>
</table>

### 13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

<table>
<thead>
<tr>
<th>A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT/ORDER NO. IN ITEM 10A.</th>
</tr>
</thead>
<tbody>
<tr>
<td>X/ A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT/ORDER NO. IN ITEM 10A.</td>
</tr>
</tbody>
</table>

### 14. Description of Amendment/Modification

Any questions concerning this modification should be directed to:

MARY M. SANDY  
Code: 3240.MS  
202/767-6730

### 11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning ____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers.

### 12. Accounting and Appropriation Data (If required)

<table>
<thead>
<tr>
<th>SEE CONTINUATION PAGE</th>
</tr>
</thead>
</table>

### 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)

F. Janilea Bays  
Contracting Officer

### 15A. NAME AND TITLE OF SIGNER (Type or print)

/s/ Dianne Cherniak  
12-9-94

(Signature of person authorized to sign)

### 15B. CONTRACTOR/OFFEROR

/s/ Dianne Cherniak  
12-9-94

### 15C. DATE SIGNED

12-9-94

### 16C. DATE SIGNED

11/29/94

### 16B. UNITED STATES OF AMERICA

By /s/ F. Janilea Bays

### 15C. DATE SIGNED

12-9-94

### 16C. DATE SIGNED

11/29/94

### CONTRACT NO. N00014-93-C-2130
Modification No. P00008

Page 2

Description of Amendment/Modification:

This modification is issued to add an increment of funds to Contract N00014-93-C-2130 in the amount of $450,000.00.

SECTION G-5, AN EXPLANATION OF LIMITATION OF FUNDS is revised to read as follows:

The Total Estimated Cost Plus Fixed Fee of this contract will not exceed $1,578,304.00, including a Total Estimated Cost of $1,440,487.00, and a Fixed Fee of $137,817.00.

The amount presently available for payment and allotted to this contract is a Total Estimated Cost Plus Fixed Fee of $1,350,564.00, including a Total Estimated Cost of $1,232,633.00, and a Fixed Fee of $117,931.00.

The amount allotted of $450,000.00 will cover the period 27-Sep-93 through 30-Apr-95. The funding available shall be considered a ceiling which the contractor may not exceed (except at his own risk) without the written approval of the Contracting Officer.
PART I-SECTION B
SUPPLIES/SERVICES AND PRICES

BASIC

<table>
<thead>
<tr>
<th>ITEM NUMBER</th>
<th>SUPPLIES OR SERVICES</th>
<th>ESTIMATED COST</th>
<th>FIXED FEE</th>
<th>TOTAL ESTIMATED COST AND FIXED FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>The Contractor shall conduct research as described below and in Section C.</td>
<td>$1,216,279</td>
<td>$118,277</td>
<td>$1,334,557</td>
</tr>
<tr>
<td>0001AA</td>
<td>Communication Engineering and Software Development for the Data/Voice ATD as outlined in Attachment No. 2, Statement of Work, Tasks 1.0-4.0, 7.0-9.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0001AB</td>
<td>Reports and Data in accordance with Exhibit A (OD 1423)</td>
<td></td>
<td>*NSP</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL ESTIMATED COST AND FIXED FEE: $1,216,279 $118,277 $1,334,557

*Not Separately Priced

OPTION 1

<table>
<thead>
<tr>
<th>ITEM NUMBER</th>
<th>SUPPLIES OR SERVICES</th>
<th>ESTIMATED COST</th>
<th>FIXED FEE</th>
<th>TOTAL ESTIMATED COST AND FIXED FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0002</td>
<td>The Contractor shall conduct research as described below and in Section C.</td>
<td>$52,618</td>
<td>$5,433</td>
<td>$58,051</td>
</tr>
<tr>
<td>0002AA</td>
<td>Communication Engineering and Software Development</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
for the Data/Voice ATD as outlined in Attachment NO. 2, Statement of Work, Addendum No. 1, Option 1.0

TOTAL ESTIMATED COST AND FIXED FEE: $ 52,618 $ 5,433 $ 58,051

OPTION 2

<table>
<thead>
<tr>
<th>ITEM NUMBER</th>
<th>SUPPLIES OR SERVICES</th>
<th>ESTIMATED COST</th>
<th>FIXED FEE</th>
<th>TOTAL EST. COST PLUS FIXED FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0003</td>
<td>The Contractor shall conduct research as described below and in Section C.</td>
<td>$ 108,293</td>
<td>$ 11,182</td>
<td>$ 119,475</td>
</tr>
<tr>
<td>0003AA</td>
<td>Communication Engineering and Software Development for the Data/Voice ATD as outlined in Attachment NO. 2, Statement of Work, Tasks 0.5 and 0.6</td>
<td>$ 108,293</td>
<td>$ 11,182</td>
<td>$ 119,475</td>
</tr>
<tr>
<td>0003AB</td>
<td>Reports and Data in Accordance with Exhibit A (DD Form 1423)</td>
<td>*NSP</td>
<td>*NSP</td>
<td>*NSP</td>
</tr>
</tbody>
</table>

TOTAL ESTIMATED COST AND FIXED FEE: $ 108,293 $ 11,182 $ 119,475

OPTION 3

<table>
<thead>
<tr>
<th>ITEM NUMBER</th>
<th>SUPPLIES OR SERVICES</th>
<th>ESTIMATED COST</th>
<th>FIXED FEE</th>
<th>TOTAL EST. COST PLUS FIXED FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0004</td>
<td>The Contractor shall conduct research as described below and in Section C.</td>
<td>$ 63,297</td>
<td>$ 2,925</td>
<td>$ 66,221</td>
</tr>
<tr>
<td>0004AA</td>
<td>Communication Engineering and Software Development for the Data/Voice ATD as outlined in Attachment NO. 2, Statement of Work, Addendum No.1, Option 3.0</td>
<td>$ 63,297</td>
<td>$ 2,925</td>
<td>$ 66,221</td>
</tr>
</tbody>
</table>

TOTAL ESTIMATED COST AND FIXED FEE: $ 63,297 $ 2,925 $ 66,221

CUMULATIVE TOTAL ESTIMATED COST AND FIXED FEE FOR BASIC AND ALL OPTIONS: $1,440,487 $137,817 $1,578,304

C-1 The work and services to be performed hereunder shall be subject to the
requirements and standards contained in ATTACHMENT 1, entitled "STATEMENT OF WORK," which is incorporated by reference into Section C, and affixed hereto at SECTION J.

PART I - SECTION D

PACKAGING AND MARKING

D-1     PACKAGING AND MARKING

Preservation, packaging, packing and marking of all deliverable contract line items must conform to normal commercial packing standards to assure safe delivery at destination.

PART I - SECTION E

INSPECTION AND ACCEPTANCE

E-1     INSPECTION AND ACCEPTANCE

Inspection and acceptance of the final delivery under this contract must be accomplished by the Contracting Officer's Technical Representative (COTR) designated in Section G of this contract within seven (7) business days after delivery of final report. Inspection and acceptance will be performed at the Naval Research Laboratory, Washington DC 20375-5326.

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PART I - SECTION F

DELIVERIES OR PERFORMANCE

F-1     DELIVERIES OR PERFORMANCE

a. The research to be performed under this contract is divided into 4 sections. The BASIC period of performance shall commence beginning with the effective date of the award of the contract continuing for a period of 36 months thereafter. OPTION 2 may be exercised at any time following the award of the basic contract, but not later than 60 working days following completion of the BASIC period of performance. OPTION 1, if exercised, shall be exercised within 180 working days after the effective start date of the contract. OPTION 3, if exercised, shall be exercised within 120 working days of the effective start date of the contract. A final report will be prepared, submitted, reproduced and distributed by sixty (60) days thereafter unless the contract is extended, in which case the final report will be prepared in accordance with the terms of such extension.

b. Distribution, consignment and marking instructions for all contract line items shall be in accordance with the following:

1. Item Nos. 0001AB & 0003AB shall be shipped FOB Naval Research Laboratory, Washington DC 20375-5326, consigned to:

   Contracting Officer's Technical Representative
   Jim Hauser, Code 5521
   Naval Research Laboratory
   4555 Overlook Avenue, SW
   Washington, DC 20375-5326
   Ed Althouse 5520

   However, some work, approximately 20%, is expected to be conducted on-site at the Naval Research Laboratory. The address for this portion is:

   VIASAT
   6120 Paseo Del Norte, J2
   Carlsbad, CA 92009-1118
PART I -- SECTION G

CONTRACT ADMINISTRATION

G-1 PROCUREMENT OFFICE REPRESENTATIVE

In order to expedite administration of this contract, the Administrative Contracting Officer (ACO) will direct inquiries to the appropriate office listed below. Please do not direct routine inquiries to the person listed in Item 20A on Standard Form 26.


Security Matters - Charles Rogers, Code 1221, (202) 767-2240, Autovon 297-2240


Release of Data - Mr. James W. Gately, Jr., Code 4810 (202) 767-2541, Autovon 297-2541

Radiation Concerns - Mr. Kirk J. King, Code 1240, (202) 767-2232, Autovon 297-2232

The ACO will forward invention disclosures and reports directly to the Associate Counsel for Patents, Code 3008.2, Naval Research Laboratory, Washington, DC 20375-5326. The Associate Counsel for Patents will return the reports along with a recommendation to the Administrative Contracting Officer. The Associate Counsel for Patents will represent the Contracting Officer with regard to invention reporting matters arising under this contract.

G-2 CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) -- FUNCTIONS/LIMITATIONS

Jim Hauser, Code 5521 is hereby designated the cognizant COTR who will represent the Contracting Officer in the administration of technical details within the scope of this contract and inspection and acceptance. The COTR is not otherwise authorized to make any representations or commitments of any kind on behalf of the Contracting Officer or the Government. The COTR does not have the authority to alter the Contractor's obligations or change the specifications in the contract. If, as a result of technical discussions, it is desirable to alter contract obligations or statements of work, a modification must be issued in writing and signed by the Contracting Officer. The COTR is responsible for reviewing the bills and charges submitted by the Contractor and informing the ACO of areas where exceptions are to be taken.

G-3 INVOICES AND REQUIRED SPECIAL DISTRIBUTION OF PAYMENT VOUCHERS/INVOICES

The Contractor shall submit invoices as follows:
G-4 ACCOUNTING AND APPROPRIATION DATA

1. The following accounting and appropriation data is applicable to this contract.

<table>
<thead>
<tr>
<th>APPROPRIATION AND SUBHEAD</th>
<th>CLAS</th>
<th>BCN</th>
<th>SA</th>
<th>ACCT A</th>
<th>TT</th>
<th>PAA</th>
<th>COST CODE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA 97x930.nh4a</td>
<td>000</td>
<td>7777</td>
<td>0</td>
<td>000173</td>
<td>2F</td>
<td>000000</td>
<td>N00173245000</td>
<td>$0.00</td>
</tr>
<tr>
<td>AB 1731319.w2nb</td>
<td>000</td>
<td>e89x</td>
<td>0</td>
<td>068342</td>
<td>2D</td>
<td>000000</td>
<td>018890009260</td>
<td>$200,000.00</td>
</tr>
</tbody>
</table>

FUNDING DOCUMENT - N0003993WXE8103

G-5 EXPLANATION OF LIMITATION OF FUNDS

The Total Estimated Cost plus Fixed Fee of the contract will not exceed $1,336,254.00, including a Total Estimated Cost of $1,216,279.00, and a Fixed Fee of $119,975.00.

The amount presently available for payment and allotted to this contract is a Total Estimated Cost Plus Fixed Fee of $200,000.00, including a Total Estimated Cost of $182,043, and a Fixed Fee of $17,957.00.

The amount of allotted of $200,000.00 is estimated to cover the period beginning with the effective start date of the contract for a period of five (5) months thereafter.

THE FUNDING AVAILABLE IS A CEILING WHICH THE CONTRACTOR MAY NOT EXCEED (EXCEPT AT HIS OWN RISK) WITHOUT THE WRITTEN APPROVAL OF THE CONTRACTING OFFICER.

G-6 TECHNICAL DIRECTION (5252.242-9718) (DEC 88)

a. Performance of the work hereunder is subject to the technical direction of the Scientific Officer/COTR or his duly authorized representative. For the purposes of this clause, technical direction includes the following:

   (1) Direction to the Contractor which shifts work emphasis between work areas or tasks, requires pursuit of certain lines of inquiry, fills in details or otherwise serves to accomplish the objectives described in the statement of work;

   (2) Guidelines to the Contractor which assist in the interpretation of drawings, specifications or technical portions of work description.

b. Technical direction must be within the general scope of work stated in the contract. Technical instructions may not be used to:

   (1) Assign additional work under the contract;
(2) Direct a change as defined in the contract clause entitled "Changes";

(3) Increase or decrease the estimated contract cost, the fixed fee, or the time required for contract performance; or

(4) Change any of the terms, conditions or specifications of the contract.

c. The only individual authorized to in any way amend or modify any of the terms of this contract shall be the Contracting Officer. When, in the opinion of the Contractor, any technical instruction calls for effort outside the scope of the contract or inconsistent with this special provision, the Contractor shall notify the Contracting Officer in writing within ten working days after its receipt. The Contractor shall not proceed with the work affected by the technical direction until the Contractor is notified by the Contracting Officer that the technical direction is within the scope of the contract.

d. Nothing in the foregoing paragraphs may be construed to excuse the Contractor from performing that portion of work statement which is not affected by the disputed technical instruction.

PART I - SECTION H
SPECIAL CONTRACT REQUIREMENTS

H-1 INSURANCE REQUIREMENTS (COST PLUS FIXED FEE CONTRACTS ONLY)

In accordance with Section I, FAR 52.228-7 "Insurance -- Liability to Third Persons" (APR 1984) and FAR 28.307-2, insurance of the following kinds, in not less than the following amounts, must be procured and maintained by the Contractor throughout the period of performance.

