As filed with the Securities and Exchange Commission on October 1, 1996
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

ViaSat, Inc.
(Exact name of registrant as specified in its charter)

CALIFORNIA	3663	33-0174996
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

2290 COSMOS COURT
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:

THOMAS A. EDWARDS, ESQ.	GREGORY D. MONAHAN, ESQ.	GARY APFEL, ESQ.
LATHAM & WATKINS	VICE PRESIDENT, CHIEF FINANCIAL OFFICER	KAYE, SCHOLER, FIERMAN, HAYS & HANDLER, LLP
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(619) 236-1234	2290 COSMOS COURT CARLSBAD, CALIFORNIA 92009 (619) 438-8099	(310) 788-1000

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

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, $.01 par value	2,530,000 shares	$12.00	$30,360,000	$10,469

(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.

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

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

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 OCTOBER 1, 1996

PROSPECTUS

2,200,000 SHARES

ViaSat, Inc.

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 shareholders of the Company (the "Selling Shareholders"). The Company will not receive any of the proceeds from the sale of shares by the Selling Shareholders. See "Principal and Selling Shareholders."

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 6.

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.

	Price to Public	Underwriting Discounts and Commissions(1)	Proceeds to Company(2)	Proceeds to Selling Shareholders
Per Share.....	$	$	$	$
Total (3).....	$	$	$	$

(1) The Company and the Selling Shareholders 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.

UNTERBERG HARRIS

The date of this Prospectus is _____, 1996.

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 Prospectus. Except as otherwise noted, all information in this Prospectus (i) assumes no exercise of the Underwriters' over-allotment option, (ii) reflects the conversion of all outstanding shares of the Company's Preferred Stock ("Preferred Stock") into Common Stock upon the closing of this offering and (iii) has been adjusted to give effect to the 0.7335-for-one reverse stock split of the Common Stock to be consummated prior to this offering.

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.

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. As demand for wireless communications services grows, service providers are expanding the associated infrastructure. A growing segment of the wireless communications 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.

BUSINESS 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 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. 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 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 (formerly Magnavox) and Lockheed Martin, and commercial telecommunications companies, such as AT&T Tridom 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.

THE OFFERING

Common Stock Offered by the Company.....	1,650,000 Shares
Common Stock Offered by the Selling Shareholders.....	550,000 Shares
Common Stock to be Outstanding After the Offering.....	7,525,342 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 1, 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 375,509 shares of Common Stock issuable upon the exercise of outstanding options. See "Capitalization."

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

SUMMARY FINANCIAL INFORMATION
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	YEARS ENDED MARCH 31,					THREE MONTHS ENDED	
	1992	1993	1994	1995	1996	JUNE 30, 1995	JUNE 30, 1996
						(UNAUDITED)	
STATEMENT OF INCOME DATA:							
Revenues	$ 4,019	$5,072	$ 11,579	$22,341	$29,017	$6,768	$ 9,732
Cost of revenues	3,006	3,939	9,033	16,855	20,983	4,830	6,862
Gross profit	1,013	1,133	2,546	5,486	8,034	1,938	2,870
Operating expenses:							
Selling, general and administrative	503	740	1,554	2,416	3,400	918	1,040
Independent research and development	--	59	134	788	2,820	467	1,058
Income from operations	510	334	858	2,282	1,814	553	772
Interest income (expense)	7	(17)	(45)	(87)	(231)	(29)	(32)
Income before income taxes	517	317	813	2,195	1,583	524	740
Provision (benefit) for income taxes	159	93	328	888	(50)	(17)	262
Net income	$ 358	$ 224	$ 485	$ 1,307	$ 1,633	$ 541	$ 478
Pro forma net income per share(1)					$ 0.27		$ 0.08
Shares used in per share calculations(1)					6,001		6,003

	MARCH 31,					JUNE 30, 1996	
	1992	1993	1994	1995	1996	ACTUAL	AS ADJUSTED(2)
						(UNAUDITED)	
BALANCE SHEET DATA:							
Cash and cash equivalents	$ 101	$ 75	$ 9	$2,731	$2,297	$1,733	$17,963
Working capital	912	964	1,486	2,808	4,651	4,850	21,080
Total assets	1,750	2,550	4,986	9,377	13,262	13,248	29,478
Long-term debt, less current portion	50	124	297	1,220	1,747	1,531	1,531
Total shareholders' equity	1,226	1,465	1,956	3,413	5,217	5,712	21,942

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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 shareholders' equity would be $21,338, $24,455, $32,853 and $25,317, respectively. See "Use of Proceeds" and "Capitalization."

