

TERMS AND CONDITIONS OF PURCHASE

1. Terms of Contract; Acceptance. Buyer limits acceptance of this order to the terms hereof. Receipt by Buyer of the Seller's acknowledgement or of part of the goods shipped pursuant to this order shall constitute acceptance of this order. Buyer recognizes that Seller may for convenience use its own acknowledgement form. Buyer objects to any additional terms and conditions and it is therefore agreed that any printed terms and conditions on Seller's form which add to, modify, conflict with, or contradict any provisions of this order shall be deemed waived by Seller. If Seller intends not to waive any such printed terms and conditions Seller's acknowledgement form shall bear on the face thereof in letters at least one-half inch high, the words "this is a counter offer" and Seller shall immediately contact Buyer to commence negotiations for mutually acceptable terms and conditions.

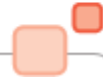
2. Delivery; Risk if Loss. Time of delivery is of the essence of this contract. Buyer reserves the right to refuse any goods, to cancel all or any part of this order, and to purchase elsewhere and hold the Seller accountable therefore, if Seller fails to deliver any part of the goods in accordance with the terms of this order. Delays and threatened or anticipated delays in shipment shall be reported immediately to Buyer, but such notification shall not relieve Seller of its obligation under this Agreement to comply with Buyer's delivery schedule. Delivery shall be deemed complete upon actual arrival of goods at Buyer's specified premises subject however to Buyer's right of inspection. An itemized packing slip bearing the Buyer's order number as shown hereon must be left with the goods. Seller assumes all risks of loss or damage in connection with the goods ordered herein until delivery to Buyer as specified and all risks in connection with articles rejected by Buyer from time of shipment thereof to Seller.

3. Prices; Discount. This order shall not be filled at prices higher than those agreed to herein. Seller agrees to invoice at the price list last quoted or charged Buyer or at the lowest market price available to any purchaser of Buyer's class as of the date of delivery hereunder, whichever is lower. Invoices shall be rendered in duplicate and cover not more than one order. The discount period shall be construed to start from the date of Buyer's receipt of either the invoice of the goods, whichever is later.

4. Changes. The Buyer may at any time by written order and without notice to sureties or assignees, suspend performance hereunder, increase or decrease the ordered quantities, or make changes within the general scope of this order in any one or more of the following:

- (a) Applicable drawings, designs, or specification;
- (b) Method of shipment or packing; and/or
- (c) Time or place of delivery.

If any such change causes an increase or decrease in the cost of or the time required for the performance of this order, an equitable adjustment shall be made in the order price or delivery



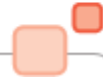
schedule, or both, and the order shall be modified in writing accordingly. No claim by the Seller for adjustment hereunder shall be valid unless made within twenty (20) days from the date of receipt by the Seller of the notification of change; provided, however, that such period may be extended upon the written approval of the Buyer. However, nothing in this clause shall excuse the Seller from proceeding with the order as changed or amended.

5. Cancellation. Buyer reserves the right to cancel, in whole or part this order in the event Seller (i) fails to perform any of the provisions of this order, or (ii) so fails to make progress as to endanger performance of this order in accordance with its terms, or (iii) fails to make deliveries within the specified time, or (iv) becomes insolvent (however such insolvency may be evidenced), or a bankruptcy petition is filed by or against Seller, if cancellation was or could have been made. Buyer's liability arising out of this order shall be limited to payment of the purchase order price for completed items delivered prior to termination and accepted by Buyer. The failure of Buyer to insist upon strict performance of any of the items of this order, or to exercise any rights herein conferred shall not be construed as a waiver of Buyer's rights to assert or rely on any such terms or rights on any future occasion.

6. Inspection. Regardless of the form or content of any receipt given Seller at the time of delivery, and despite any payment which may have been made hereunder, all goods delivered hereunder will be subject to final inspection and approval at Buyer's plant, either within thirty (30) days of delivery or when operating tests are possible after incorporation into Buyer's products. If any of the goods are defective in material or workmanship or otherwise not in conformity with the requirements of this order, Buyer shall have the right to either reject them or require their correction, and to return them at Seller's risk and expense, including transportation both ways and costs of inspection.

7. Warranty. Seller expressly warrants that all articles, materials, parts and work covered by this order will conform to the specifications, drawings, or other description provided to or adopted by Buyer and will be of merchantable quality, good workmanship, and free from defect. If Seller is responsible for design of the goods according to performance specifications established by Buyer, Seller warrants that the goods will be fit and sufficient for the purposes intended by Buyer. This warranty shall survive inspection, test and acceptance and shall run to Buyer, its successors, assigns, and customers, and to the users of its products. The aforesaid expressed warranty shall be in addition to any standard warranty or service guaranty given by Seller to Buyer and any warranties implied or given by law. Buyer's approval of designs furnished by Seller shall not relieve Seller of its obligations hereunder.