Type of Insurance

<table>
<thead>
<tr>
<th></th>
<th>Per Person</th>
<th>Coverage Per Accident</th>
<th>Property Coverage Per Accident</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Employer's Liability</td>
<td>$100,000.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2) Comprehensive General Liability

3) Comprehensive Automobile Liability

4) Workman's Compensation as required by law

H-2 METRIFICATION REQUIREMENTS (5252.210-9708) (DEC 88)

(a) All scientific and technical reports delivered pursuant to the terms of this contract must identify units of measurement in accordance with the International System of Units (SI) commonly referred to as the "Metric System". Conversion to U.S. customary units may also be given where additional clarity is deemed necessary. Guidance for application of the metric system is contained in the American Society of Testing Materials document entitled "Standard Practice for Use of the International Systems of Units (The Modernized Metric System)" (ASTM Designation E380-89A).

(b) This provision also applies to journal article preprints and reprints, commercially published books or chapters of books, and theses or dissertations submitted in lieu of a scientific or technical report.
This is a cost-plus fixed-fee contract.

Scientific or technical reports prepared by the Contractor and deliverable under the terms of this contract will be prepared in accordance with format requirements contained in ANSI Z39.18, "Scientific and Technical Reports: Organization, Preparation and Production".

Unless otherwise authorized in writing by the Contracting Officer, reports, data, or other written material whose production is funded by this contract and delivered hereunder may only be reproduced by duplicating processes and may not exceed 5,000 single page reports or a total of 25,000 pages of multiple-page reports. These restrictions do not preclude the writing, editing, or preparation of manuscript or reproducible copy of related illustrative materials if required as a part of this contract, or incidental printing such as forms or materials of this contract, or incidental printing such as forms or materials necessary for the contractor to perform in accordance with the terms of the contract. At least one copy of each technical report submitted to the Defense Technical Information Center must be black typing, or a reproduction of black on white paper, or suitable for reproduction by photographic techniques. Reprints of published technical articles are not within the scope of this paragraph.

The following Government property and facility access will be furnished the contractor on a rent-free basis for use in performing the contract:

In accordance with ATTACHMENT NO. 2, entitled "STATEMENT OF WORK", (Tasks 7.0 and 8.0), the Government agrees that at the appropriate time during the period of performance, the Contracting Officer's Technical Representative will provide the contractor access to the DV/ATD system hardware and software located at NRL.

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

a. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES

<table>
<thead>
<tr>
<th>CLAUSE NUMBER</th>
<th>CLAUSE TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAR 52.202-01</td>
<td>Definitions (SEP 1991)</td>
</tr>
<tr>
<td>FAR 52.203-01</td>
<td>Officials Not to Benefit (APR 1984)</td>
</tr>
<tr>
<td>FAR 52.203-03</td>
<td>Gratuitities (APR 1984)</td>
</tr>
</tbody>
</table>
FAR 52.203-05 Covenant Against Contingent Fees (APR 1984)
FAR 52.203-07 Anti-Kickback Procedures (OCT 1988)
FAR 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (SEP 1990)
FAR 52.209-06 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (NOV 1992)
FAR 52.212-08 Defense Priority and Allocation Requirements (SEP 1990)
FAR 52.212-13 Stop-Work Order (AUG 1989) and Alternate I (APR 1984)
FAR 52.215-01 Examination of Records by Comptroller General (FEB 1993)
FAR 52.215-02 Audit--Negotiation (FEB 1993)
FAR 52.215-27 Termination of Defined Benefit Pension Plans (SEP 1989)
FAR 52.215-30 Facilities Capital Cost of Money (SEP 1987)
FAR 52.215-31 Waiver of Facilities Capital Cost of Money (SEP 1987)
FAR 52.215-33 Order of Precedence (JAN 1986)
FAR 52.216-07 Allowable Cost and Payment (JUL 1991)
FAR 52.216-08 Fixed Fee (APR 1984)
FAR 52.219-08 Utilization of Small Business Concerns and Small Disadvantaged Business Concerns (FEB 1990)
FAR 52.219-13 Utilization of Women-Owned Small Businesses (AUG 1986)
FAR 52.220-01 Preference for Labor Surplus Area Concerns (APR 1984)
FAR 52.220-03 Utilization of Labor Surplus Area Concerns (APR 1984)
FAR 52.222-01 Notice to the Government of Labor Disputes (APR 1984)
FAR 52.222-03 Convict Labor (APR 1984)
FAR 52.222-04 Contract Work Hours and Safety Standards Act--Overtime Compensation (MAR 1986)

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FAR 52.222-26 Equal Opportunity (APR 1984)
FAR 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans (APR 1984)
FAR 52.222-36 Affirmative Action for Handicapped Workers (APR 1984)
FAR 52.222-37 Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era (JAN 1988)
FAR 52.223-03 Hazardous Material Identification and Material Safety Data (NOV 1991)
FAR 52.223-06 Drug-Free Workplace (JUL 1990)
FAR 52.225-11 Restrictions on Certain Foreign Purchases (MAY 1992)
FAR 52.227-01 Authorization and Consent (APR 1984) and Alternate I (APR 1984)
FAR 52.227-02 Notice and Assistance Regarding Patent and Copyright Infringement (APR 1984)
FAR 52.227-11 Patent Rights--Retention by the Contractor (Short Form) (JUN 1989)
FAR 52.229-09 Taxes--Cost Reimbursement Contracts with Foreign Governments (MAR 1990)
FAR 52.230-03 Disclosure and Consistency of Cost Accounting Practices (AUG 1992)
FAR 52.230-04 Consistency in Cost Accounting Practices (AUG 1992)
FAR 52.230-05 Administration of Cost Accounting Standards (AUG 1992)
FAR 52.232-09 Limitation on Withholding of Payments (APR 1984)
FAR 52.232-17 Interest (JAN 1991)
FAR 52.232-18 Availability of Funds (APR 1984)
FAR 52.232-20 Limitation of Cost (APR 1984)
FAR 52.232-23 Assignment of Claims (JAN 1986)
FAR 52.232-25 Prompt Payment (SEP 1992)
FAR 52.233-01 Disputes (DEC 1991)
FAR 52.233-03 Protest After Award (AUG 1989) and Alternate I (JUN 1985)
FAR 52.237-02 Protection of Government Buildings, Equipment and Vegetation (APR 1984)
FAR 52.242-01 Notice of Intent to Disallow Costs (APR 1984)
FAR 52.242-02 Production Progress Reports (APR 1991)
FAR 52.242-13 Bankruptcy (APR 1991)
FAR 52.243-02 Changes--Cost-Reimbursement (AUG 1987) and Alternate V (APR 1984)
FAR 52.243-06 Change Order Accounting (APR 1984)
FAR 52.244-02 Subcontracts (Cost-Reimbursement and Letter Contracts)
b. DEPARTMENT OF DEFENSE FEDERAL ACQUISITION REGULATION CLAUSES

DFARS 252.201-7000 Contracting Officer's Representative (DEC 1991)
DFARS 252.203-7001 Special Prohibition on Employment (APR 1993)
DFARS 252.204-7003 Control of Government Personnel Work Product (APR 1992)
DFARS 252.209-7001 Disclosure of Ownership or Control by a Foreign Government that Supports Terrorism (APR 1993)
DFARS 252.219-7009 Certificate of Competency (APR 1993)
DFARS 252.223-7001 Hazard Warning Labels (DEC 1991)
DFARS 252.223-7006 Prohibition on Storage and Disposal of Toxic and Hazardous Materials (APR 1993)
DFARS 252.231-7000 Supplemental Cost Principles (DEC 1991)
DFARS 252.232-7006 Reduction or Suspension of Contract Payments Upon Finding of Fraud (AUG 1992)
DFARS 252.242-7001 Certification of Indirect Costs (DEC 1991)
DFARS 252.242-7002 Submission of Commercial Freight Bills for Audit (DEC 1991)
DFARS 252.242-7004 Material Management and Accounting System (DEC 1991)
DFARS 252.243-7001 Pricing of Contract Modification (DEC 1991)
DFARS 252.246-7000 Material Inspection and Receiving Report (DEC 1991)

c. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1)

FAR 52.204-02 Security Requirements (APR 1984)
FAR 52.227-10 Filing of Patent Applications--Classified Subject Matter (APR 1984)

d. DEPARTMENT OF DEFENSE FAR SUPPLEMENT (DFARS) (48 CFR CHAPTER 2)

DFARS 252.209-7002 Disclosure of Ownership or Control by a Foreign Government (APR 1993)

f. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1)

FAR 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (JAN 1990)

g. DEPARTMENT OF DEFENSE FAR SUPPLEMENT (DFARS) (48 CFR 2)

DFARS 252.227-7018 Restrictive Markings on Technical Data (OCT 1988)

DFARS 252.227-7020 Rights in Data - Special Works (MAR 1979)
DFARS 252.227-7026 Deferred Delivery of Technical Data or Computer Software (APR 1988)
DFARS 252.227-7027 Deferred Ordering of Technical Data or Computer Software (APR 1988)
DFARS 252.227-7029 Identification of Technical Data (APR 1988)
DFARS 252.227-7030 Technical Data--Withholding of Payment (OCT 1988)
DFARS 252.227-7031 Data Requirements (OCT 1988)
DFARS 252.227-7032 Rights in Technical Data and Computer Software (Foreign)
I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1)
FAR 52.215-22  Price Reduction for Defective Cost or Pricing Data (JAN 1991)
FAR 52.215-24  Subcontractor Cost or Pricing Data (DEC 1991)
FAR 52.219-09  Small Business and Small Disadvantaged Business Subcontracting Plan (JAN 1991) and Alternate 1 (AUG 1989)
FAR 52.220-04  Labor Surplus Area Subcontracting Program (APR 1984)
FAR 52.226-1   Utilization of Indian Organizations and Indian-Owned Economic Enterprises (AUG 1991)

k. DEPARTMENT OF DEFENSE FAR SUPPLEMENT (DFARS) (48 CFR CHAPTER 2)
DFARS 252.203-7003 Prohibition Against Retaliatory Personnel Actions (APR 1992)
DFARS 252.205-7000 Provision of Information to Cooperative Agreement Holders (DEC 1991)
DFARS 252.215-7000 Pricing Adjustments (DEC 1991)
DFARS 252.225-7026 Reporting of Contract Performance Outside the United States (APR 1993)

I-2 ADDITIONAL APPLICABLE CLAUSES:
a. REQUIREMENT FOR CERTIFICATE OF PROCUREMENT INTEGRITY—MODIFICATION (NOV 1990) (52.203-9)
(a) Definitions. The definitions set forth in FAR 3.104-4 are hereby incorporated in this clause.

(b) The Contractor agrees that it will execute the certification set forth in paragraph (c) of this clause when requested by the Contracting Officer in connection with the execution of any modification of this contract.

(c) Certification. As required in paragraph (b) of this clause, the officer or employee responsible for the modification proposal shall execute the following certification:

CERTIFICATE OF PROCUREMENT INTEGRITY-
MODIFICATION (NOV 1990)

(1) I, Dianne Cherniak am the officer or employee responsible for the preparation of this modification proposal and hereby certify that, to the best of my knowledge and belief, with the exception of any information described in this certification, I have no information concerning a violation or possible violation of subsection 27(a), (b), (d) or (f) of the Office of Federal Procurement Policy Act, as amended* (41 U.S.C.423), (hereinafter referred to as "the Act"), as implemented in the FAR, occurring during the conduct of this procurement (contract and modification number).

(2) As required by subsection 27(e)(1)(B) of the Act, I further certify that to the best of my knowledge and belief, each officer, employee, agent, representative, and consultant of [Name of Offeror] who has participated personally and substantially in the preparation or submission of this proposal has certified that he or she is familiar with and will comply with, the requirements of subsection 27(a) of the Act, as implemented in the FAR, and will report immediately to me any information concerning a violation or possible violation of subsections 27(a),(d), or (f) the Act as implemented in the FAR, pertaining to this procurement.

(3) Violations or possible violations: (Continue on plain bond paper if necessary and label Certificate of Procurement Integrity-Modification (Continuation Sheet), ENTER "NONE" IF

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NONE EXISTS)

--------------------------------------------------------------------------------

/s/ Dianne Cherniak
- ---------------------------
Dianne Cherniak, Senior Contracts Administrator, 09/20/93

* Subsections 27 (a), (b) and (d) are effective on December 1, 1990. Subsection 27(f) is effective on June 1991.

THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER TITLE 18, UNITED STATES CODE, SECTION 1001.

(END OF CERTIFICATION)

(d) In making the certification in paragraph (2) of the certificate, the officer or employee of the competing Contractor responsible for the offer or bid, may rely upon a one-time certification from each individual required to submit a certification to the competing Contractor, supplemented by periodic training. These certifications shall be obtained at the earliest possible date after an individual required to certify begins employment or association with the contractor. If a contractor decides to rely on a certification executed prior to the suspension of section 27 (i.e., December 1, 1989), the Contractor shall ensure that an individual who has so certified is notified that section 27 has been reinstated. These certifications shall be maintained by the Contractor for a period of 6 years from the date a certifying employee's employment with the company ends or, for an agency, representative, or consultant, 6 years from the date such individual ceases to act on behalf of the contractor.
(e) The certification required by paragraph (c) of this clause is a material representation of fact upon which reliance will be placed in executing this modification.

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TRANSPORTATION OF SUPPLIES BY SEA (DEC 1991) (DFARS 252.247-7023)

(a) Definitions.

As used in this clause:

(1) "Components" means articles, materials, and supplies incorporated directly into end products at any level of manufacture, fabrication or assembly by the Contractor or any subcontractor.

(2) "Department of Defense" (DoD) means the Army, Navy, Air Force, Marine Corps, and defense agencies.

(3) "Foreign flag vessel" means any vessel that is not a U.S.-flag vessel.

(4) "Ocean transportation" means any transportation aboard a ship, vessel, boat, barge, or ferry through international waters.

(5) "Subcontractor" means a supplier, materialman, distributor or vendor at any level below the prime contractor whose contractual obligation to perform results from, or is conditioned upon, award of the prime contract and who is performing any part of the work or other requirement of the prime contract.

(6) "Supplies" means all property, except land and interests in land, that is readily identifiable for eventual use by DoD at the time of transportation by sea.

(i) An item is clearly identifiable for eventual use by the DoD if, for example, the contract documentation contains a reference to a DoD contract number or a military destination.