RISK FACTORS

This Prospectus contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (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 quarter ended June 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. 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. 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.

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 quarter ended June 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 70.3% of the Company's total revenues for such periods, respectively, including a contract with Hughes Defense Communications (formerly Magnavox) which generated approximately 9.4% and 29.4% of the Company's total revenues for such periods, respectively. Scheduled delivery pursuant to firm purchase orders under this contract are to be completed in June 1997. Hughes Defense Communications is an affiliate of Hughest 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 64.0% of the Company's total revenues for the fiscal year ended March 31, 1996 and the quarter ended June 30, 1996, respectively. The Company expects revenues to continue to be concentrated in a relatively small number of large U.S. government contracts. Termination of such contracts, 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 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."

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. 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. 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.

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 51.6% of the Company's total revenues for the fiscal year ended March 31, 1996 and for the quarter ended June 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 7.0% 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 quarter ended June 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.

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 commercial 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.

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.

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.

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. Even if a market does develop for rural telephony, there can be no assurance that the Company will be able to develop products incorporated into and accepted by regional and local service providers or that regional and local service providers will be able to develop and implement such 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.

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 or prevent the 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. See "Business--Manufacturing."

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.

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 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. See "Business--Intellectual Property."

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 SHAREHOLDERS

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 36.1% of the outstanding shares of Common Stock of the Company. Accordingly, these shareholders will be able to elect all members of the Company's Board of Directors and determine the outcome of corporate actions requiring shareholder 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 Shareholders."

ANTI-TAKEOVER EFFECTS OF CERTAIN CHARTER PROVISIONS

Certain provisions of the Company's Amended and Restated Articles of Incorporation and Amended and Restated 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 shareholder 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 shareholder 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. See "Description of Capital Stock--Preferred Stock."

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. 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 7,525,342 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, _____ 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 1,384,143 shares of Common Stock reserved for issuance under the Company's 1993 Stock Option Plan, 1996 Equity Participation Plan and Employee Stock Purchase Plan. See "Shares Eligible for Future Sale" and "Underwriting."

CAPITALIZATION

The following table sets forth as of June 30, 1996 (i) the Company's actual capitalization (as if the 0.7335-for-one reverse stock split of the Common Stock to be consummated prior to this offering had occurred prior to June 30, 1996) and (ii) pro forma 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 Articles 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 JUNE 30, 1996	
	ACTUAL	AS ADJUSTED
Total long-term debt, less current portion	$1,531,000	$1,531,000
Shareholders' equity(1):		
Preferred Stock, $.01 par value, 3,225,000 shares authorized, 3,225,000 shares issued and outstanding actual; 5,000,000 shares authorized, no shares issued or outstanding as adjusted	32,000	--
Common Stock, $.01 par value, 7,335,000 shares authorized, 3,386,396 shares issued and outstanding actual; 25,000,000 shares authorized, 7,401,933 shares issued and outstanding as adjusted	46,000	95,000
Paid-in capital	754,000	16,967,000
Retained earnings	4,880,000	4,880,000
Total shareholders' equity	5,712,000	21,942,000
Total capitalization	$7,243,000	$ 23,473,000

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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 265,683 shares of Common Stock issuable upon exercise of options outstanding as of June 30, 1996 at an average exercise price of $0.85 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 shareholders' equity and Total capitalization would be $98,000, $20,339,000, $25,317,000 and $26,848,000, 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, including without limitation facilities expansion, inventory financing, contract financing and debt reduction. 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 Shareholders."