8. Designs; Tools; Equipment; Etc. Goods made in accordance with Buyer's specifications; drawings or samples shall not be furnished or quoted to any other person or concern, shall not be copied, sold, offered or advertised for sale by Seller without written authorization and consent of Buyer. All designs, tools, patterns, drawings, information or equipment supplied by Buyer or the cost of which is charged against this order shall be confidential and shall remain the property of Buyer and must returned to Buyer immediately upon request. Seller shall mark all such items with the name Telco Systems and shall be responsible for the safekeeping of such items when in its custody. All such property of Buyer shall be protected against loss or damage by insurance acceptable to Buyer,



and Seller shall indemnify and save Buyer harmless from loss to and all claims which may be asserted against said property.

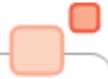
9. Patent Rights. If the goods ordered are manufactured or supplied in accordance with drawings and specifications which are furnished by Buyer or developed jointly by Buyer and Seller. Seller agrees that Buyer shall have sole and exclusive rights to make, have made use and sell such goods, drawings and specifications, including any improvement in the goods ordered which is made or introduced by Seller in its work hereunder. Seller agrees to maintain confidentiality of such information and to cooperate with Buyer in documenting Buyer's rights hereunder.

10. Patent Indemnity. By accepting this order, Seller hereby agrees that the sale, use or incorporation in manufactured products of all machines, devices and materials furnished hereunder which were not of the Buyer's design, composition or manufacture shall be free and clear of infringement of any valid patent, copyright, trademark, license or other proprietary right of any third party, and that Seller will save Buyer and its customers harmless from any and all expenses, liability and loss of any kind (and cost and expenses, including attorney's fees) arising out of claims, suits or actions alleging such infringement, which claims, suits or actions Seller agrees to compromise or defend.

11. Contingencies. Failure of Buyer to take delivery or accept performance of services hereunder (or portions thereof) when due, if occasioned by Act of God or the public enemy, fire, explosion, perils of the sea, flood, drought, war, riot, sabotage, accident, embargo, government priority, requisition or allocation, or any circumstances of the like character beyond the reasonable control of Buyer, or by interruption of or delay in transportation, labor trouble, partial or complete suspension of Buyer's operation, or compliance with any order requested by any governmental entity, shall not subject Buyer to any liability to Seller. At Buyer's option, the period specified for delivery of materials or performance of services hereunder shall be extended by the period of delay occasioned by any such circumstances and deliveries or services omitted (or portions thereof) shall be made or performed during such extension, or the total ordered hereunder shall be reduced by the deliveries or services (or portion thereof) so omitted. The provisions of this paragraph shall be effective notwithstanding that such circumstances shall have been operative at the date of this order.

12. Taxes. Except as may be otherwise provided in this order, the contract price included all applicable federal, state and local taxes of any kind in effect on the contract date. If a government contract number appears on the face hereof, there shall be no federal, state and local taxes included in the contract price.

13. Assignment. Unless otherwise indicated by the terms of this contract, Seller may not assign or subcontract all or any portion of this order without the prior written consent of Buyer. This limitation shall not apply to the purchase of standard commercial supplies or raw materials. Claims for monies due or to become due hereunder may be assigned by Seller, provided that Seller promptly supplies Buyer with copies of any such assignment, and provided further that payment to an assigned of any sum due hereunder shall be subject to setoff or recoupment by the amount of any present or future claims which Buyer may have against Seller on this or any other transaction. Buyer may assign this



Agreement at any time if such assignment is deemed necessary by Buyer in connection with a sale of Buyer's assets or a transfer of its obligations.

14. Compliance with Law. Buyer and Seller agree that this purchase order contract is made and entered into at Foxboro, Massachusetts and shall be construed and its terms interpreted in accordance with laws of the Commonwealth of Massachusetts. Seller further agrees to comply with applicable state, federal and local laws. Executive Orders, and any regulation or order of any authorized government agency including laws relating to equal employment opportunity and occupational safety and health. The equal opportunity clause in Section 202 of Executive Order 11246 relative to equal employment opportunity and implementing rules and regulations of the Secretary of Labor are incorporated herein by specific reference.

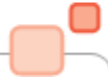
15. Termination for Default.