(ii) "Supplies" includes (but is not limited to) public works, buildings and facilities, ships, floating equipment and vessels of every character, type, and description, together with parts, subassemblies, accessories, and equipment; machine tools, material, equipment, and stores of all kinds; end items, construction materials and the components of the foregoing.

(7) "U.S.-flag vessel" means a vessel of the United States or belonging to the United States, including any vessel registered or having national status under the laws of the United States.

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(b) The Contractor shall employ United States-flag vessels, and no others, in the transportation by sea of any supplies to be furnished in the performance of its contract. The Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or designate available U.S.-flag vessels, if the Contractor or a subcontractor believes that --

(1) U.S.-flag vessels are not available for timely shipment;

(2) The freight charges are excessive or unreasonable; or
(3) Freight charges are higher than charges to private persons for transportation of like goods.

c) The Contractor must submit any request for use of other than U.S.-flag vessels in writing to the Contracting Officer at least forty-five (45) days prior to the sailing date necessary to meet its delivery schedules. The Contracting Officer will process requests submitted after such date(s) as expeditiously as possible, but the failure of the appropriate official to grant approvals to meet the shipper's sailing date will not of itself constitute a compensable delay under this or any other clause of this contract. Requests shall contain at a minimum:

(1) Type, weight, and cube of cargo;
(2) Required shipping date;
(3) Special handling and discharge requirements;
(4) Loading and discharge points;
(5) Name of shipper and consignee;
(6) Prime contract number; and
(7) A documented description of efforts made to secure U.S.-flag vessels, including points of contract (with names and telephone numbers) with at least two (2) U.S.-flag carriers contacted. Copies of telephone notes, telegraphic and facsimile messages or letters will be sufficient for this purpose.

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Contract Number: N00014-93-C-2130

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d) The Contractor shall, within thirty (30) days after each shipment covered by this clause, provide the Contracting Officer and the Division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington DC 20590, one copy of the rated on board vessel operating carrier's ocean-bill-of-lading, which shall contain the following information--

(1) Prime contract number;
(2) Name of vessel;
(3) Vessel flag of registry;
(4) Date of loading;
(5) Port of loading;
(6) Port of final discharge;
(7) Description of commodity;
(8) Gross weight in pounds and cubic feet if available;
(9) Total ocean freight in U.S. dollars; and
(10) Name of the steamship company.

e) The Contractor agrees to provide with its final invoice under this contract a representation that to the best of its knowledge and belief--

(1) No ocean transportation was used in the performance of this contract;
(2) Ocean transportation was used and only United States-flag vessels were used for all ocean shipments under the contract;
(3) Ocean transportation was used, and to the extent any non-U.S. flag vessel were used, the Contractor had the written consent of the Contracting Officer for all non-U.S.-flag ocean transportation; or
(4) Ocean transportation was used and some or all of the shipments were
made on non-U.S.-flag vessels without the written consent of the
Contracting Officer. The Contractor shall describe these shipments in
the following format:

ITEM   CONTRACT

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>LINE ITEMS</th>
<th>QUANTITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(f) If the final invoice does not include the required representation, the
Government will reject and return it to the Contractor as an improper
invoice for the purposes of the Prompt Payment clause of this contract. In
the event there has been unauthorized use of non-U.S.-flag vessels in the
performance of this contract, the Contracting Officer is entitled to
equitably adjust the contract, based on the unauthorized use.

(g) The Contractor shall include this clause, including this paragraph (g), in
all subcontracts under this contract, which exceed the small purchase
limitation of section 13.000 of the Federal Acquisition Regulation.

(End of clause)

d. NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA (DEC 1991)
(DFARS 252.247-7024)

(a) The Contractor has indicated by the response to the solicitation
provision at 252.247-7022, Representation of Extent of Transportation of
Supplies by Sea, that it did not anticipate transporting by sea any supplies of
this contract. If however, after the award of this contract, the Contractor
should learn that supplies will be transported by sea, the Contractor shall
notify the Contracting Officer of the fact that transportation by sea will be
used and hereby agrees to comply with all the terms and conditions of the
clause at 252.247-7023, entitled "Transportation of Supplies by Sea", contained
in this contract.

(b) The Contractor shall include this clause, including this paragraph (b),
revised as necessary to reflect the relationship of the contracting parties, in
all subcontracts hereunder.

(End of clause)
EXHIBIT 10.32

- AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE PAGE OF PAGES

- 1. P00018 1 3

2. AMENDMENT/MODIFICATION NO. EFFECTIVE DATE PURCHASE REQ. NO. PROJECT NO.

- 2. P00018 26 Sep 96 MIPRM 6600185

6. ISSUED BY CODE

- DEFENSE LOGISTICS AGENCY P.O. BOX 927300 SAN DIEGO, CA 92192-7300

- 6. JH

8. NAME AND ADDRESS OF CONTRACTOR

- VIASAT 2290 COSMOS COURT CARLSBAD, CA 92009-1585

- 8. (X) DAHT01-94-C-0014

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

[ ] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [ ] is extended [ ] is not extended.

Offer must acknowledge receipt of this amendment prior to the hour and date specified, by one of the following methods:

(a) By completing items 8 and 15, and returning ____________ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting and Appropriation Date (If required)

- SEE ATTACHED

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc). SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO THE AUTHORITY OF:
The purpose of this modification is to provide an additional $60,692 of overrun funding for CLIN 0001AA.

Accordingly, the following changes are made to this contract:

A) Under Section B "Supplies/Services" the following changes are made:

<table>
<thead>
<tr>
<th>CLIN</th>
<th>Description</th>
<th>Qty</th>
<th>Unit</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001AA</td>
<td>Tactical Engineering</td>
<td>2</td>
<td>ea</td>
<td>$3,262,199.02</td>
</tr>
<tr>
<td></td>
<td>Development Models</td>
<td></td>
<td></td>
<td>Fixed Fee 201,994.58</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total CPIF $3,464,193.60</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CLIN</th>
<th>Description</th>
<th>Qty</th>
<th>Unit</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001AA</td>
<td>Tactical Engineering</td>
<td>2</td>
<td>ea</td>
<td>$3,322,891.02</td>
</tr>
<tr>
<td></td>
<td>Development Models</td>
<td></td>
<td></td>
<td>Fixed Fee 201,994.58</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total CPIF $3,524,885.60</td>
</tr>
</tbody>
</table>
B) Based on the amount shown in paragraph 2 A), the total contract cost is increased by $60,692 while the total contract fee remains unchanged to reflect the following revised CPFF:

<table>
<thead>
<tr>
<th>From</th>
<th>By</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>$3,700,386.02</td>
<td>$60,692</td>
</tr>
<tr>
<td>Fixed Fee</td>
<td>236,945.58</td>
<td>0</td>
</tr>
<tr>
<td>-------------</td>
<td>----------</td>
<td>---------</td>
</tr>
<tr>
<td>Total CPFF</td>
<td>$3,937,331.60</td>
<td>$60,692</td>
</tr>
</tbody>
</table>

C) Under Section F.2 "Delivery Schedule" The following changes are made:

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLIN 0001AA</td>
<td>Final Acceptance 15 Oct 96</td>
</tr>
<tr>
<td>CLIN 0001AB</td>
<td>Final Acceptance 15 Oct 96</td>
</tr>
<tr>
<td>CLIN 0001AE</td>
<td>Final Acceptance 30 Sept 96</td>
</tr>
<tr>
<td>CLIN 0001AA</td>
<td>Final Acceptance 15 Nov 96</td>
</tr>
<tr>
<td>CLIN 0001AB</td>
<td>Final Acceptance 15 Nov 96</td>
</tr>
<tr>
<td>CLIN 0001AC</td>
<td>Final Acceptance 15 Nov 96</td>
</tr>
</tbody>
</table>

D) Under Section G.5 "Accounting and Appropriation Data" ACRN AO is added to fund the items set forth in paragraph 1 above:

AO: 9760400.0200 5E6 6045 680011 0000 659900 60185 $60,692 MIPR NM6600185

With this additional $60,692 of funding, this contract is now fully funded at a total of $4,148,023.60.

3. All other terms and conditions of this contract remain unchanged.
DEFENSE LOGISTICS AGENCY  
P.O. BOX 927300  
SAN DIEGO, CA 92192-7300  

6. ISSUED BY CODE                  7. ADMINISTERED BY CODE 
                     ---------------     (If other than Item 6) 

8. NAME AND ADDRESS OF CONTRACTOR (X)  9A. AMENDMENT OF SOLICITATION NO. 
(No., street, county, State and ZIP Code) 

VIA SAT  
2290 COSMOS COURT  
CARLSBAD, CA 92009-1585 

9B. DATED (SEE ITEM 11) 

10A. MODIFICATION OF CONTRACTOR/ ORDER NO. 

X DAHT01-94-C-0014 

10B. DATED (SEE ITEM 13)  21 SEPT 94 

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS  

[ ] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [ ] is extended [ ] is not extended. 

Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: 

(a) By completing items 8 and 15, and returning ___________ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified. 

12. Accounting and Appropriation Date (If required)  
SEE ATTACHED  

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14. 

(X) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A. 

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc). SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b). 

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO THE AUTHORITY OF: 

D. OTHER (Specify type of modification and authority) 

X MUTUAL AGREEMENT OF THE PARTIES 

E. IMPORTANT: Contractor [ ] is not, [X] is required to sign this document and return 2 copies to the issuing office. 

SEE ATTACHED  

14. DESCRIPTION OF AMENDMENT/ MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)  

SEE ATTACHED
1. The purpose of this modification is to provide an additional $52,000 of overrun funding for CLIN 0001AA.

2. Accordingly the following changes are made to this contract:

(A) Under Section B "Supplies/Services" the following changes are made:

<table>
<thead>
<tr>
<th>CLIN</th>
<th>DESCRIPTION</th>
<th>QTY</th>
<th>UNIT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001AA</td>
<td>Tactical Engineering Models</td>
<td>2</td>
<td>ea</td>
<td>$3,210,199.02</td>
</tr>
<tr>
<td></td>
<td>Development</td>
<td></td>
<td></td>
<td>Fixed Fee</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$201,994.58</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total CPIF $3,412,193.60</td>
</tr>
</tbody>
</table>

From

B) Based on the amounts shown in paragraph 2 A), the total contract cost is increased by $52,000 while the total contract fee remains unchanged to reflect the following revised CPFF:

<table>
<thead>
<tr>
<th>CLIN</th>
<th>DESCRIPTION</th>
<th>QTY</th>
<th>UNIT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001AA</td>
<td>Tactical Engineering Models</td>
<td>2</td>
<td>ea</td>
<td>$3,262,199.02</td>
</tr>
<tr>
<td></td>
<td>Development</td>
<td></td>
<td></td>
<td>Fixed Fee</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$201,994.58</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total CPIF $3,464,193.60</td>
</tr>
</tbody>
</table>

From By To
Estimated Cost          $3,648,386.02     52,000    $3,700,386.02
Fixed Fee                  236,945.58          0       236,945.58
-------------    -------    -------------
Total CPFF              $3,885,331.60    $52,000    $3,937,331.60

C) Under Section G.5 "Accounting and Appropriation Data" ACRN AN is added to fund the items set forth in paragraph 1 above:

AN: 9760400.0200 5E6 6045 680011 0000 659900 60185 $52,000, MIPR NM6600185

With this additional $52,000 of funding, this contract is now fully funded at a total of $4,087,331.60.

3. All other terms and conditions of this contract remain unchanged.

--

DEFENSE LOGISTICS AGENCY
P.O. BOX 927300
SAN DIEGO, CA 92192-7300

JH

8. NAME AND ADDRESS OF CONTRACTOR       (X) 9A. AMENDMENT OF SOLICITATION NO.
(No., street, county, State and ZIP Code)
VIASAT
2290 COSMOS COURT
CARLSBAD, CA 92009-1585

X DAHT01-94-C-0014

10B. DATED (SEE ITEM 13)

CODE
FACILITY CODE

--

[ ] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [ ] is extended. [ ] is not extended.

Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing items 8 and 15, and returning _______ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If
by virtue of this amendment you desire to change an offer already submitted, such changes may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this agreement, and is received prior to the opening hour and date specified.

- 12. Accounting and Appropriation Data (If required)
  SEE ATTACHED

- 13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

- B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)

- X C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO THE AUTHORITY OF:
  CONTRACT CLAUSE I.3.3

- D. OTHER (Specify type of modification and authority)

- E. IMPORTANT: Contractor [ ] is not, [X] is required to sign this document and return 2 copies to the issuing office.

- 14. DESCRIPTION OF AMENDMENT/ MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)
  SEE ATTACHED

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

- 15A. NAME AND TITLE OF SIGNER
  NANCY S. LINSTEAD
  SR. CONTRACT ADMINISTRATOR

- 15B. CONTRACTOR/ OFFICER
  /s/ NANCY S. LINSTEAD

- 15C. DATE
  22-July-96

- 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)
  JOE HEATHERMAN
  CONTRACTING OFFICER

- 16B. UNITED STATES OF AMERICA SIGNED
  BY /s/ JOE HEATHERMAN

- 16C. DATE SIGNED
  24/July/96

- NSN 7540-01-152-9070 PerFORM (DLA) STANDARD FORM 30 (REV. 10-83)
  PREVIOUS EDITION UNUSABLE
  Prescribed by GSA
  FAR (48 CFR) 53.243

1. The purpose of this modification is to provide for FY 97 STAR Maintenance Support. Accordingly pursuant to Section I "Contract Clauses", Subparagraph I.3.3 entitled "52.217-9 Option to Extend the Term of the Contract (Mar 1989)", the Government hereby exercises its option rights to procure CLIN 0003.

2. Accordingly the following changes are made to this contract:

A) Under Section B "Supplies/Services" CLIN 0003 is changed from an option item to a firm contract requirement and restated to read as follows:
0003  On call support for
the maintenance of
the delivered EDMS
in accordance with
SOW dated 02 Sept 94
paragraph 3.8.2 from
the period of
01 Oct 96 thru
30 Sept 97.