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 June 30, 1996 was $5,712,000 or $0.99 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 June 30, 1996 would have been $21,942,000 or $2.96 per share of Common Stock. This represents an immediate increase in net tangible book value of $1.97 per share to existing shareholders and an immediate dilution of $8.04 per share to new investors. 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.....	$ 0.99	
Increase per share attributable to new investors.....	1.97	
Pro forma net tangible book value per share after the offering.....		2.96
Dilution per share to new investors.....		$ 8.04

The following table summarizes, on a pro forma basis, as of June 30, 1996, the differences in total consideration paid and the average price per share paid by existing shareholders 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:

	SHARES PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE PAID PER SHARE
	NUMBER	PERCENT	AMOUNT	PERCENT	
Existing shareholders(1).....	5,751,933	77.7%	$ 832,000	4.4%	$ 0.15
New investors(2).....	1,650,000	22.3	18,150,000	95.6	11.00
Total(2).....	7,401,933	100%	$ 18,982,000	100%	

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(1) Sales by Selling Shareholders in this offering will reduce the number of shares of Common Stock held by existing shareholders to 5,201,933 or approximately 70.3% (5,201,933 shares or approximately 67.3% 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 29.7% (2,530,000 shares or approximately 32.7% 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 (25.6% of the total of 7,731,933 shares outstanding) and the total consideration from new investors will be $21,780,000 (96.3% of the total of $22,612,000 consideration paid for all shares outstanding).

The information presented with respect to existing shareholders assumes no exercise of the Underwriters' over-allotment option and no exercise of outstanding options after June 30, 1996. As of June 30, 1996, options to purchase 265,683 shares of Common Stock were outstanding. In addition, options to purchase an aggregate of 118,460 shares of Common Stock were granted on July 1, 1996. An additional 750,000 shares of Common Stock will be reserved for issuance under the 1996 Equity Participation Plan and 250,000 shares will be reserved for issuance under the Employee Stock Purchase Plan. The issuance of Common Stock under these plans will 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 June 30, 1996 and for the three months ended June, 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.

	YEARS ENDED MARCH 31,					THREE MONTHS ENDED	
	1992	1993	1994	1995	1996	JUNE 30, 1995	JUNE 30, 1996
						(UNAUDITED)	
STATEMENT OF INCOME DATA:							
Revenues	$ 4,019	$5,072	$ 11,579	$22,341	$29,017	$6,768	$ 9,732
Cost of revenues	3,006	3,939	9,033	16,855	20,983	4,830	6,862
Gross profit	1,013	1,133	2,546	5,486	8,034	1,938	2,870
Operating expenses:							
Selling, general and administrative	503	740	1,554	2,416	3,400	918	1,040
Independent research and development	--	59	134	788	2,820	467	1,058
Income from operations	510	334	858	2,282	1,814	553	772
Interest income (expense)	7	(17)	(45)	(87)	(231)	(29)	(32)
Income before income taxes	517	317	813	2,195	1,583	524	740
Provision (benefit) for income taxes	159	93	328	888	(50)	(17)	262
Net income	$ 358	$ 224	$ 485	$ 1,307	$ 1,633	$ 541	$ 478
Pro forma net income per share(1)					$ 0.27		$ 0.08
Shares used in per share calculations(1)					6,001		6,003

	MARCH 31,					JUNE 30, 1996	
	1992	1993	1994	1995	1996	ACTUAL	AS ADJUSTED(2)
						(UNAUDITED)	
BALANCE SHEET DATA:							
Cash and cash equivalents	$ 101	$ 75	$ 9	$2,731	$2,297	$1,733	$17,963
Working capital	912	964	1,486	2,808	4,651	4,850	21,080
Total assets	1,750	2,550	4,986	9,377	13,262	13,248	29,478
Long-term debt, less current portion	50	124	297	1,220	1,747	1,531	1,531
Total shareholders' equity	1,226	1,465	1,956	3,413	5,217	5,712	21,942

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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, 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 shareholders' equity would be $21,338, $24,455, $32,853 and $25,317, respectively. See "Use of Proceeds" and "Capitalization."

