

FEBRUARY 2018

COMPLETION GUARANTY AGREEMENT

THIS COMPLETION GUARANTY AGREEMENT (“Guaranty”) is executed as of February ____, 2018, by and between **HARRIS CORPORATION**, a Delaware corporation with an office at 221 Jefferson Ridge Parkway, Lynchburg, VA 24501 (“Guarantor”) and the **CITY OF SAN ANTONIO, TEXAS**, having an address at Office of the City Clerk, 100 Military Plaza, San Antonio, TX 78205 (the “City”).

RECITALS:

A. The City has entered into that certain Radio Systems Agreement dated _____, 2018 (the “San Antonio Radio Systems Agreement”) with Dailey and Wells Communications, Inc., whose address is 3440 E. Houston Street, San Antonio, Texas 78219 (the “Prime Contractor”), for the purpose of constructing, equipping, furnishing and maintaining the San Antonio Public Safety Radio System (“System”), in accordance with City RFP-016-035 issued on January 7, 2016 and the other terms and provisions of the San Antonio Radio Systems Agreement.

B. Guarantor has entered into a contract (the “Harris Contract”) with the Prime Contractor for the sale of goods and delivery of services by Guarantor to the Prime Contractor for the System and the benefit of the City. Capitalized terms not defined herein shall have the meanings assigned to such terms in the San Antonio Radio Systems Agreement.

C. The Guarantor has determined that the San Antonio Radio Systems Agreement directly benefits the Guarantor, and that its execution, delivery and performance of this Guaranty is in its best interests.

D. The Guarantor will execute and deliver this Guaranty to the City to induce the City to execute and proceed under the San Antonio Radio Systems Agreement.

NOW THEREFORE, in consideration of the City’s execution and delivery of the San Antonio Radio Systems Agreement, and in further consideration of other good and valuable considerations received by the undersigned, the receipt and sufficiency of which are hereby acknowledged, the Guarantor does hereby agree with the City as follows:

1. Guarantor guarantees that upon: (i) the Prime Contractor’s unexcused and material making of any general assignment or general arrangement for the benefit of creditors; or (ii) the filing by or against Prime Contractor of a petition to have Prime Contractor adjudged a bankrupt, or a petition for reorganization or arrangement under any law relating to bankruptcy unless the same is dismissed within sixty (60) days; or (iii) the appointment of a trustee or a receiver to take possession of substantially all of Prime Contractor’s assets or Prime Contractor’s interest in this Agreement, where possession is not restored by Prime Contractor within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Prime

Contractor's assets or of Prime Contractor's interest in this Agreement, where that seizure is not discharged within thirty (30) days; or (iv) the Prime Contractor (a) applies for or consents to the appointment of a receiver, trustee, custodian or liquidator of it or any of its property; or (b) admits in writing its inability to pay its debts as they mature, or (c) becomes insolvent and unable to operate its business as a going concern; or (v) Prime Contractor has been sent a Notice of Termination for Breach by the City as defined in the San Antonio Radio Systems Agreement (items (i) through (v) above collectively known as the "Prime Contractor's Events of Default"), the Guarantor will thereafter fully and promptly perform and fulfill all obligations of Prime Contractor under the provisions of the San Antonio Radio Systems Agreement through Final System Acceptance including, without limitation, Prime Contractor's obligation to fully complete the construction, equipping, delivery and testing of the System through Final System Acceptance in accordance with the provisions of the San Antonio Radio Systems Agreement, subject to the receipt by Guarantor of all payments from the City that would otherwise be due and payable to Prime Contractor on or after the date of the Prime Contractor's Event of Default and subject to the receipt by Guarantor of all other rights and benefits of Prime Contractor, all in accordance with and subject to the terms and conditions of the San Antonio Radio Systems Agreement. For the avoidance of doubt, the Guarantor is not committing to complete, at Guarantor's cost and expense, the System until the System achieves Final System Acceptance; but rather, to complete the System until the System achieves Final System Acceptance subject to: (i) the City's performance of all of its obligations herein and as expressly contained in the San Antonio Radio Systems Agreement, including, but not limited to, its obligation to make all payments to Guarantor of all amounts that would otherwise be due and payable to Prime Contractor on or after the date of the Prime Contractor's Event of Default; (ii) the City not being in default under the terms of this Guaranty or the San Antonio Radio Systems Agreement; (iii) the negotiation in good faith by the Guarantor and the City, at the time Guarantor commences its guarantee obligations to complete the System of commercially reasonable modifications to the Timeline (schedule) associated with the San Antonio Radio Systems Agreement to address the effects of the Prime Contractor's Events of Default; and (iv) the assignment to Guarantor of all rights and benefits that the City may have to execute against the Performance Bond and any remaining rights under the Letter of Credit provided by Prime Contractor; provided, however, that to the extent the rights and benefits under the Performance Bond and Letter of Credit cannot be fully assigned by City to Guarantor, City agrees to hold the Performance Bond and Letter of Credit in trust for Guarantor and will, in good faith, use its best efforts to execute on the Performance Bond and the Letter of Credit for the benefit of Guarantor. Guarantor's obligations under this Guaranty shall not exceed the obligations of Prime Contractor under the San Antonio Radio Systems Agreement and Guarantor shall have all of the same defenses that Prime Contractor has under the San Antonio Radio Systems Agreement.