B) Under Section E "Inspection and Acceptance" is restated to read
as follows:

1. Government inspection and acceptance shall be made by the
designated Government representative in accordance with the
Statement of Work, Specifications and Contract Data Requirements
Lists provided under separate cover. The four (4) Engineering
Development models will be conditionally accepted prior to the
operational test. The conditional acceptance will be either at
the contractor's facility or in the Northern Virginia area. The
final acceptance will be after passing the operational tests.
The contractor is authorized to deliver the first EDM System
prior to completion of environmental testing but the contractor
is not relieved from meeting the environmental requirements for
all units.

2. For each maintenance action authorized under CLIN 0003, the
contractor shall submit a certificate of completion to CISA for
its concurrence that the maintenance action has been
satisfactorily completed. A copy of the COC (with CISA's
acknowledgment) shall be included with each invoice submitted
for CLIN 0003.

C) Under Section G.5 "Accounting and Appropriation Data" ACRN AM
is added to fund CLIN 0003 only:

AM: 9760300.0200 5D6 6045 880012 0000 659900 60192
659900 0150,000 MIPR NM6600192

With this additional $150,000 of funding this contract is now fully
funded at a total of $4,035,331.60

3. The contractor is reminded of the requirements of Section H "Special
Provisions" Subparagraph H.18 entitled "Time and Material and Labor Hour
Contract Line Items" regarding authorization of maintenance actions under CLIN
0003.

4. All other requirements of this contract remain unchanged.
SAN DIEGO, CA 92192-7300

8. NAME AND ADDRESS OF CONTRACTOR       (X) 9A. AMENDMENT OF SOLICITATION NO.
(No., street, county,
State and ZIP Code)
--------------
9B. DATED (SEE ITEM 11)

VIASAT
2290 COSMOS COURT
CARLSBAD, CA 92009-1585
--------------
10A. MODIFICATION OF CONTRACT/
ORDER NO.

X DAHT01-94-C-0014
--------------
10B. DATED (SEE ITEM 13)

- ---------------------------------------
21 SEPT 94

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

[ ] The above numbered solicitation is amended as set forth in Item 14. The
hour and date specified for receipt of Offers [ ] is extended. [ ] is not
extended.

Offer must acknowledge receipt of this amendment prior to the hour and date
specified in the solicitation or as amended, by one of the following methods:

(a) By completing items 8 and 15, and returning ______________ copies of the
amendment; (b) By acknowledging receipt of this amendment on each copy of the
offer submitted; or (c) By separate letter or telegram which includes a
reference to the solicitation and amendment numbers. FAILURE OF YOUR
ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS
PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If
by virtue of this amendment you desire to change an offer already submitted,
such may be made by telegram or letter, provided each telegram or letter makes
reference to the solicitation and this amendment, and is received prior to the
opening hour and date specified.

12. Accounting and Appropriation Date (If required)
SEE ATTACHED

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS,
IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE
CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN
ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE
ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation
date, etc). SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR
43.103(b)

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO THE AUTHORITY
OF:

X D. OTHER (Specify type of modification and authority)
MUTUAL AGREEMENT OF THE PARTIES

E. IMPORTANT: Contractor [ ] is not, [X] is required to sign this document and
return    2    copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/ MODIFICATION (Organized by UCF section headings,
including solicitation/contract subject matter where feasible.)
SEE ATTACHED

Except as provided herein, all terms and conditions of the document referenced
in Item 9A or 10A, as heretofore changed, remains unchanged and in full force
and effect.

15A. NAME AND TITLE OF SIGNER
(Type or print)

16A. NAME AND TITLE OF CONTRACTING
OFFICER (Type or print)
1. The purpose of this modification is to:

   A) Fully fund the Basic Contract ($78,500).

   B) Authorize contractors Engineering Change Proposal Number 9603012.00 dated 29 March 96 ($82,646).

   C) Fund contractor over-run and extend the period of performance of CLIN 0001 ($124,837, cost only).

2. Accordingly the following changes are made to this contract:

   A) Under Section B "Supplies/Services" the following changes are made:

   From
   ----
   CLIN    Description           Qty       Unit               Amount
   - ----    -----------           ---       ----               -----  
   0001AA  Tactical Engineering    2        ea     Est Cost    $3,056,461.02
   Development Models                      Fixed Fee      199,694.58
   -------------
   Total CPIF  $3,256,155.60

   To
   ----
   CLIN    Description           Qty       Unit               Amount
   - ----    -----------           ---       ----               -----  
   0001AA  Tactical Engineering    2        ea     Est Cost    $3,210,199.02
   Development Models                      Fixed Fee      201,994.58
   -------------
   Total CPIF  $3,412,193.60
Based on the amounts shown in paragraph 2 A), the total contract cost is increased by $201,395 and the total contract fee is increased by $6,088 to reflect the following revised CPFF:

<table>
<thead>
<tr>
<th>From</th>
<th>By</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>$3,466,991.02</td>
<td>$201,395</td>
</tr>
<tr>
<td>Fixed Fee</td>
<td>230,857.58</td>
<td>6,088</td>
</tr>
<tr>
<td>Total CPFF</td>
<td>$3,677,848.60</td>
<td>$207,483</td>
</tr>
</tbody>
</table>

Under Section C "Description/Specifications" the following subparagraph is added:

d. contractor engineering change proposal number 9603012.00 dated 29 March 1996. "The test software will be hosted on the RDI Ruggedized Powerlite Computer and modified per the STAR Terminal Interface Design Document (IDD) revision H dated 22 Mar 96"

Under Section F.2 "Delivery Schedule" the following changes are made:

From

CLIN 0001AA + AB Final Acceptance 1 Aug 96

To

CLIN 0001AA + AB Final Acceptance 15 Oct 96
CLIN 0001AE Final Acceptance 30 Sept 96

Under Section G.5 "Accounting and Appropriation Data" ACRN AL is added to fund the items set forth in paragraph 1 above:

AL: 9760400.0200 5EG 6045 68011 0000 659900 60185 $285,983, MIPR NM66000185

With this additional $285,983 of funding, this contract is now fully funded at a total of $3,885,331.60.

All other terms and conditions of this contract remain unchanged.

The contractor agrees this modification increases the total contract fixed fee amount from $230,857.58 by $6,088.00 to $236,945.58 and represents the full and complete equitable adjustment for the revised effort and the complete consideration for the total cost impact upon this contract arising from facts and circumstances of the revised effort.

JOE HEATHERMAN
<table>
<thead>
<tr>
<th>1. CONTRACT ID CODE</th>
<th>PAGE OF PAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>U</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. AMENDMENT/ MODIFICATION NO.</th>
<th>3. EFFECTIVE DATE</th>
<th>4. REQUISITION/ PURCHASE REQ. NO.</th>
<th>5. PROJECT NO.</th>
</tr>
</thead>
<tbody>
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<td>P00014</td>
<td>14 February 1996</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>6. ISSUED BY CODE</th>
<th>7. ADMINISTERED BY CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(If other than Item 6)</td>
</tr>
<tr>
<td>Technical Contract Management Office</td>
<td>Defense Logistics Agency</td>
</tr>
<tr>
<td>P.O. Box 1647, VHFS</td>
<td>P.O. Box 747</td>
</tr>
<tr>
<td>Warrenton, VA 22186-1647</td>
<td>Poway, CA 92074</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>8. NAME AND ADDRESS OF CONTRACTOR</th>
<th>9A. AMENDMENT OF SOLICITATION NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(No., street, county, State and ZIP Code)</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>ViaSat</td>
<td></td>
</tr>
<tr>
<td>ATTN: Ms. Nancy Linstead</td>
<td></td>
</tr>
<tr>
<td>2290 Cosmos Court</td>
<td></td>
</tr>
<tr>
<td>Carlsbad, CA 92009-1585</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9B. DATED (SEE ITEM 11)</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>10. MODIFICATION OF CONTRACT/ ORDER NO.</th>
<th>10A. MODIFICATION OF CONTRACT/ ORDER NO.</th>
</tr>
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<tbody>
<tr>
<td></td>
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<tr>
<td></td>
<td>X DAHT01-94-C-0014</td>
</tr>
<tr>
<td></td>
<td>10B. DATED (SEE ITEM 13)</td>
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<tr>
<td></td>
<td>21 SEPT 94</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>CODE</th>
<th>FACILITY CODE</th>
</tr>
</thead>
</table>

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

[X] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [ ] is extended. [ ] is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing items 8 and 15, and returning __________ copies of the amendment;
(b) By acknowledging receipt of this amendment on each copy of the offer submitted; or
(c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such changes may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this agreement, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATE (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

[X] A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

[X] B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriate date, etc). SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO THE AUTHORITY OF:

D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor [X] is not, [ ] is required to sign this document and return copies to the issuing office.
14. DESCRIPTION OF MODIFICATION

1. This modification is transferring the Procuring Contracting Officer (PCO) responsibility from the Technical Contracts Management Office (TCMO) to Defense Logistic Agency (DLA) effective 14 February 1996. Base on this Change PART I - SECTION G - CONTRACT ADMINISTRATION DATA is hereby changed as shown below.

FROM

G.1 CONTRACT CORRESPONDENCE AND INQUIRIES

All correspondence and inquiries for the Contracting Office shall reference the appropriate contract number, contract line item number, and/or CDRL and shall be directed to the Contracting Officer shown below:

NAME: Ms. Linda Chadwick
OFFICE SYMBOL: SFAE-RP-TCM
TELEPHONE NO: (703) 347-0808 or (703) 349-7600/7601
DSN: 229-7600/7601

G.2 TECHNICAL POINT OF CONTACT

The technical point of contact for this contract will be identified by a letter from the Contracting Officer after award.

G.3 INVOICES/VOUCHERS

a. An invoice is a written request for payment under the contract for supplies delivered or for services rendered.

b. Invoices/ vouchers shall be submitted for purchases and services other than personal, to the addresses below in a simultaneous mailing:

1. The original and six (6) copies to the Administrative Contracting Officer (ACO) identified in Block 6 of the SF-26 Award document.
2. One Copy:

   Technical Contract Management Office
   Attention: Linda M. Chadwick
   Post Office Box 1647
   Vint Hill Farms Station
   Warrenton, Virginia 22186-1647
G.3 INVOICES/VOUCHERS - Continued
---------------------------------
3. Requiring Activity
   (Address to be provided upon contract award)

C. After the ACO has approved the voucher, the voucher shall be
   submitted to the paying office for payment.

G.4 INSTRUCTIONS TO PAYING OFFICE AND ADMINISTRATIVE CONTRACTING OFFICE:
--------------------------------------------------------------------
a. The Contract Specialist is:
   NAME:                   Ms. Linda Chadwick
   ORGANIZATION CODE:      SFAE-RP-TCM
   TELEPHONE NUMBER:       (703) 347-0808 or (703) 349-7600/7601
   DSSN/AUTOVON:           229-7600/7601

b. Payment to the contractor shall be mailed to the following address:
   (If other than address shown on SF 26 or SF 33).
   (SAME AS SHOWN ON SF 26)

   c. The contract administrative office in Block 6 of the SF-26 is hereby
      delegated the duties outlined in FAR Part 42.302(a).

G.1 CONTRACT CORRESPONDENCE AND INQUIRIES
--------------------------------------
All correspondence and inquiries for the Contracting Office shall
reference the appropriate contract number, contract line item number,
and/or CDRL and shall be directed to the Contracting Officer shown below:

   NAME:           Mr. Joe Heatherman
   TELEPHONE NO:   (619) 625-9405

G.2 TECHNICAL POINT OF CONTACT
-----------------------------
The technical point of contact for this contract will be identified by a
letter from the Contracting Officer after award.

G.3 INVOICES/VOUCHERS
---------------------
a. An invoice is a written request for payment under the contract for
   supplies delivered or for services rendered.

b. Invoices/vouchers shall be submitted for purchases and
   services other than personal, to the addresses below in a simultaneous
   mailing:

   1. The original and six (6) copies to the Administrative
      Contracting Officer (ACO) identified in Block 6 of the SF-26 Award
      document.

   2. One Copy:

      Defense Logistic Agency
      Attention: Mr. Joe Heatherman
      Post Office Box 747
      Poway, CA 92074

   3. Requiring Activity
      (Address to be provided upon contract award)
c. After the ACO has approved the voucher, the voucher shall be submitted to the paying office for payment.

G.4 INSTRUCTIONS TO PAYING OFFICE AND ADMINISTRATIVE CONTRACTING OFFICE:

a. The PCO/ACO is:

<table>
<thead>
<tr>
<th>NAME:</th>
<th>Mr. Joe Heatherman</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORGANIZATION CODE:</td>
<td>DLA</td>
</tr>
<tr>
<td>TELEPHONE NUMBER:</td>
<td>(619) 625-9405</td>
</tr>
</tbody>
</table>

b. Payment to the contractor shall be mailed to the following address: (If other than address shown on SF 26 or SF 33).

(SAME AS SHOWN ON SF 26)

c. The contract administrative office in Block 6 of the SF-26 is hereby delegated the duties outlined in FAR Part 42.302(a) and (b).
PART I - SECTION G
CONTRACT ADMINISTRATION DATA

G.4 INSTRUCTIONS TO PAYING OFFICE AND ADMINISTRATIVE CONTRACTING OFFICE: - Continued

b. Payment to the contractor shall be mailed to the following address: (If other than address shown on SF 26 or SF 33).

SAME AS SHOWN ON SF 26

c. The contract administrative office in Block 6 of the SF-26 is hereby delegated the duties outlined in FAR Part 42.302(a) and (b).