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

This Prospectus contains forward-looking statements within the meaning of Section 27A 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 $6.8 million and $9.6 million for the quarters ended June 30, 1995 and 1996, respectively. The Company has achieved this growth rate entirely through internal growth, and not through acquisitions.

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 51.6% of the Company's total revenues for the fiscal year ended March 31, 1996 and for the quarter ended June 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 7.0% 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 quarter ended June 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 June 30, 1996, the Company had firm backlog of $38.0 million, of which $34.7 million was funded. Of the $38.0 million in firm backlog, approximately $30.0 million is expected to be delivered in the fiscal year ending March 31, 1997 and the balance is expected to be delivered in the fiscal year ending March 31, 1998. Such backlog includes $20.0 million in awards received during the three months ended June 30, 1996, consisting of $13.2 million in UHF DAMA satellite communications awards, $4.5 million in awards for the defense simulator business, $2.1 million in other defense awards and $189,000 in commercial satellite communications awards. The Company's $38.0 million in firm backlog does not include an additional $25.9 million of customer options. See "Business--Backlog."

Historically, a 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 were approximately $9.7 million, $20.7 million and $19.5 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 32.2% of total revenues for the three months ended June 30, 1996. Based on the significant increase in production revenues, the Company

began recognizing revenues and related costs of revenues when products are delivered on most production orders in fiscal 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 10.9% of revenues in IR&D, respectively, in the fiscal year ended March 31, 1996 and the quarter ended June 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.

	FISCAL YEARS ENDED MARCH 31,			THREE MONTHS ENDED JUNE 30,	
	1994	1995	1996	1995	1996
Revenues	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of revenues	78.0	75.4	72.3	71.4	70.5
Gross profit	22.0	24.6	27.7	28.6	29.5
Operating expenses:					
Selling, general and administrative	13.4	10.8	11.7	13.6	10.7
Independent research and development	1.2	3.5	9.7	6.9	10.9
Income from operations	7.4	10.3	6.3	8.1	7.9
Income before income taxes	7.0	9.9	5.5	7.7	7.6
Net income	4.2	5.9	5.7	8.0	4.9

THREE MONTHS ENDED JUNE 30, 1996 VS. THREE MONTHS ENDED JUNE 30, 1995

Revenues. Revenues increased 44.0% from $6.8 million for the three months ended June 30, 1995 to $9.7 million for the three months ended June 30, 1996. This increase was primarily due to Enhanced Manpack UHF Terminal ("EMUT") DAMA modem production of $2.9 million and a $1.7 million increase in revenues generated by contracts with the U.S. Air Force for UHF DAMA network control stations and modems, offset in part by reduced activity in other product lines and the completion of certain contracts.

Gross Profits. Gross profits increased 48.1% from $1.9 million (28.6% of revenues) for the three months ended June 30, 1995 to $2.9 million (29.5% of revenues) for the three months ended June 30, 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. Selling, general and administrative ("SG&A") expenses increased 13.3% from $918,000 (13.6% of revenues) for the three months ended June 30, 1995 to $1.0 million (10.7% of revenues) for the three months ended June 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 three months ended June 30, 1995 offset by the impact of a 44.0% 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 135.5% from $467,000 (6.9% of revenues) in the three months ended June 30, 1995 to $1.1 million (10.9% of revenues) in the three months ended June 30, 1996. This increase resulted primarily from higher IR&D expenses related to the Company's StarWire(TM) DAMA product, which represented approximately 91.1% of total IR&D.

Interest Expense. Interest expense increased 44.2% from $43,000 for the three months ended June 30, 1995 to $62,000 for the three months ended June 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 $1.8 million at June 30, 1995 and $2.4 million at June 30, 1996. The Company owed no amounts on its line of credit at the end of either period.

Interest Income. Interest income increased 114.3% from $14,000 for the three months ended June 30, 1995 to $30,000 for the three months ended June 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 three months ended June 30, 1995 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. As of June 30, 1996, all of such income tax benefit was utilized by the Company. The Company's effective tax rate for the three months ended June 30, 1996 was 35.4%.