2. The City shall not grant to Prime Contractor any indulgences or extensions of time for any performance of any obligations, may not accept partial performance, may not exchange or release any Bonds, security or collateral, may not agree to any modifications or amendments to such Bonds, security or collateral or to the San Antonio Radio Systems Agreement, all without the express written consent of and written notice to the Guarantor. The City further covenants and agrees to deliver contemporaneously to Guarantor a copy of all notices sent and received by the City to and from Prime Contractor under the terms of the San Antonio Radio Systems Agreement.

3. The provisions of this instrument shall remain and continue in effect and be binding upon the undersigned unless and until the earlier of: (a) the termination or expiration of the San Antonio Radio Systems Agreement; or (b) the date of Project Completion (as defined under the San Antonio Radio Systems Agreement) and the end of all maintenance and other obligations of Prime Contractor under the San Antonio Radio Systems Agreement.

4. Each notice and communication under this Guaranty shall be in writing and shall be given by either hand delivery, first class mail (postage prepaid), certified or registered mail, return receipt requested, or reliable overnight commercial courier (charges prepaid), return receipt requested, to the following addresses:

Guarantor: Harris Corporation
221 Jefferson Ridge Parkway
Lynchburg, VA 24501
Attention: President
Telephone: 434-455-6600

With a copy to: Harris Corporation
221 Jefferson Ridge Parkway
Lynchburg, VA 24501
Attention: Legal Department
Telephone: 434-455-6600

City: Office of the City Clerk
100 Military Plaza,
San Antonio, TX 78205
Attention: _____
Telephone: _____

Notice by overnight courier or by certified or registered mail shall be deemed to have been given and received on the date of receipt. Notice by hand delivery shall be deemed to have been given and received upon delivery. A party may change its address by giving written notice to the other party as specified herein. No notice to any Guarantor or City shall be deemed ineffective if not received by such party upon whom a copy of such notice is to be served pursuant to the provisions of this Guaranty if such party intentionally refused to accept delivery of such notice.

5. The obligations hereunder of the undersigned shall be binding upon the successors, assigns, heirs and personal representatives of the undersigned.

6. This Guaranty may not be assigned by the City, in whole or in part.

7. THIS GUARANTY SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO ITS CHOICE OF LAW RULES.

8. All paragraph headings and other titles and captions herein are for convenience only, do not form a substantive part of this Guaranty and shall not restrict or enlarge any substantive provisions hereof or thereof. The term "including," when used in this Guaranty, means "including, without limitation," and shall be construed as a term of illustration, and not a term of limitation.

9. EACH PARTY TO THIS GUARANTY AGREES THAT ANY SUIT, ACTION OR PROCEEDING, WHETHER CLAIM OR COUNTERCLAIM, BROUGHT OR INSTITUTED BY ANY PARTY HERETO OR ANY SUCCESSOR OR ASSIGN OF ANY PARTY, ON OR WITH RESPECT TO THIS GUARANTY OR ANY OF THE OTHER AGREEMENTS OR THE DEALINGS OF THE PARTIES WITH RESPECT HERETO, OR THERETO, SHALL BE TRIED ONLY BY A COURT AND NOT BY A JURY. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. FURTHER, EACH GUARANTOR WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH PARTY ACKNOWLEDGES AND AGREES THAT THIS SECTION IS A SPECIFIC AND MATERIAL ASPECT OF THIS GUARANTY. FURTHER, EACH PARTY HEREBY CONSENTS AND SUBJECTS ITSELF TO THE JURISDICTION AND VENUE OF COURTS IN BEXAR COUNTY IN THE STATE OF TEXAS.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties have caused this Guaranty to be executed and delivered on the date first above written.

GUARANTOR:

HARRIS CORPORATION,
acting through its Communication Systems
Segment

By: _____

Name: _____

Title: _____

Date: _____

CITY:

CITY OF SAN ANTONIO, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

[Signature Page for Completion Guaranty Agreement]