G.5 ACCOUNTING AND Appropriation DATA

PR&C TCMO-0029-94
AA: 9740400.0200 5E4 6045 680011 000 659900  
    MIPR NM4600660 $1,190,089.00

PR&C TMCO-0028-94
AB: 9730400.0200 5F3 6045 760006 0000 659900  
    MIPR FY7620-93-FMXS02 $ 100,228.00

PR&C TCMO 0002-95
AC: 9740400.0200 5E4 6045 680011 0000 659900  
    MIPR NM4600060 $ 500,282.00

PR&C TFCMO 000b-95
AD: 9740300.0200 5D4 6045 880012 0000 65990  
    MIPR NM460061 (CLIN 0004 ONLY) $ 5,616.00

PR&C TCMO 010-95
AE: 9750400.0200 5E5 6045 680011 50092  
    0000 659900 MIPR NM5600092 $ 360,938.00

PR&C W73TCM05223011
AF: 9750400.0200 5E5 6045 680011 50092  
    0000 659900 MIPR NM5600092 $ 264,367.00

PR&C W73TCM05226012
AG: 9750400.0200 5E5 6045 680011 50092  
    0000 659900 MIPR NM5600092 $ 34,695.00

PR&C W735CM05201001
AH: 9760400.0200 5E6 6045 680011 0000 659900  
    60016 MIPR NM6600016 $ 200,000.00

G.2 DAHT01-94-C-0014
CHANGE PAGE P00014

G.6 INCREMENTAL FUNDING

Portions of this contract may be incrementally funded and subject
to the "Limitation of Funds" clause, FAR 52.232-22. When fully funded, the "Limitation of Cost", FAR 52.232-20, applies.

G.7 PAYMENT OFFICE

The payment office under the contract shall be designated by a separate letter of instructions from the ACO.

G.3
15G TOTAL AMOUNT OF CONTRACT $2,157,152.00

16. TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>SEC</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>(X)</td>
<td>PART I -- THE SCHEDULE</td>
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<tr>
<td>X</td>
<td>A SOLICITATION/CONTRACT FORM 1</td>
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<tr>
<td>X</td>
<td>B SUPPLIES OR SERVICES AND PRICES/COSTS B.1-2</td>
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<tr>
<td>X</td>
<td>C DESCRIPTION/SPECS./WORK STATEMENT C.1</td>
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<tr>
<td>X</td>
<td>D PACKAGING AND MARKING D.1-2</td>
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<tr>
<td>X</td>
<td>E INSPECTION AND ACCEPTANCE E.1</td>
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<td>X</td>
<td>F DELIVERIES OR PERFORMANCE F.1</td>
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<td>X</td>
<td>G CONTRACT ADMINISTRATION DATA G.1-2</td>
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<td>H SPECIAL CONTRACT REQUIREMENTS H.1-8</td>
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<td>J LIST OF ATTACHMENTS J.1</td>
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<td>(X)</td>
<td>PART IV -- REPRESENTATIONS AND INSTRUCTIONS</td>
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<tr>
<td>X</td>
<td>K REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS</td>
</tr>
<tr>
<td>L</td>
<td>INSTRS. CONDS., AND NOTICES TO OFFENDORS</td>
</tr>
<tr>
<td>M</td>
<td>EVALUATION FACTORS FOR AWARD</td>
</tr>
</tbody>
</table>

CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. /X/ CONTRACTOR'S NEGOTIATED AGREEMENT
(Contractor is required to sign this document and return 2 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein.) (Attachments are listed herein.)

18. / / AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number ______________ including the additions or changes made by you which additions to changes are set forth in full above, is hereby accepted as in the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.

19A. NAME AND TITLE OF SIGNER
PETER C. NOLAN
PROGRAM MANAGER

20A. NAME AND TITLE OF CONTRACTING OFFICER
LINDA M. CHADWICK
Contracting Officer

19B. NAME OF
19C. DATE

20B. UNITED STATES
20C. DATE
PART I - SECTION B - SUPPLIES OR SERVICES AND PRICE

B.1 Name of Contractor

ViaSat
2290 Cosmos Court
Carlsbad, CA 92009-1585

B.2 SUPPLIES/SERVICES

<table>
<thead>
<tr>
<th>CLIN</th>
<th>DESCRIPTION</th>
<th>QTY</th>
<th>UNIT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>The Contractor shall provide all material, labor, travel and facilities required to produce, test, and delivery Engineering Development Models (EDMs) S-Band Tactical Automated Receiv.e (STAR) Terminals in accordance with the attached Statement of Work and Contract Data Requirements List (provided under separate cover).</td>
<td>2</td>
<td>EA</td>
<td>Est. Cost $3,056,461.02 Fixed Fee 199,694.58</td>
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<tr>
<td>0001AA</td>
<td>Tactical Engineering Development Models (EDMs)</td>
<td>2</td>
<td>EA</td>
<td>Est. Cost $</td>
</tr>
<tr>
<td>0001AB</td>
<td>Best Commercial Practice EDMs</td>
<td>2</td>
<td>EA</td>
<td>Est. Cost $</td>
</tr>
<tr>
<td>0001AC</td>
<td>The efforts required in the SOW for the Training Tasks set forth in the SOW and the DD Form 1423's</td>
<td>1</td>
<td>LO</td>
<td>Est. Cost $</td>
</tr>
<tr>
<td>0001AD</td>
<td>The efforts required in the SOW for preparing the documentation set forth in the SOW and the DD Form 1423's</td>
<td>1</td>
<td>LO</td>
<td>Est. Cost $</td>
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OPTIONS

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<th>QTY</th>
<th>UNIT</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td>0002</td>
<td>On call support for the maintenance of the delivered EDMs in accordance with the attached SOW paragraphs 3.8.2 and 3.8.2.2 from 15 MAY 96 - 30 SEP 96</td>
<td>1</td>
<td>LO</td>
<td>NTE $</td>
</tr>
<tr>
<td>0003</td>
<td>On call support for the maintenance of the delivered EDMs in accordance with the attached SOW paragraph 3.8.2 and 3.8.2 from 1 OCT 96 - 30 SEP 97</td>
<td>1</td>
<td>LO</td>
<td>NTE $150,000</td>
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<tr>
<td>0004</td>
<td>Outdoor Equipment Interconnect Cables</td>
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<td></td>
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</tr>
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</table>
B.3 CLIN 0001 and 0004 are to be performed on a Cost-Plus-Fixed Fee completion basis and will be incrementally funded. CLIN 0002 and 0003 will be awarded on a Time-and-Material basis and each individual Delivery Order will be funded separately.

B.4 There are two options that will be performed on a Time-and-Material basis and the pricing for the Not-To-Exceed value shall be based on Section H - Special Provision H.18 and H.19.

B.5 CLIN 0001AA contains the non-recurring costs for all four Engineering Development Models and is not the true reflection of 2 Tactical EDMs. The CLIN 0001AA cost without the non-recurring costs is $255,151.00.

C.1 This contract shall be conducted in accordance with the requirements and standards in the following:

a. Statement of Work (SOW), dated 2 September 1994, provided herein as Attachment 1.

b. DD 254, Contract Security Classification Specification, dated 16 May 1994, provided herein as Attachment 2.

c. Contract Data Requirements Lists (CDRLs), DD 1423, dated 2 September 1994, provided as Exhibit A.

DAHT01-94-C-0014

C.1

23

PART I - SECTION D - PACKAGING AND MARKING

D.1 MARKING OF WRITTEN MATERIAL

All reports and/or other documents and materials to be provided to the Government shall be submitted with a letter of transmittal identifying the contract number. Marking shall be that which is appropriate taking into consideration DOD Security Classification Specifications (DD Form 254).

D.2 UNCLASSIFIED documents will be packed for domestic shipment in accordance with best commercial practice, in such manner that they will reach destination in satisfactory condition.

D.3 CONFIDENTIAL or SECRET material will be packed to conceal it properly and to avoid suspicion as to contents, and to reach destination in satisfactory condition. Internal markings on internal packaging will clearly indicate the classification. NO NOTATION TO INDICATE CLASSIFICATION WILL APPEAR IN EXTERNAL MARKINGS. (See paragraph 17 of the Industrial Security Manual for Safeguarding Classified Information, DOD 5220.22-M.)

D.4 TOP SECRET, SECRET and/or CONFIDENTIAL documents will be enclosed in opaque inner and outer envelopes/wrappings. The classified information will be protected from direct contact with the inner envelope/wrapper by a cover sheet or by folding inward. The inner envelope/wrapper shall be addressed, return addressed, carefully sealed, and shall be plainly and conspicuously marked with the classification of its contents and with any other special
notations required. The outer container shall be addressed, return addressed, and carefully sealed with NO markings or notations to indicate that the contents are classified. If the outer envelope/wrapping is not sufficiently opaque to prevent the classification markings or the inner cover from being visible, the inner container shall be wrapped with sufficient paper to conceal the markings.

D.5 Receipts for CONFIDENTIAL documents are generally not required. However, if there is a special requirement for the receipting of CONFIDENTIAL documents, the receipt will be handled the same as for TOP SECRET and SECRET documents.

D.6 When transmitting TOP SECRET, SECRET, and when special requirements exist for CONFIDENTIAL documents, the inner envelope/wrapping shall contain a receipt form which identifies the addressee, the addressee, and the contents by unclassified or short title.

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D.1

PART 1 - SECTION D - PACKAGING AND MARKING

D.7 In addition to the above requirements, the packing and marking of classified material shall conform to the requirements of the Industrial Security Manual for Safeguarding Classified Information, DOD 5220.22M and any special requirements levied by the DD Form 254, Contract Security Classification Specification.

D.8 Packing and Packaging of Hardware/Software

Preservation, Packing, and Packaging shall be in accordance with ASTM D 3951, Standard Practice for Commercial Packaging.

DAHT01-94-R-0007

D.2

PART I. SECTION E--INSPECTION A--ACCEPTANCE

E.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

This contract incorporates the following clauses by reference with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

I. Federal Acquisition Regulation (48 CFR Chapter 1) Clauses.

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>TITLE</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>52.246-03</td>
<td>Inspection of Supplies - Cost Reimbursement</td>
<td>APR 1984</td>
</tr>
<tr>
<td>52.246-06</td>
<td>Inspection - Time-and-Material and Labor Hour (CLINs 0002-0003)</td>
<td>JAN 1986</td>
</tr>
<tr>
<td>52.246-08</td>
<td>Inspection of Research and Development Cost-Reimbursement</td>
<td>APR 1984</td>
</tr>
<tr>
<td>52.246-16</td>
<td>Responsibility of Supplies</td>
<td>APR 1989</td>
</tr>
<tr>
<td>52.246-7000</td>
<td>Material Inspection and Receiving Report</td>
<td>DEC 1991</td>
</tr>
</tbody>
</table>

E.2 INSPECTION AND ACCEPTANCE

--------------------------------------
Government inspection and acceptance shall be made by the designated Government representative in accordance with the Statement of Work, Specifications and Contract Data Requirements Lists provided under separate cover. The four (4) Engineering Development models will be conditionally accepted prior to the operational test. The conditional acceptance will be either at the contractors facility or in the Northern Virginia area. The final acceptance will be after passing the operational tests. The contractor is authorized to deliver the first EDM System prior to completion of environmental testing but the contractor is not relieved from meeting the environmental requirements for all units.

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CHANGE PAGE P00007

E.1

PART I - SECTION 2 - DELIVERIES OF PERFORMANCE

F.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

This contract incorporates the following clauses by reference with the same force and effect as if they were given in full text. Upon request the Contracting Officer will make their full text available.

I. Federal Acquisition Regulation (48 CFR Chapter 1) Clauses.

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>TITLE</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>52.212-13</td>
<td>Stop Work Order (ALT I)</td>
<td>AUG 1989</td>
</tr>
<tr>
<td>52.247-34</td>
<td>F.O.B. Destination</td>
<td>JAN 1991</td>
</tr>
</tbody>
</table>

F.2 DELIVERY SCHEDULE

The delivery schedule for this effort is shown below:

CLIN 0001AA or AB- 1 Unit, Conditional acceptance 30 Sep 1995
CLIN 0001AA & AB - 3 Units, Conditional acceptance 01 Apr 1996
CLIN 0001AA & AB - Final acceptance 1 August 1996
CLIN 0001AC - 30 June 1995 - 1 August 1996
CLIN 0001AD - In accordance with Exhibit A, DD Form 1423's
CLIN 0002, if Exercised, 15 May 1996 - 30 September 1996
CLIN 0003, if Exercised, 1 October 1996 - 30 September 1997
CLIN 0004AA - 31 December 1995
CLIN 0004AB - 31 December 1995

F.3 DELIVERY REQUIREMENTS

Data deliverables under this contract shall be delivered in accordance with the Contract Data Requirements List (DD Form 1423), Exhibit A. Any hardware or software deliverables will be delivered in accordance with the Statement of Work, Paragraph 3.12, Page 39, and will be accepted with a DD Form 250. The SOW provides the contractor instructions on the delivery destinations.

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Change page P00013

F.1

PART I - SECTION G
CONTRACT ADMINISTRATION DATA

G.1 CONTRACT CORRESPONDENCE AND INQUIRIES

All correspondence and inquiries for the Contracting Office shall reference the appropriate contract number, contract line item number, and/or CDRL and shall be directed to the Contracting Officer shown below:
G.2 TECHNICAL POINT OF CONTACT

The technical point of contact for this contract will be identified by a letter from the Contracting Officer after award.

G.3 INVOICES/VOUCHERS

a. An invoice is a written request for payment under the contract for supplies delivered or for services rendered.

b. Invoices/voices shall be submitted for purchases and services other than personal, to the addresses below in a simultaneous mailing:

   1. The original and six (6) copies to the Administrative Contracting Officer (ACO) identified in Block 6 of the SF-26 Award document.

   2. One Copy:

      Technical Contract Management Office
      Attention: Linda M. Chadwick
      Post Office Box 1647
      Vint Hill Farms Station
      Warrenton, Virginia 22186-1647

   3. Requiring Activity
      (Address to be provided upon contract award)

c. After the ACO has approved the voucher, the voucher shall be submitted to the paying office for payment.

G.4 INSTRUCTIONS TO PAYING OFFICE AND ADMINISTRATIVE CONTRACTING OFFICE:

a. The Contract Specialist is:

   NAME: Ms. Linda Chadwick
   ORGANIZATION CODE: SFAE-RP-TCM
   TELEPHONE NUMBER: (703) 347-0808 or (703) 349-7600/7601
   DSSN/AUTOVON: 229-7600/7601

b. Payment to the contractor shall be mailed to the following address:
   (If other than address shown on SF 26 or SF 33).
   (SAME AS SHOWN ON SF 26)

c. The contract administrative office in Block 6 of the SF-26 is hereby delegated the duties outlined in FAR Part 42.302(a).