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

Revenues. The Company's revenues increased 30.0% 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 Profits. Gross profits 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 approximates 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 Profits. Gross profits increased 111.5% 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 approximate 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 nine 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.

	QUARTERS ENDED								
	FISCAL YEAR 1995				FISCAL YEAR 1996				FISCAL YEAR 1997
	JUNE 30, 1994	SEPT. 30, 1994	DEC. 31, 1994	MARCH 31, 1995	JUNE 30, 1995	SEPT. 30, 1995	DEC. 31, 1995(1)	MARCH 31, 1996	JUNE 30, 1996
	(IN THOUSANDS, EXCEPT PER SHARE DATA)								
Revenues	$4,726	$5,489	$5,641	$6,485	$6,768	$7,388	$5,755	$9,106	$9,732
Cost of revenues	3,718	4,319	4,330	4,488	4,830	5,280	4,042	6,831	6,862
Gross profit	1,008	1,170	1,311	1,997	1,938	2,108	1,713	2,275	2,870
Operating expenses:									
SG&A	478	576	639	723	918	844	815	823	1,040
IR&D	54	95	184	455	467	719	769	865	1,058
Income from operations	476	499	488	819	553	545	129	587	772
Income before income taxes	454	479	466	796	524	488	68	503	740
Net income	271	286	278	472	541	503	70	519	478

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(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.

	QUARTERS ENDED								
	FISCAL YEAR 1995				FISCAL YEAR 1996				FISCAL YEAR 1997
	JUNE 30, 1994	SEPT. 30, 1994	DEC. 31, 1994	MARCH 31, 1995	JUNE 30, 1995	SEPT. 30, 1995	DEC. 31, 1995	MARCH 31, 1996	JUNE 30, 1996
	(IN THOUSANDS, EXCEPT PER SHARE DATA)								
Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of revenues	78.7	78.7	76.8	69.2	71.4	71.5	70.2	75.0	70.5
Gross profit	21.3	21.3	23.2	30.8	28.6	28.5	29.8	25.0	29.5
Operating expenses:									
SG&A	10.1	10.5	11.3	11.1	13.6	11.4	14.2	9.0	10.7
IR&D	1.1	1.7	3.3	7.0	6.9	9.7	13.4	9.5	10.9
Income from operations	10.1	9.1	8.6	12.7	8.1	7.4	2.2	6.5	7.9
Income before income taxes	9.6	8.7	8.3	12.3	7.7	6.7	1.2	5.6	7.6
Net income	5.7	5.2	4.9	7.3	8.0	6.9	1.2	5.8	4.9

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 $112,000 for the quarter ended June 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 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 and $1.0 million in fiscal 1996, and cash used in financing activities was $65,000 for the quarter ended June 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 $387,000 in the quarter ended June 30, 1996.

At June 30, 1996, the Company had $1.7 million in cash and cash equivalents, $4.8 million in working capital and $2.4 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 80.0% of eligible accounts receivable plus 50.0% of the Company's eligible inventory. It accrues interest at the bank's prime rate, which was 8.25% at June 30, 1996, and expires on September 15, 1997. 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 equipment line consists of two loans, each of which allows the Company to borrow, for purchases of equipment, machinery and software directly related to the Company's principal line of business, 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 June 30, 1996, there was approximately $1.0 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 June 30, 1996.

The credit agreement with Union Bank contains customary financial covenants regarding, among other things, 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.

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.

BUSINESS

INTRODUCTION

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 DAMA technology, 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.

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 communications 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.

[TDM/TDMA Hub Spoke Graphic] [DAMA Fully Connected Graphic]
(TDM/TDMA vs. DAMA)

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 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, has 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.

Certification

ViaSat 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 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 (formerly Magnavox) and Lockheed Martin, and commercial telecommunications companies, such as AT&T Tridom 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.

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 resources per call than a single hop DAMA connection.

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(TM) and GlobalStar(TM), 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.

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 broadcast 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 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. ViaSat has over $20.0 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 (formerly Magnavox) 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.

-- 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, 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 combiners. The Company has a combiner contract with Lockheed Martin which, if successful, opens the possibility of extending the UHF DAMA market to high performance aircraft.