(a). It is understood and agreed that time is of the essence under this order. Buyer may, by written notice, terminate this order in whole or in part if the Seller fails (i) to make delivery of the items or to perform the services within the time specified herein, or any extension thereof by written change order or amendment; or (ii) to replace or correct defective items in accordance with the provisions of those clauses hereof entitled "WARRANTY" and "INSPECTION"; or (iii) to perform any other provisions of this order or so fails to make progress as to endanger performance in accordance with its terms. The Buyer is the sole judge under such circumstances.

(b). In the event of termination pursuant to this clause. Buyer may procure, upon such terms and such manner as Buyer may deem appropriate, supplies or services similar or substantially similar to these to terminated; and the Seller shall be liable to Buyer for any excess costs occasioned Buyer thereby; provided that the Seller shall continue the performance of this order to the extent not terminated.

(c). If this order is terminated pursuant to paragraph (a), Buyer in addition to any other rights provided herein, may require the completed items and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (hereinafter called "manufactured materials") as the Seller has produced or acquired for the performance of the terminated part; and the Seller shall upon direction of Buyer, protect and preserve property, as listed in this paragraph, in the possession of the Seller. Payment for completed supplies delivered to and accepted by Buyer shall be in an amount agreed upon by the Seller and Buyer (not to exceed the contract price); however, Seller's obligation hereunder to carry out Buyer's direction as to delivery, protection and preservation shall not be contingent upon prior agreement as to such amount.

(d). Failure of Buyer to enforce any right under this clause shall not be deemed a waiver of any right hereunder. The rights and remedies of Buyer under this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this order.



16. Termination.

(a) Buyer may terminate, for convenience work under this order, in whole or in part, at any time by written, facsimile or electronic notice. Upon such termination Seller shall, to the extent and at the time specified by the Buyer, stop all work on this order, place no further orders hereunder, terminate work under orders outstanding hereunder, assign to Buyer all Seller's interest under terminated subcontracts and order, settle all claims hereunder after obtaining Buyer's approval, protect all property in which Buyer has or may acquire an interest and transfer title and make delivery to Buyer of all articles, materials, work in process, or other things held or acquired by Seller in connection with the terminated portion of this order. Seller shall proceed promptly to comply with Buyer's directions respecting each of the foregoing without awaiting settlement or payment of its termination claim.

(b) Within six (6) months from such termination Seller may submit to Buyer its written claim for termination charges, in the form and with certifications prescribed by Buyer, it being understood and agreed that no profit shall be allowed if it appears Seller would have sustained a loss on the order. Failure to submit such claim within such time shall constitute a waiver of all claims and release of all Buyer's liability arising out of such termination.

(c) The parties may agree upon the amount to be paid Seller for such termination. If they fail to agree, Buyer shall pay the Seller the amount due for articles delivered prior to termination and in addition thereto, but without duplication, shall pay the following amounts:

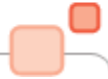
(1) the contract price for all articles completed in accordance with this order and not previously paid for;

(2) the actual costs incurred by the Seller which are properly allocable or apportionable under recognized commercial accounting practices to the terminated portion of this order and sum constituting a fair and reasonable profit on such costs. If it appears Seller would have sustained a loss on the order, no profit shall be allowed under this subparagraph (2); and adjustment shall be made reducing the amount of the settlement to reflect the indicated rate of loss;

(3) the reasonable costs of the Seller making settlement hereunder and in protecting property in which Buyer has or may acquire in interest.

(d) Payments under paragraph 16(c) exclusive of payments under subparagraph (3) shall not exceed the aggregate price specified in this order, less payments otherwise made or to be made. There shall be excluded from any amounts payable to Seller under this Section 16 all amounts payable in respect to property lost, damaged, stolen or destroyed prior to delivery to Buyer.

(e) The foregoing paragraphs (a) to (d), inclusive, shall be applicable only to a termination for Buyer's convenience and shall not affect or impair any rights of Buyer to terminate this order for Seller's default in performance hereof.



(f) If a government contract number appears on the face of this order, Buyer reserves the right to terminate this order or any portion of it upon receipt of notice of termination of the price contract from the government and, if this order is so terminated fair compensation, within the meaning of the Contract Settlement Act of 1944, as the same may from time to time be amended, will be provided for Seller in lieu of the compensation provided for in paragraph (c) above. This portion shall not limit Buyer's right to cancel this order pursuant to paragraph 5 or to terminate this order for the default of Seller.

17. Waiver. The failure of Buyer to insist upon strict performance of any of the terms of this Agreement, or to exercise any rights herein conferred, shall not be construed to affect the validity of this Agreement or any part hereof or as a waiver of Buyer's rights to assert or rely on any such terms or rights on any future occasions.