G.5 ACCOUNTING AND APPROPRIATION DATA

PR&C TCMO-0029-94
AA: 9740400.0200 5E4 6045 680011 000 659900
MIPR NM4600060 $1,190,089.00

PR&C TCMO-0028-94
AB: 9730400.0200 5F3 6045 760006 0000 659900
H03600198 MIPR FY7620-93-PMXS02 $100,228.00
PART I - SECTION G

G.5 ACCOUNTING AND APPROPRIATION DATA - CONTINUED

PR&C W73TCMO 5226012
AG: 9750400.0200 5E5 6045 680011 50092
    0000 659900 MIPR NM5600092
    $ 34,695.00

PR&C W73TCMO 5201001
AH: 9760400.0200 5E6 6045 680011 0000
    659900 60016 MIPR NM6600016
    $ 200,000.00

PR&C W73TCMO 5201003 & Amend #2
AJ: 9760400.0200 5E6 6045 680011 0000
    659900 60049 MIPR NM6600049
    $ 443,151.00

PR&C W73TCMO 5201002
AG: 9760400.0200 5E6 6045 680011 0000
    659900 60049 MIPR NM6600049
    $ 499,982.60

-----------
$3,599,348.60

G.6 INCREMENTAL FUNDING

Portions of this contract may be incrementally funded and subject to the
"Limitation of Funds" clause, FAR 52.232-22. When fully funded, the
"Limitation of Cost", FAR 52.232-20, applies.

G.7 PAYMENT OFFICE

The payment office under the contract shall be designated by a separate
letter of instructions from the ACO.

G.3
As a minimum, four members of the contractor's team - the Program Manager and Lead Systems Engineer plus two other individuals must possess a TOP SECRET and SCI security clearance at time of award and must have either a secure compartmented information facility (SCIF) or access to a SCIF, as well as personnel with access to SCI, to perform any classified work under the proposed contract. Interim clearances of that nature may not obtained.

H.2 CONTRACTING OFFICER'S REPRESENTATIVE (COR)

a. The Contracting Officer may appoint one or more Government employees as Contracting Officer's Representative (COR) for technical purposes applicable to this contract. "Technical" is restricted to scientific, engineering, or field-of-discipline matters directly applicable to the work performed by the Contractor under the requirements of this contract.

b. The appointment(s) shall be in writing, signed by the Contracting Officer, and shall set forth the authority granted to and the limitations on the COR. Two copies of the letter of appointment shall be provided to the Contractor who shall acknowledge receipt of the appointment letters in writing without delay. Signing shall represent Contractor's acknowledgement of the limited authority of the COR.

c. Appointments may be changed or revoked by the Contracting Officer in writing. The Contracting Officer shall notify the Contractor in writing of any such changes or revocations.

H.3 DISCLOSURE OF INFORMATION

a. The Contractor shall not disclose any information under this contract to any person unless (i) it is required for the performance of this contract, and the individual is specifically authorized in writing by the Contracting Officer to receive the information, or (ii) the individual is specifically authorized in writing by the Contracting Officer to receive specific information.

b. Disclosure by the Contractor which requires specific written authorization from the Contracting Officer includes information, whether written or oral, to be revealed in technical conferences, synopses, meetings, periodicals, journals, brochures, or advertising.

c. When prescribed by the Contracting Officer, the Contractor agrees to insert in subcontracts and purchase orders hereunder, provisions which shall conform substantially to the language of paragraphs a and b. Normally these provisions will not be required by the Contracting Officer in purchase orders for standard commercial items which have been sold or offered for sale to the public commercially by any supplier.

d. The Contractor shall not disclose (i) any information concerning the sponsorship of this contract, or (ii) the nature of the Government's interest in an application of the subject matter of this contract.

e. Requests for disclosures pursuant to this clause, or requests for permission to make further distribution of technical documents which bear or are required to bear a restrictive distribution statement of the sponsoring agency, shall be directed to the Contracting Officer.

H.4 CONSTRUCTIVE CHANGE ORDERS

No order, statement or conduct of the Contracting Officer, or the authorized representative of the Contracting Officer, whether or not acting within the limits of his authority, or any other representative of the Government, shall constitute a change under the "Changes" Clause of this contract or entitle the Contractor to an equitable adjustment of the contract price or delivery schedule under that or any other clause, unless such change is issued in writing and signed by the Contracting
Officer. No representative of the Contracting Officer shall be authorized to issue a written change order under the "Changes" clause of this contract. The Contractor shall be under no obligation to comply with any orders or directions not issued in writing and signed by the Contracting Officer.

H.5 SECURITY REQUIREMENTS


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H.2

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PART I - SECTION H - SPECIAL PROVISIONS

H.5 SECURITY REQUIREMENTS (Continued)

b. Loss or suspension of required security clearance, as set forth on the attached DD Form 254 (Contractor Security Classification Specification) will result in inability to perform in accordance with the terms and conditions of the contract. As a result the contract is subject to default in accordance with the General Provision entitled, "Default".

c. The Government reserves the right to direct any contractor employee to be removed from performance, direct or indirect, for reason of security violation(s) whether or not deemed of sufficient severity to warrant action to terminate the Contractor's or individual's security clearance. The Government also reserves the right to direct any contractor employee to be removed for any investigation of alleged misconduct which may, in the opinion of the Contracting Officer, jeopardize the security of the project.

d. Contractors should be aware that a polygraph examination will probably be required for those working in the Program. Contractors must obtain a release, a letter of intent to submit to the polygraph, from all personnel assigned.

H.6 USE OF CONSULTANTS

Use of consultant services in the performance of this contract shall be subject to prior written consent of the Procuring Contracting Officer.

H.7 CONTRACT DATES

a. All periods of time referenced herein shall be measured by calendar days, weeks, months, as opposed to "work" days, weeks, months.

b. With regard to due dates for submission of reports, data, hardware, etc., called for in Section F hereof, the contractor will submit same in sufficient time to allow for their arrival at the specified destination on the due date indicated.

c. The term "MAC" means months after contract award date and is calculated on the basis of calendar months. The term "ADAD" means "After Date of Award Document".

H.8 CHANGE IN KEY PERSONNEL

The contractor shall notify the Contracting Officer prior to making any change in the personnel identified in the proposal as key individuals to be assigned for participation in the
PART I - SECTION H - SPECIAL PROVISIONS

H.8 CHANGE IN KEY PERSONNEL (Continued)
-----------------------------------
performance of this contract. The contractor must demonstrate that the qualifications of the prospective personnel are equal to or better than the qualifications of the personnel being replaced. The Program Manager and Team Leaders at a minimum, are considered key personnel.

H.9 LIMITATION OF COST/LIMITATION OF FUNDS
--------------------------------------
The proposed contract will be incrementally funded. The contract clauses Section hereof includes both FAR clauses 52.232-20, Limitation of Cost, and 52.232-22, Limitation of Funds. The latter clause is operative as long as the contract is incrementally funded. If and when the contract becomes fully funded, the Limitation of Cost clause shall become effective and the Limitation of Funds clause shall cease to be operative.

H.10 PARTICIPATION BY THE MITRE CORPORATION
a. The Requiring Activity has the responsibility for providing the necessary management for this program and has entered into contracts with the MITRE Corporation to support the Program Manager. In this role, they provide technical services and guidance to the Program Manager during the source selection and performance of the contract. The support contractors will be required to sign Non-Disclosure statements.

b. Explanation of the support contractors roles:
   (1) Responsible for providing direct technical support to the Requiring Activity's System Engineer.

   (2) The support contractors have agreed not to engage in the manufacture or the production of hardware, to abide by the "Rules for the Avoidance of Organizational Conflicts of Interest", and not to compete with any profit seeking concern.

c. The contractor agrees to cooperate with the support contractors by engaging in technical discussions with them and permitting their personnel access to information and data relating to technical matters (including cost) concerning this contract to the same degree such access is accorded Government personnel.

d. The contractor agrees to cooperate with the support contractors by permitting them to have access to Technical/Project reviews conducted for the Government.

e. It is expressly understood that the operation of this clause will not be the basis for an equitable adjustment. Modifications, realignment, or redirection of the contractor's technical efforts shall be affected only by the prior written consent of the procuring Contracting Officer.

H.11 CONTRACTOR USE OF IR&D
The Government intends for the items delivered under this effort to be delivered with unlimited rights in order to allow future competitive...
acquisitions. Prior to the contractor using any of their funds to develop this software, the Government is to be notified in writing. If any of the items delivered are or will have restricted rights, the contractor is to notify the Government not later than ten (10) days after it is discovered.

H.12 NOTICE OF INCORPORATION OF SECTION K

The following section of the solicitation will not be distributed with the contract; however, they are incorporated in and form a part of the resultant contract as though furnished in full text therewith:

<table>
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<tr>
<td>K</td>
<td>Representations, Certifications and Other Statements of Offerers or Quoters (Bidders)</td>
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H.13 TRAVEL

a. Transportation and per diem expenses incurred by contractor shall be reimbursed in accordance with the Joint Travel Regulation (JTR).

b. All travel shall be coordinated with the technical point of contact.

H.14 PAYMENT OF FIXED FEE (COMPLETION)

Pursuant to the clause at FAR 52.216-8, Fixed Fee, and subject to withholding provisions contained therein or elsewhere in the contract, fixed fee shall be paid to the contractor on a pro-rate basis derived from the ratio of the fixed fee to the estimated cost of the contract and shall be included in the vouchers submitted by the contractor for reimbursement under the terms of the contract.

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H.15 GOVERNMENT FURNISHED ITEMS

The Government's obligation to furnish equipment, data and services will be limited to the items listed below and as contained in the STAR terminal Technical Specification.

a. Government Furnished Equipment - The Government Furnished Equipment will include five (5) embeddable KF-84 COMSEC modules (KIV-7) with data keys and key storage/transfer devices. Four (4) of the COMSEC devices will be used for operations, and one (1) COMSEC device will be used for spare. The COMSEC devices will be made available by 1 November 1994 along with the keying material.

b. Government Furnished Documents - The Government shall provide the contractor with the Technical Specifications (B1 and B5) and the Preliminary Software Test Plan developed under the previous contract.

c. COMSEC Maintenance - The Government will perform all maintenance for COMSEC equipment.

d. Transmission System - The Government will provide the necessary Radio Frequency (RF) interfaces and maintenance to the MTN network and this will be available by 1 May 1995.

e. Security Certification and Accreditation - The Government will, prior to production, perform equipment certification/accreditation and any hardware/software certification deemed necessary by the Designated Approving Authority. Contractor assistance may be required to assist the Government in providing data and, if necessary, hardware/software security upgrades.

H.16 INCREMENTAL FUNDING (CLIN 0001AA) -

The total estimated cost-plus-fixed-fee for the performance of this contract is
identified in Section B for CLIN 0001. The amount available for payment and allotted to this contract is increased from $2,907,655.60 by $270,000.00 to $3,177,655.60 (including a fixed fee of $193,969.58). In accordance with the General Provisions herein entitled "Limitation of Funds", the Government shall not be obligated to reimburse the contractor for any costs (including termination costs) in excess of the amount allotted for this effort and the contractor will not be obligated to continue performance or incur costs in excess of the amount allotted until additional funds are made available by issuance of a unilateral modification by the Contracting Officer. This increment of funding will cover performance through 30 April 1996 for the ECP and 31 May 1996 for all remaining contract effort.

PART I - SECTION H - SPECIAL PROVISIONS

H.17 WARRANTY
-------
The contractor shall be required to pass any commercial warranties to the Government if they exceed the period of this contract. The contractor shall notify the Government if they modify any commercial equipment that would cause the commercial warranty to be null and void.

H.18 TIME-AND-MATERIAL AND LABOR-HOUR CONTRACT LINE ITEMS
----------------------------------------------------
a. Optional Contract Line Items Numbers (CLINs) 0002 and 0003 identifies a T&M effort. This tasking shall be related to the effort described in the basic Statement of Work, Attachment 1.

b. The Contracting Officer shall approve the repairs by means of a letter which shall authorize the contractor to begin work immediately, subject, however to his acceptance of the Government's estimated level-of-effort (broken down by labor category and rate). If the contractor does not concur in the Government's estimates, negotiations and agreement shall take place before commencement of work. In either case the contractor shall provide the Contracting Officer with his signature on the letter. The travel and material necessary for the performance effort will be negotiated with each individual action.

c. The contractor has agreed to hourly rates which include overhead, G&A and Cost of Money and Profit.

d. Each tasking will provide a task description, appropriate DD 1423's, period of performance and estimated costs. Funding will be applied with the exercise of the option.

H.19 HOURLY RATES (Applicable to Optional CLIN 0002 and 0003)
--------------
In accordance with SOW paragraph 1.0 and 3.8.2.2, and on-call support, the following is a schedule of fixed hourly rates to be utilized for establishing the value of each repair. The below rates will be utilized during negotiations. This rate should be by category and by year and shall include all costs through profit. These rates are not subject to change and will be utilized throughout the life of the contract. The material and travel will be reimbursed at actual cost with no fee and will be included in the not-to-exceed cost of CLINs 0002 and 0003.
Executive Engineer (E1)
Senior Engineer (E2)
Engineer (E3)
Junior Engineer (E4)
Secretary (S)
Technician (T)
Operations (O)
Draftsman (D)
Finance (F)
Purchasing (P)
Contracts (C)

H.8

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PART II - SECTION I - CONTRACT CLAUSES

I.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

This contract incorporates one or more clauses by reference, with the same
force and effect as if they were given in full text. Upon request, the
Contracting Officer will make their full text available.

I. Federal Acquisition Regulation (48 CFR Chapter 1) Clauses THE BELOW
CLAUSES ARE APPLICABLE TO ALL EFFORTS PERFORMED UNDER THE PROPOSED
CONTRACT.