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 ("CSCI") 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 ("DSCS") 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 (formerly Magnavox) 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 (formerly Magnavox) is the customer for the EMUT DAMA modem. 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 Loral 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 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 $3.0 million, and commitments to purchase an additional $1.0 million, of its products. The Company's major customers in the commercial DAMA market include:

- -- AT&T Tridom - Tridom has the second largest VSAT revenues (counting equipment and services) in the United States. Tridom selected ViaSat as the private label manufacturer of a Tridom "Clearlink"-labeled DAMA VSAT product through competitive bids. Tridom has taken delivery of two test systems, one of which is installed at a customer site in Indonesia.
- -- HCL Comnet - HCL, located in India, operates the largest single VSAT network in India for the national stock exchange. HCL selected ViaSat's StarWire(TM) system for HCL's DAMA private network products and services. ViaSat's contract with HCL provides that HCL 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 has placed an order for initial production systems.
- -- 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 were approximately $9.7 million, $20.7 million and $19.5 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 quarter ended June 30, 1996, respectively, ViaSat sold products to approximately 42 and 23 customers of which DOD contracts accounted for approximately 97.5% and 98.6% of total revenues.

BACKLOG

At June 30, 1996, the Company had firm backlog of $38.0 million, of which $34.7 million was funded, not including options of $25.9 million. Of the $38.0 million in firm backlog, approximately $30.0 million is expected to be delivered in the fiscal year ending March 31, 1997 and the balance is expected to be delivered in the fiscal year ending March 31, 1998. 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 June 30, 1996 was approximately $34.7 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 quarter ended June 30, 1996, respectively, were approximately 38.7% and 41.4% from cost-reimbursement contracts, approximately 5.0% and 7.0% from time-and-materials contracts and approximately 56.3% and 51.6% 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, obsoleting current products 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.

The Company believes that it operates its business in material compliance with applicable government regulations.

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 (E-Systems) and GEC-Marconi. 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 (HNS), an affiliate of Hughes Defense Communications (formerly Magnavox) (see "Risk Factors -- Dependence on Defense Market"), Scientific Atlanta, Gilat, STM Wireless 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 the Company's Intellectual Property."

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 June 30, 1996, the Company had 244 employees (11 of which were temporary employees), including over 150 in research and development, nine in marketing and sales, 36 in production, and 49 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 with an option to renew for one additional period of five years. 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. 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 material to its business.

MANAGEMENT

EXECUTIVE OFFICERS AND DIRECTORS

The executive officers and directors of the Company, and their ages as of June 30, 1996, are as follows:

NAME	AGE	POSITION
Mark D. Dankberg	41	Chairman of the Board, President and Chief Executive Officer
Gregory D. Monahan	50	Vice President, Chief Financial Officer and General Counsel
Thomas E. Carter	42	Vice President-- Engineering
Andrew M. Paul	40	Vice President-- Commercial Operations
James P. Collins	52	Vice President-- Business Development
Mark J. Miller	36	Vice President, Chief Technical Officer and Secretary
Steven R. Hart	43	Vice President and Chief Technical Officer
Robert W. Johnson	46	Director
Jeffrey M. Nash	48	Director
B. Allen Lay	61	Director

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 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. 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 and consultant 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.

Members of the Company's Board of Directors are each elected for one year terms at the annual shareholders meeting. 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 accounts, 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 Securities Exchange Act of 1934, as amended (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

NAME AND PRINCIPAL POSITION(S)	FISCAL YEAR COMPENSATION		LONG-TERM COMPENSATION AWARDS	
	SALARY	BONUS	NUMBER OF SECURITIES UNDERLYING OPTIONS	ALL OTHER COMPENSATION(1)
Mark D. Dankberg..... Chairman of the Board, President and Chief Executive Officer	$165,000	$35,000	14,670	$5,726
Thomas E. Carter..... Vice President-- Engineering	131,500	10,000	40,343	4,723
Gregory D. Monahan..... Vice President, Chief Financial Officer and General Counsel	124,000	8,000	14,670	4,703
Andrew M. Paul..... Vice President-- Commercial Operations	125,938	5,000	8,802	2,274
Steven R. Hart..... Vice President, Chief Technical Officer and Secretary	112,500	8,000	3,668	4,716
Mark J. Miller..... Vice President and Chief Technical Officer	112,000	8,000	3,668	1,582

