

**Contract For: Noise and Operations Monitoring System at San Antonio International Airport
Between Exelis Inc. and the City of San Antonio**

Contract Extension 001

THIS Contract Extension made as of the date last signed (hereinafter "Execution Date"), between Exelis Inc., Information Systems Division, having a place of business at 12930 Worldgate Drive, Herndon, Virginia 20170, (hereinafter "Exelis"), and the City of San Antonio, a municipal corporation, in the State of Texas, having a place of business at, 9800 Airport Blvd., San Antonio, TX 78216 (hereinafter "COSA").

WHEREAS, On December 2, 2003 Exelis and COSA entered into a contract entitled Contract For Noise and Operations Monitoring System at San Antonio International Airport, signed by Alex Smith and Rolando Briseno, which was updated by a letter agreement on August 5, 2008 ("Contract") for a noise and operations monitoring system (NOMS) and ongoing system licensing, maintenance, hosting and support for which the contract period of performance is scheduled to end on June 30, 2015.

WHEREAS, Exelis and COSA desire to extend the Contract for one (1) additional year through June 30, 2016 at an annual price of \$183,000, with two (2) optional one (1) year renewal periods with the following changes to the scope of the Contract:

1. As of July 1, 2015, COSA will be switched from multilateration (MLAT) surveillance to Exelis' NextGen Surveillance. The NextGen Surveillance data shall be provided for a volume 40 nautical miles around the center of the airport extending to a height of 20,000 feet, excluding the surface of the airport. The MLAT system will be shut down and will no longer be supported by Exelis. Exelis will remove the MLAT system and take all responsibility under the tower leases for for the lump sum fee of \$19,605, and return the equipment to COSA for their storage.
2. COSA is authorized to use the NextGen Surveillance data in Exelis' Symphony EnvironmentalVue®, Symphony® Contours with VNMs, and Symphony® PublicVue™ applications.
3. COSA and Exelis agree to the terms set forth in Exhibit "A" with respect to the use of the NextGen Surveillance Data Feed.
4. Exelis is solely responsible for decommissioning the MLAT system, removing all MLAT equipment, returning the sites to original conditions, and receiving all communications equipment by July 31, 2015. COSA will assist Exelis in obtaining access and right of entry to City-owned towers and sites.
5. As of July 1, 2015, Exelis will switch COSA to an Exelishosted Data Acquisition Server (DAS) free of charge, as the current DAS has reached end of life and will not be supported. The DAS server, UPC and associated equipment will remain in the possession of COSA and it is COSA's responsibility to recycle, dispose of, etc. the equipment.
6. COSA's Digital Voice Recorder (DVR) has also reached end of life and will not be supported.

7. As of July 1, 2015, Exelis will switch COSA from the WebScene public portal to Exelis' updated and rebranded, commercial off-the-shelf public portal, Symphony PublicVue.
8. If COSA desires to cancel the contract before its expiration on June 30, 2016, or June 30th of any subsequent renewal year, COSA will provide Exelis with a minimum of 45 days' written notice.
9. COSA may elect to exercise an option to renew the contract for two (2) additional one (1) year renewal periods by mailing an original and e-mailing a copy of a letter indicating COSA's intent to exercise its renewal option on or before May 1st of each year to: Exelis, Inc., Information Systems Division, Attn: Sharon Goldin, 12930 Worldgate Drive, Virginia 20170 and sharon.goldin@exelisinc.com.
10. The noise and operations monitoring system must be compatible with existing permanent noise monitoring hardware and capable of retrieving and integrating data from said hardware.
11. Upon termination of this contract, Exelis must provide COSA historical data in a format agreed upon by both parties. Any costing associated with providing this historical data shall be reasonable and just as agreed upon by both parties, and if necessary, an agreed upon third party arbitrator paid for by COSA.
12. Exelis is to provide a monthly report detailing noise and operations monitoring software and NextGen Surveillance Data down time, noise monitoring terminal processing failures, and any other trouble shooting issues logged in the Symphony Trouble Tracking System. Exelis will detect and correct any failure to collect data.

This extension is not intended to amend or adversely affect any existing terms of the contract unless the terms are specifically enumerated or stated in this contract extension.

WHEREAS, Exelis and COSA agree that it is in both parties' interest to extend the contract by one (1) additional year and accept the proposed changes, and to offer two additional one year options.

IN CONSIDERATION OF the promises and mutual covenants and agreement contained herein, the Parties agree as follows:

1. The Contract Term is hereby extended by one (1) year, with a new termination date of June 30, 2016.
2. The annual price for the one (1) year extension is \$183,000. The price of the two option years shall be fixed at an annual rate of \$183,000 each year.
3. All additional proposed changes listed above are incorporated.
4. Notwithstanding any language to the contrary in the Contract, COSA acknowledges that Exelis Inc., Information Systems, is a division of Exelis Inc. On February 6, 2015, Harris Corporation announced that it has entered into a definitive agreement to acquire Exelis Inc. This transaction is subject to regulatory approvals, customary closing conditions and approval by Exelis shareholders. All of that work will take place over the coming months and upon agreement from both parties, we expect the process to conclude in mid-2015. At this time, the business unit structure of Exelis will remain the same for bidding and performance purposes. Additionally, we do not expect any changes to accounting, estimating, billing and other information systems.