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52.215-30  Facilities Capital Cost of Money  SEP 1987
52.215-33  Order of Precedence  JAN 1986
52.215-39  Revision or Adjustments of Plans for Post Retirement Benefits Other Than Pensions (PRB)  JUL 1991

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PART II - SECTION I - CONTRACT CLAUSES

I.1 CONTINUED

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52.216-07         Allowable Cost and Payment                    JUL 1991
52.216-08         Fixed Fee                                     APR 1984
52.219-13         Utilization of Women-Owned Small Business        AUG 1986
52.219-16         Liquidated Damages - Small Business Subcontracting Plan AUG 1989
52.220-03         Utilization of Labor Surplus Area Concerns APR 1984
52.220-04         Labor Surplus Area Subcontracting Program APR 1984
52.222-02         Payment for Overtime Premiums JUL 1990
  The use of overtime is authorized under this contract if the overtime premium cost does not exceed $0 each fiscal year.
52.222-03         Convict Labor                                APR 1984
52.222-26         Equal Opportunity                             APR 1984
52.222-28         Equal Opportunity Preaward                      APR 1984
52.222-35         Affirmative Action for Special Disabled and Vietnam Era Veterans APR 1984
52.222-36         Affirmative Action for Handicapped Workers                   APR 1984
52.222-37         Employment Reports on Special Disabled Veterans & Veterans Era JAN 1988
52.223-02         Clean Air and Water                          APR 1984
52.223-06         Drug-Free Work Place                         JUL 1990
52.225-11         Restrictions on Certain Foreign Purchases MAY 1992
52.227-01         Authorization and Consent (ALT I) APR 1984
52.227-02         Notice and Assistance Regarding Patent and Copyright Infringement APR 1984
52.227-10         Filing of Patent Applications - Classified Subject Matter APR 1984
52.227-12         Patent Rights - Retention by the Contractor (Long Form) JUN 1989
52.227-14         Rights in Data - General                          JUN 1987
52.228-07         Insurance - Liability to Third Persons APR 1984
52.232-07         Payment Under Time-and-Materials and Labor-Hour contract APR 1984
52.232-09         Limitation on Withholding of Payments APR 1984
52.232-17         Interest                                       JAN 1991
52.232-18         Availability of Funds (CLINs 0002 thru 0004) APR 1984

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PART II - SECTION I - CONTRACT CLAUSES

I.1 CONTINUED
I.2 DEPARTMENT OF DEFENSE (DOD) FAR SUPPLEMENT CLAUSE THE BELOW CLAUSES ARE APPLICABLE TO ALL EFFORTS PERFORMED UNDER THE PROPOSED CONTRACT.

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PART II - SECTION I - CONTRACT CLAUSES

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52.232-20       Limitation of Cost                              APR 1984
52.232-22       Limitation of Funds                             APR 1984
52.232-23       Assignment of Claims                            JAN 1986
52.232-25       Prompt Payment                                  MAR 1994
52.232-28       Electronic Funds Transfer Payment Methods       APR 1989
52.233-01       Disputes (ALT I)                                 MAR 1994
52.233-03       Protest After Award (ALT I)                      JUN 1985
52.237-02       Protection of Government Buildings,             APR 1984
                  Equipment, and Vegetation
52.242-01       Notice of Intent to Disallow Costs              APR 1984
52.242-13       Bankruptcy                                     APR 1991
52.243-02       Changes - Cost Reimbursement (ALT V)            APR 1984
52.243-03       Changes - Time-and-Material or Labor-Hours      AUG 1987
52.243-06       Change Order Accounting                          APR 1984
52.243-07       Notification of Changes                         APR 1984
52.244-02       Subcontracts (Cost Reimbursement and            JUL 1985
                  Letter Contracts), ALT I (APR 1985)
52.244-03       Subcontract (Time-and-Materials and Labor Hour
52.244-05       Competition in Subcontracting                     APR 1984
52.245-05       Government Property (Cost-Reimbursement,
                  Time and Materials, or Labor-Hour Contracts)      JAN 1986
52.246-23       Limitation of Liability                          APR 1984
52.246-25       Limitation of Liability - Services              APR 1984
52.249-06       Termination (Cost Reimbursement) II ALT IV       MAY 1986
52.249-14       Excusable Delays                                 APR 1984

52.201-7000       Contracting Officer's Representative          DEC 1991
52.203-7000       Statutory Prohibition on Compensation to      DEC 1991
                  Former Department of Defense Employees
52.203-7001       Special Prohibition on Employment              APR 1993
52.203-7003       Prohibition Against Retaliatory Personnel       APR 1992
                  Actions

52.204-7000       Disclosure of Information                     DEC 1991
52.204-7002       Payment for Subline Items Not Separately Priced DEC 1991
52.204-7003       Control of Government Personnel Work Product     APR 1992
52.205-7000       Provision of Information to Cooperative Agreement Holders DEC 1991
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PART II - SECTION I - CONTRACT CLAUSES

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<td>Ordering from Government Supply Sources</td>
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I.3 FULL TEXT CLAUSES

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I.3.1 52.203-9 REQUIREMENT FOR CERTIFICATE OF PROCUREMENT INTEGRITY-

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MODIFICATION (NOV 1990)

-------------
(a) Definitions. The definitions set forth in FAR 3.104-4 are hereby incorporated in this clause.

(b) The Contractor agrees that it will execute the certification set forth in paragraph (c) of this clause when requested by the Contracting Officer in connection with the execution of any modification of this contract.

(c) Certification. As required in paragraph (b) of this clause, the officer or employee responsible for the modification proposal shall execute the following certification:

I.5
This FIXED PRICE CONTRACT is entered into as of October 18th 1995, between ViaSat Incorporated, a California corporation having its principal offices at 2290 Cosmos Ct, Carlsbad, California 92009-1585 (hereinafter referred to as "the Buyer" or "ViaSat") and SPECTRAGRAPHICS with its principal offices located at 9707 Waples Street, San Diego CA 92121, (hereinafter referred to as "the Seller" or "SPECTRAGRAPHICS").

WITNESSETH THAT

In consideration of the mutual promises, covenants, and agreements herein set forth, the Parties agree that the Seller shall furnish and deliver to the Buyer all the supplies, and perform all the services set forth in this contract, for the consideration stated herein. The rights and obligations of the Parties to this contract shall be subject to, and governed by, the following Schedule, and the General Provisions of Purchase and other documents or specifications attached hereto or referenced herein.

SCHEDULE

ARTICLE I - SCOPE OF WORK

A. The Seller, as an independent contractor and not as an agent of the Buyer, shall, in the necessary personnel, material, and facilities, do all things necessary or incidental to the furnishing and delivery to the Buyer of the goods and services set forth in EXHIBIT A, attached hereto and incorporated by reference herein, all in accordance with the specifications and other requirements applicable thereto and referred to in EXHIBITS B, C, D and E, attached hereto and incorporated by reference herein. Buyer also reserves the right to exercise options as specified in EXHIBIT C.

B. ViaSat Inc. has been issued a contract by Magnavox, which is in support of their prime contract with the U.S. Government, contract number DAAB07-94-D-A010
(hereinafter referred to as the "Prime Contract") which carries a DPAS rating: DO-A7. ViaSat is relying on the Seller's agreement as set forth in this contract, and on Seller's performance of same by timely delivery and performance as part of the basis on which ViaSat intends to fulfill it's obligations. It is understood that the Seller's goods and services will be utilized by ViaSat in performance of it's obligations, and that ViaSat will be unable to meet its obligation to Magnavox, and ultimately the Prime Contract, unless Seller performs its agreement in a timely manner, as set forth in this contract.

ARTICLE II - PERFORMANCE AND DELIVERY SCHEDULE

A. Time is of the essence in the Seller's performance of this contract. The Seller shall deliver the goods and services required to be delivered to the Buyer in accordance with the delivery schedule referenced in EXHIBIT D. In order to assist Seller with the production start-up, Buyer shall provide Seller with all material needed by Seller to support the initial deliveries. This comprises 200 sets of material, plus some additional quantities of passive components on tape and reel. Buyer shall acqure by SPECTRAGRAPHICS, at a price not to exceed SPECTRAGRAPHICS' budgeted cost of that material, as defined in the SPECTRAGRAPHICS detailed quotation dated May 11th 1995 and later revised on July 18th 1995. At the time of contract signing, Seller shall issue a purchase order to Buyer for this material at the prices stated, and Buyer shall deliver said material promptly to Seller.

B. Seller shall, as a material part of this contract, install at Seller's place of business, and at Seller's expense, either a GenRad 228X or an HP 3070 testing device for the purpose of performing In-Circuit Test (ICT) operations as described in Exhibits A and C, within 120 days of contract signing. Until that test device is in place and operational, and upon contract signing, Seller shall use Seller's existing Fairchild 333 testing device (Fairchild) and procure ICT fixtures and software for use with that device, at Seller's expense.

ARTICLE III - PLACE OF INSPECTION AND ACCEPTANCE

Notwithstanding any prior preliminary inspection and/or acceptance, final inspection and Acceptance of all goods and services shall be made at ViaSat's place of business, as part of a complete system test and inspection program.

Acceptance of goods will incorporate Source Inspection activities by ViaSat QA representatives, which will occur at SPECTRAGRAPHICS' place of business, using SPECTRAGRAPHICS' inspection devices, equipment and services, as required by ViaSat. SPECTRAGRAPHICS will promptly develop and publish an In-circuit Test Procedure (ITP), which will outline SPECTRAGRAPHICS' testing procedures for the goods referenced in Exhibit A. This ITP will be used by SPECTRAGRAPHICS personnel in performance of this contract, and may be used for source inspection activities.

Acceptance of any goods or services shall not be deemed a waiver of any subsequent acceptance rights or warranties, express or implied, or any other rights under this contract. Acceptance of the fixtures and ICT software described in Exhibit A shall take place at SPECTRAGRAPHICS' place of business when the fixtures are complete. At that time, ownership of the fixtures and the software shall transfer to Buyer but remain in Seller's possession until further notice.

ARTICLE IV - CONSIDERATION AND PAYMENT

The Buyer shall, upon submission of proper invoices or vouchers and subject to any funding limitation, withholding, or set-off provisions contained herein, pay the Seller a fixed price of $1,116.16 PER SET OF CCAs, according to the pricing schedules and payment terms set out in EXHIBIT C. Payments shall only be made upon delivery and acceptance of COMPLETE SETS of CCAs. In computing discount time, if any, such time shall commence upon Buyer's receipt of proper invoice or acceptance of items delivered, whichever is later.

ARTICLE V - SUBMISSION OF INVOICES

Original invoices for payments hereunder shall be submitted to the following address:

ViaSat, Inc.
2290 Cosmos Court
Carlsbad, CA 92009-1585
ARTICLE VI - PACKAGING AND DELIVERY

Unless otherwise specified in the applicable Specification(s) or Statement of Work, packaging and packing of all items for delivery shall be in accordance with good commercial practice and adequate to assure safe arrival at destination. In addition, any and all packaging materials used must not be made from or contain any Class I Ozone Depleting Chemicals. Buyer retains the right to disallow the use of certain other packaging materials, if such materials cause an unacceptable environmental hazard.

The delivery point of all items to be delivered by Seller hereunder shall be FOB destination and, unless the Seller is notified to the contrary, shall be marked for delivery to:

ViaSat, Inc.
2290 Cosmos Court
Carlsbad, CA 92009-1585

ARTICLE VII - CONFIDENTIALITY OF BUYER'S DESIGN

Seller recognizes that the Buyer will provide proprietary design information to the Seller prior to and during the performance of this contract. The Seller agrees to protect and hold confidential all such information in the manner specified herein, and treat all CCAs developed from this proprietary design information as ViaSat proprietary. Inclusion of this article shall not invalidate any Non-Disclosure Agreement (NDA) already executed and in force between Buyer and Seller.

ARTICLE VIII - REPORTS

The Seller shall furnish Reports, Data and other Documentation as set forth in Article XXVII and referenced in exhibits A and B. Seller shall also furnish to Buyer reports received from suppliers.

ARTICLE IX - DIRECTED SOURCES

In developing this design, Buyer has worked closely with the supplier referenced below and incurred significant NRE costs during the design phase. In order to offset these costs and avoid further NRE charges, Buyer directs Seller to purchase the following part numbers from this supplier, providing that supplier's pricing is less than or equal to Spectragraphics budgeted cost:

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ARTICLE X - PRIORITY RATING

This is a rated Contract certified for national defense use. THE DPAS RATING IS DO-A7 Seller shall comply with the provisions of the Defense Priorities and Allocations System (DPAS) regulation (15 CFR 700), including providing written notice of acceptance or rejection of this Contract within 10 workdays after receipt of Contract.

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ARTICLE XI - CONTRACT MANAGEMENT

A. The Buyer's Vice President of Administration is designated on the cover sheet hereof. The Buyer may, by written notice to Seller, change such designation.

B. No provision of this Contract may be waived or changed, except in writing signed by Buyer's Vice President of Administration. No request, notice, authorization, direction or order received by the Seller shall be binding upon either the Seller or Buyer, or serve as the basis for a change in the Contract cost, fixed fee or any other provision of this Subcontract, unless it was issued in writing by the Buyer's Vice President of Administration. Designations of authorized representatives shall be in writing and signed by the Vice President of Administration. A copy of each such designation, and of each modification or cancellation thereof, shall be furnished to the Seller. The Seller shall immediately notify, in writing, the Vice President of Administration whenever a change request has been received from a representative of Buyer other than the
Vice President of Administration that would affect the terms and conditions, cost and performances schedule of this Contract.

C. The Buyer's Vice President of Administration may designate a representative to act as administrative representative under this Contract. Such representative, if appointed, shall be designated elsewhere in this Contract or in a letter from the Vice President of Administration to the Seller. The administrative representative shall represent the Vice President of Administration in certain phases of the work; however, such representative shall not be authorized to change any of the terms and conditions or cost or fee of this Contract and is not an authorized representative within the meaning of paragraph B of this Article.

ARTICLE XII - FIXED PRICE CONTRACT

This is a Fixed Price Contract. Prices for each deliverable item will remain fixed at the amounts shown in EXHIBIT C, unless both parties agree to a price change for some substantial reason. Provisions for initiating changes to pricing are set out in Article XXVIII.