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(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

	INDIVIDUAL GRANTS				POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM(1)	
NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL 1996	EXERCISE OR BASE PRICE PER SHARE	EXPIRATION DATE	5%	10%
Mark D. Dankberg.....	14,670	12.54%	$1.50	6/26/00	$28,078	$35,431
Thomas E. Carter.....	40,343	34.47	1.36	6/26/00	70,195	88,578
Gregory D. Monahan....	14,670	12.54	1.36	6/26/00	25,526	32,210
Andrew M. Paul.....	8,802	7.52	1.36	6/26/00	15,315	19,326
Steven R. Hart.....	3,668	3.13	1.50	6/26/00	7,020	8,858
Mark J. Miller.....	3,668	3.13	1.36	6/26/00	6,381	8,053

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(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

NAME	SHARES ACQUIRED ON EXERCISE	VALUE REALIZED(1)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR-END		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FISCAL YEAR-END(1)	
			EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
Mark D. Dankberg.....	--	--	0	14,670	--	$ 0
Thomas E. Carter.....	--	--	37,225	72,800	$34,738	27,013
Gregory D. Monahan....	8,215	$5,705	0	28,093	--	8,720
Andrew M. Paul.....	--	--	5,135	18,338	2,800	5,200
Steven R. Hart.....	--	--	0	3,668	--	0
Mark J. Miller.....	--	--	0	3,668	--	0

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(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.

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 June 30, 1996, options to purchase an aggregate of 265,683 shares of Common Stock at prices ranging from $0.34 to $1.50 were outstanding under the 1993 Stock Option Plan. In addition, options to purchase an aggregate of 118,460 shares of Common Stock were granted on July 1, 1996 at prices ranging from $4.09 to $4.50 per share. 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 not 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 will be 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 Internal Revenue 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.

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth certain information regarding the beneficial ownership of the Common Stock as of October 1, 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 Shareholders. Unless otherwise indicated, the address for all shareholders listed in the table is c/o ViaSat, 2290 Cosmos Court, Carlsbad, California 92009.

	SHARES BENEFICIALLY OWNED PRIOR TO OFFERING(1)			SHARES BENEFICIALLY OWNED AFTER OFFERING(1)	
NAME AND ADDRESS	NUMBER	PERCENT(2)	NUMBER OF SHARES OFFERED	NUMBER	PERCENT(2)
Southern California Ventures.... 406 Amapula Avenue, Suite 205 Torrance, California 90501	1,995,120	33.96%	455,377	1,539,743	20.46%
Mark D. Dankberg(3).....	885,335	15.06	29,340	855,995	11.37
Steven R. Hart(4).....	661,434	11.26	25,673	635,761	8.45
Mark J. Miller(5).....	367,915	6.26	18,338	349,577	4.64
Maureen Miller..... 3042 Spearman Lane Spring Valley, California 91978	293,519	5.00	7,335	286,184	3.80
Robert W. Johnson(6).....	183,375	3.12	--	183,375	2.44
Thomas E. Carter(7).....	183,925	3.10	9,536	174,389	2.30
Gregory D. Monahan(8).....	175,560	2.99	--	175,560	2.33
Jeffrey M. Nash(9).....	165,038	2.81	--	165,038	2.19
James P. Collins.....	115,893	1.97	4,401	111,492	1.48
Andrew M. Paul(10).....	89,634	1.52	--	89,634	1.19
B. Allen Lay(11).....	--	--	--	--	--
All directors and executive officers as a group (10 persons)(12).....	2,828,109	47.53	87,288	2,740,821	36.06

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(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 shareholder identified in the table possesses sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by such shareholder.