Accordingly, COSA hereby consents and agrees that this Contract can be freely assigned on the effective date of the sale.

5. All other terms and conditions of the Contract remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed as the day and year set forth below:

EXELIS Inc.
By: 
Name: Sharon Goldin
Title: Contracts Manager
Date: _____

The City of San Antonio
By: _____
Name: _____
Title: _____
Date: _____

Exhibit "A"

1. LICENSE(S) GENERAL TERMS AND CONDITIONS

Exelis agrees to grant the City of San Antonio (COSA) a non-exclusive, limited, and revocable right to use the NextGen Data as specified herein.

1.1 PROPRIETARY RIGHTS AND CONFIDENTIALITY

1.1.1 Intellectual Property.

All right, title and interest, including, without limitation to all Intellectual Property Rights of NextGen Data and related documents and materials is owned by Exelis and/or its licensors and is protected by United States copyright laws and international treaty provisions. COSA has no title of ownership to the raw NextGen Data. COSA shall own all the data generated and stored under this Contract (other than the raw data), including flight, noise, weather mapping and reference information.

1.2 GENERAL RESTRICTIONS

COSA agrees to notify its employees and agents who may have access to the NextGen Data of the restrictions contained in this Contract and ensure their compliance with these restrictions. COSA shall not cause or permit unauthorized copying, reproduction or disclosure of any portion of the NextGen Data and shall not cause or permit the delivery or distribution of any part thereof to any Third Party or entity, for any purpose whatsoever, unless the Third Party is an Authorized End User.

Authorized End Users means employees of COSA and contractors under appropriate confidentiality agreements for which COSA allows access to and use of the NextGen Data. Authorized End Users include all employees or contractors of COSA who will access the NextGen Data or use the output, results or reports that incorporate the NextGen Data in any manner. COSA shall keep a list of all Third Party Authorized End Users.

1.3 AUTHORIZED USE

Authorized use of the NextGen Data is limited to use for COSA's Noise and Operations Monitoring System subject to the restrictions provided herein. Authorized use of the NextGen Data is for LIMITED USE as set forth herein and is subject to the restrictions herein.

1.4 NEXTGEN DATA RESTRICTIONS

1.4.1 THE NEXTGEN DATA PROVIDED UNDER THIS AGREEMENT MAY NOT BE UTILIZED TO SUPPLANT AIR TRAFFIC CONTROL OR CONTROL ADVISORY SERVICES PROVIDED BY THE FAA.

1.4.2 COSA IS EXPRESSLY PROHIBITED FROM RE-SELLING NEXTGEN DATA TO ANY CLIENT.

1.4.3 COSA shall be responsible and liable for any and all uses of NextGen Data by COSA, regardless of whether such use is restricted or not restricted by this Agreement. COSA shall indemnify Exelis from any and all liabilities associated with any use or distribution of the NextGen Data by COSA in accordance with the Indemnification clause(s) of this Agreement. The FAA shall not be held responsible or retain legal obligation as to the accuracy, validity, or continued availability of the data being shared.

1.4.4 The distribution of the live real-time NextGen Data must be strictly controlled for the reasons of safeguarding public safety, security, and privacy while protecting the applicable US Government and

Exelis business interests. The live real-time NextGen Data is for COSA's use only and shall NOT be disseminated, distributed, or made accessible by COSA, in any form, either directly or indirectly, to the public or to any third party or parties, except third parties as specifically and within the very narrow parameters authorized in this Agreement.

1.4.5 COSA shall not use NextGen Data in violation of any Federal Aviation Administration regulations or other regulations or laws and, without limiting the generality of the foregoing, COSA shall not export, re-export or use the NextGen Data or any copy thereof in violation of the export control laws or other laws of the United States of America or any other country. COSA shall make no representation that either the United States Government or the Federal Aviation Administration endorses guarantees or makes any representation about the availability, accuracy, reliability, or any other quality of the NextGen data. COSA shall NOT transmit or utilize the live real-time NextGen Data feed for any purpose or application outside of the United States of America except as provided herein.

1.4.6 The recipient of National Airspace System (NAS) surveillance data (i.e. NextGen Data) under this Agreement shall not for any reason initiate contacts with the FAA for the purpose of discussing observations made from the data regarding the operation of the NAS, including but not limited to Air Traffic Control, flight routing, and flight planning. This restriction, however, shall not apply to aircraft and airport operators who have ongoing interaction with the FAA for discussions as part of their normal course of business with the FAA and may use the data to facilitate and provide better insight for such discussions.

1.5 AUTHORIZED ACCESS

COSA agrees and understands that Exelis, in its sole discretion, may prevent COSA's access to the Services if Exelis or the US Government reasonably believes that public safety, security, or privacy are compromised or potentially compromised through the use of the Services. The US Government retains the right to direct the complete or partial cessation of NextGen Data broadcasts in the event of an emergency or security related circumstance without notice to the Exelis and/or COSA.

2. INDEMNIFICATION

Neither the US Government nor Exelis shall be held responsible or retain legal obligation as to the accuracy, validity, or continued availability of the NAS Surveillance data services provided herein.