ARTICLE XIII - RELEASE OF NEWS INFORMATION

No news releases, including photographs and films, public announcements, or confirmation of same, on any part of the subject matter of this contract or any phase of any program hereunder shall be made by Seller or Seller's subcontractors without the prior written consent of the Buyer.

ARTICLE XIV - ORDER OF PRECEDENCE

Any inconsistency in this contract shall be resolved by giving precedence in the following order: (a) the Schedule; (b) the General Provisions; (c) other attachments to the Schedule.

ARTICLE XV - RESIDENT REPRESENTATIVES AND VISITS BY GOVERNMENT PERSONNEL

A. Buyer reserves the right to assign Representatives on an itinerant or resident basis at Seller's facilities or those of lower-tier subcontractors, for the purpose of maintaining surveillance activities, including the right to witness any or all tests performed as part of the requirements of this contract. Seller shall provide Buyer's Representatives with reasonable facilities and equipment, and unescorted free access to all areas essential to the proper conduct of the aforementioned activity throughout all phases of engineering, manufacturing, testing, packaging, and shipping. In addition, the Seller agrees to make available to Buyer's Representatives pertinent planning, status, and forecast information and such other technical and management reporting information as may be necessary for the Representatives to carry out their responsibilities.

B. Seller agrees, upon request of Buyer, to allow Buyer's customer or the Government's Contracting Officer under the Prime Contract, or his/her authorized representatives, to visit Seller's facilities to review progress and witness testing pertaining to the requirements of this Subcontract.

C. Seller further agrees to insert and require its Subcontractor to insert, the substance of this Article, including this paragraph, in each lower-tier subcontract hereunder.

ARTICLE XVI - PLACE OF PERFORMANCE

The Seller shall perform the work under this contract at its facilities located at 9707 Waples Street, California 92121 and at such other locations as may be approved in writing by Buyer in advance of starting performance.

ARTICLE XVII - WARRANTY

Seller shall warrant the goods referenced in Exhibit A in accordance with the provisions in Exhibit E, Section 15.

ARTICLE XVIII - SPECIAL TEST EQUIPMENT/SPECIAL TOOLING

This Article is not applicable to this contract iteration and is intentionally left blank at this time.

ARTICLE XIX - GENERAL PROVISIONS
The Buyer's Terms and Conditions of Purchase, contract clauses (FFP Type), dated 1/1/93, and referenced in EXHIBIT E, attached hereto and incorporated herein by reference, apply to this contract.

ARTICLE XX - CERTIFICATIONS AND REPRESENTATIONS

All written certifications, proposals and representations which Seller has submitted to Buyer in connection with the award of this contract have been relied upon by Buyer in issuing this contract. Seller agrees to advise Buyer promptly, and in writing, should there be any change in Seller's status with respect to the matters covered by such representations and certifications.

ARTICLE XXI - KEY PERSONNEL

The following personnel are identified as key personnel, important to the successful performance of the work under this contract:

- Boann Garry          Account Manager
- Mark Whellan         Director, Quality
- John Crankshaw       Test Engineer.

The Seller agrees to assign these employees to the performance of the work. Whenever, for any reason, one or more of the aforementioned employees is unavailable for assignment for work under this contract, the Seller shall replace such employee with a person of comparable ability acceptable to Buyer. The Seller shall inform the Buyer in writing, in advance, whenever such a change is necessary.

ARTICLE XXII - COST ACCOUNTING STANDARDS

Seller certifies that Seller is exempt from the Cost Accounting Standards provision referenced in the FAR.

ARTICLE XXIII - NOTICE OF DELAY, OBSOLESCENCE OR RECALL

In addition to its obligations herein with respect to notice of labor disputes, whenever any other actual or potential event is delaying or threatening to delay delivery of goods or performance of the services under this contract, Seller shall give Buyer immediate written notice thereof. In the event of a component becoming obsolete, or a component production lot being recalled by a manufacturer, Seller shall give Buyer immediate written notice thereof. In either of these cases, Buyer and Seller shall determine a timely course of action and make a change to the contract as provided for in Article XXVIII.

ARTICLE XXIV - PRODUCTION RELEASES AND RELEASE OF SELLER'S FINANCIAL RECORDS

A. Buyer will authorize Seller to proceed with this contract in three separate releases. Each release will cover 1,000 sets of EMUT CCAs, and will be dependant upon Seller's continued good performance in terms of product quality and timely deliveries. In addition, each release will be governed by Seller's financial condition during the preceding period. The first release will be automatically authorized upon signing of this contract. Releases 2 and 3 will be authorized no later than 30 days prior to the expiration of the previous release, depending upon the performance factors mentioned in this paragraph. The form of releases 2 and 3 will be a letter written in accordance with Article XXV and issued by Buyer's authorized representative as defined in Article XI.

B. Seller will provide to Buyer, the following monthly financial reports for the entire Spectragraphics Corporation, each month for the duration of the contract.

- Current month's balance sheet
- Current month's Income statement
- Current month's Cash Flow statement

If this data is normally contained within a standard shareholder's financial report, such a report is acceptable in lieu. In addition, Seller will provide to Buyer, Seller's audited quarterly financial reports as they are issued for the same duration.
C. Seller will inform Buyer of each significant event, management decision or other factor which will have a significant effect on the financial condition of the company as such event, decision or factor becomes known. At a minimum, Seller will disclose to buyer all extraordinary items in the aforementioned financial data as if Buyer were a shareholder of Spectragraphics Corporation.

D. If, in Buyer's sole opinion, Seller does not perform adequately in any of the provisions mentioned in paragraph A, Buyer retains the right to terminate this contract as provided for in FAR 52.249-2 and as referenced in the subcontract clauses attached to this contract.

ARTICLE XXV - NOTICES

Any notice, consent, demand, or request required or permitted by this contract shall be in writing and shall be deemed to have been sufficiently given when personally delivered, properly sent by FAX or Email, or deposited in the United States mail postage prepaid, addressed as follows:

If to SPECTRAGRAPHICS:    SPECTRAGRAPHICS
                            9707 Waples Street
                            San Diego, CA 92121

If to ViaSat:               ViaSat Incorporated
                            2290 Cosmos Court
                            Carlsbad, CA 92009-1585

ARTICLE XXVI - FUNDS ALLOCATED TO SUBCONTRACT

The Prime contract has been fully funded and this Article is therefore not applicable.

ARTICLE XXVII - NOT TO EXCEED COST AGREEMENT

Prior to the issuance of a change order under this contract, the Buyer may solicit from the Seller written agreement as to the maximum (in the case of an increase) adjustments to be made in the estimated cost and fixed fee, or in the delivery schedule (or time of performance), by reason of the change. The Buyer may also solicit such agreement on limitations on the adjustments, to any other provisions of the contract which may be subject to equitable adjustments by reason of the change. Any such written agreement shall then be cited in the change order, and upon its issuance shall be a binding part of the contract. In no event shall the definitive equitable adjustment exceed the delivery schedule (or time of performance, or cost or fixed fee) adjustments so established, nor otherwise be inconsistent with other adjustment limitations so established. Except with respect thereto, nothing contained herein shall affect the rights of the parties to an equitable adjustment by reason of the change, pursuant to the Changes clause of the General Provisions hereof.

ARTICLE XXVIII - CHANGES

Due to the nature of the final product, and the way in which it is likely to be used by the end customer, design, schedule and other changes are likely to occur on multiple occasions throughout the life of the contract. In the event of any such changes, ViaSat will authorize SPECTRAGRAPHICS to collect information on change implementation in writing and, relying on this information, ViaSat will determine the effectivity of all such changes. Such changes will require SPECTRAGRAPHICS to provide assistance to ViaSat:

A) By using its best efforts to cancel component orders for discontinued components, and

B) By suggesting implementation methods which will result in least-cost conformance, and

C) By using its best efforts to implement the change within the timeframe stated in every such instance.

If a change is proposed by either party, SPECTRAGRAPHICS will provide ViaSat with a written report, hereinafter referred to as the Implementation Cost Report, (or ICR) showing the implementation cost of such change, breaking out all material, labor and overhead charges, and certifying the accuracy of such report. ViaSat retains the right to audit any such reports at any time during the execution of the contract. No statement or requirement in this article shall
waive or supersede any other rights of the Buyer. In the event of any conflicts with FAR or DFAR, those regulations shall have precedence over any requirement in this article.

In the event that a change results in a change in price, Seller shall provide a written report to Buyer, stating the reasons for the change in price. This report shall be different and separate from the ICR, and shall be confined to the unit costs and subsequent unit prices of ongoing production. Seller shall adhere to the provisions contained in Articles XIX, and XXXVII. If and when Seller and Buyer agree on the details of any proposed change, Buyer shall notify Seller of this agreement in writing, and the record of this change shall become a permanent part of this contract.

ARTICLE XXIX - DESIGN ACCEPTANCE

Buyer and Seller agree that the production schedule referenced in Exhibit D is dependent upon Buyer's customer accepting, in a timely manner, Buyer's design concurrent with the production start-up. In the event that Buyer's customer requires design or schedule changes during the design acceptance period, Buyer shall inform Seller in writing that production has been halted or the schedule changed. Upon receipt of this information, Seller shall stop production and await further instructions from Buyer. Unless otherwise agreed to in writing, Seller shall continue to procure material at the rate required by Exhibit D, and charge Buyer a monthly inventory-carrying charge equal to one and one-half percent of the Seller's material cost of the cumulative number of undelivered CCAs affected by the production stoppage.

In the event that design changes must be initiated, these will be performed as defined in Article XXVIII.

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ARTICLE XXX - ENTIRE AGREEMENT

This contract supersedes any other contract or purchase order awarded by ViaSat to SPECTRAGRAPHICS in performance of the items referenced in Exhibits A, B, C, D and E and constitutes the entire agreement between the two parties. This contract shall not be varied in its terms or conditions by any oral agreement or representation, or otherwise, than by an instrument in writing of even or subsequent date thereto, executed by both Seller and Buyer.

The Article and Exhibit titles used herein are for convenience only and shall in no way be construed as part of this contract or as an indication of the meaning of the particular Article or Exhibit.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this contract to be effective as of the day and year first written. This contract consists of:

1. A Title Page
2. A Schedule consisting of nine (9) pages including this Signature page.
3. Exhibits A, B, C, D and E

SELLER                         BUYER
SPECTRAGRAPHICS, INCORPORATED.    VIASAT, INCORPORATED
BY: /s/ Joe Lynch                BY: /s/ Gregory Monahan
TITLE: V.P. Gen. Mgr.            TITLE: V. P.
DATE: 10-18-95                   DATE: 10/18/95

*** THIS CONCLUDES THE CONTRACT ***
October 28, 1996

Mark Dankberg
Greg Monahan
ViaSat, Inc.
2290 Cosmos Court
Carlsbad, CA 92009

Via Telecopier
- --------------

Dear Messrs. Dankberg and Monahan:

This letter will evidence the commitment of Union Bank of California ("Bank") to provide the following credit facilities to ViaSat, Inc. ("Borrower") substantially upon the terms and conditions listed in this letter. This letter does not attempt to define all the terms and conditions of the credit facilities offered herein, rather, it is intended only to outline, in a summary format, the major points which will be used to draft and structure the final loan documentation (all of which are collectively referred to as the "Loan Documents"). The Loan Documents will contain many more terms and conditions than those listed in this letter such as without limitation, conditions precedent, representations and warranties, affirmative and negative covenants, events of default, definition of terms and other provisions, terms and conditions customary to financing by Bank.

This commitment letter is subject to the following terms and conditions:

Borrower: ViaSat, Inc.

Facilities:
1) $6,000,000 Revolving Line of Credit for working capital requirements. Outstanding loans in excess of $2,000,000 would be subject to an 80% advance against eligible domestic accounts receivable.

2) $4,500,000 Equipment Acquisition Line. A maximum of $2,000,000 (Tranche A) available during the period through 9/15/97. The remaining 2,500,000 (Tranche B) will become available during the subsequent 12 month period. Advances on equipment and software purchases will be limited to 80% net of cost of insurance, freight and taxes.

Sublimit: Advances on finished goods-inventory of 50% to a maximum of $2,000,000.

Term:
1) Interest only monthly, all due at maturity of 9/15/98

2) Tranche A interest only monthly to 9/15/97, with the outstanding balance then converting to a 36 month, fully amortizing term loan. Tranche B, available on 9/15/97, will be interest only monthly to 9/15/98, with its outstanding balance then converting to a 36 month fully amortizing term loan.

CONDITIONS PRECEDENT: Please understand that the above credit facilities outlined in this commitment letter are SUBJECT TO the following additional conditions precedent and should not be relied upon by a third party:

1. No adverse change, as determined by Bank in its sole and absolute discretion, in the condition or operations,
financial or otherwise, of the Borrower has occurred.

2. Satisfactory Collateral Audit of Borrower books and records as determined by Union Bank of California. Finalization of borrowing base terms as a result of completion of audit.

2. Satisfactory review of SEC S-1 Registration Statement for Borrower dated October 1, 1996.

3. Completion of Loan Documents, satisfactory in form and substance to Bank and its legal counsel, that have been agreed to and executed by Borrower.

CLOSING DATE

Bank reserves the right, in its sole and absolute discretion, to cancel this commitment letter if the conditions precedent listed in this letter are not satisfied prior to November 29, 1996.

Sincerely,

/s/ RICHARD A. PETRIE         /s/ MICHAEL CONBOY
Richard A. Petrie              Michael Conboy
Vice President                 Vice President
CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in the Prospectus constituting part of this Registration Statement on Form S-1 of our report dated June 11, 1996, except as to the Recapitalization discussed in Note 1, which is as of November 4, 1996, relating to the financial statements of ViaSat, Inc., which appears in such Prospectus. We also consent to the reference to us under the heading "Experts" in such Prospectus.

PRICE WATERHOUSE LLP

San Diego, California
November 4, 1996
This schedule contains summary financial information extracted from the Viasat, Inc. financial statements for the year ended March 31, 1996 and for the six months ended September 30, 1996 and is qualified in its entirety by reference to such financial statements included in the Viasat, Inc. Registration Statement on Form S-1.

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