(2) Applicable percentage of ownership for each shareholder is based on 5,875,342 shares of Common Stock outstanding as of October 1, 1996 (including 2,365,538 shares of Common Stock to be issued upon conversion of the Preferred Stock), together with applicable options for such shareholder. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission (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 1, 1996. Excludes options to purchase 24,206 shares of Common Stock not exercisable within such 60-day period.

(4) Includes options to purchase 1,284 shares of Common Stock exercisable within 60 days of October 1, 1996. Excludes options to purchase 6,051 shares of Common Stock not exercisable within such 60-day period.

(5) Includes options to purchase 1,284 shares of Common Stock exercisable within 60 days of October 1, 1996. Excludes options to purchase 6,051 shares of Common Stock not exercisable within such 60-day period.

(6) Excludes options to purchase 3,668 shares of Common Stock not exercisable within 60 days of October 1, 1996.

(7) Includes options to purchase 48,228 shares of Common Stock exercisable within 60 days of October 1, 1996. Excludes options to purchase 39,059 shares of Common Stock not exercisable within such 60-day period.

(8) Includes options to purchase 5,684 shares of Common Stock exercisable within 60 days of October 1, 1996. Excludes options to purchase 26,479 shares of Common Stock not exercisable within such 60-day period.

(9) Excludes options to purchase 3,668 shares of Common Stock not exercisable within 60 days of October 1, 1996.

(10) Includes options to purchase 13,350 shares of Common Stock exercisable within 60 days of October 1, 1996. Excludes options to purchase 15,990 shares of Common Stock not exercisable within such 60-day period.

(11) Excludes options to purchase 3,668 shares of Common Stock not exercisable within 60 days of October 1, 1996. Mr. Lay is a General Partner of SCV and may therefore be deemed to have beneficial ownership of 1,995,120 shares of Common Stock held by SCV. Mr. Lay disclaims beneficial ownership of such shares.

(12) Includes options to purchase 63,411 shares of Common Stock exercisable within 60 days of October 1, 1996. Excludes options to purchase 181,211 shares of Common Stock not exercisable within such 60-day period.

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 Amended and Restated Articles of Incorporation and Amended and Restated 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 $.01 per share, and 5,000,000 shares of Preferred Stock, par value $.01 per share, after giving effect to amendments to the Company's Articles of Incorporation that have been approved by the Company's Board of Directors and shareholders.

COMMON STOCK

As of October 1, 1996, there were 3,509,804 shares of Common Stock outstanding held of record by 177 shareholders, and 3,225,000 shares of Preferred Stock outstanding held of record by two shareholders. Upon the closing of this offering, there will be 7,525,342 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 shareholders of the Company. Additionally, cumulative voting is permitted in connection with the election of directors so long as at least one shareholder has given notice at the meeting prior to the voting of that shareholder's intention to cumulate votes. Subject to the preferences that may be applicable to any outstanding preferred stock, the holders of Common Stock are entitled to a ratable 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 one 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 shareholder 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.

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

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SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of the offering, the Company will have outstanding 7,525,342 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 shareholder (or shareholders 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 shareholder (or shareholders 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 _____ 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.

Of the remaining _____ shares, holders of _____ 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 shareholders for the purpose of limiting the sale, succession or other transfer of the Common Stock during the lifetime or upon the death of each shareholder. The Stock Restriction Agreement provides that the Company's shareholders 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 shareholder to approve an offer to purchase all of the outstanding Common Stock if such offer is accepted by shareholders owning at least two-thirds of the outstanding shares. The Stock Restriction Agreement with respect to each shareholder will terminate upon the closing of this offering, regardless of whether any of such shareholder'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 1,384,143 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.

UNDERWRITING

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 Shareholders, and the Company and Selling Shareholders 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.

NAME	NUMBER OF SHARES
Oppenheimer & Co., Inc.	
Needham & Company, Inc.	
Unterberg Harris	
Total	2,200,000

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 Shareholders 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 Shareholders 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 Shareholders and certain other shareholders of the Company 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 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 Shareholders 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 legality 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.

AVAILABLE INFORMATION

The Company has filed with the Commission a Registration Statement on Form S-1 under 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 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).

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT ACCOUNTANTS

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

The recapitalization described in Note 1 to the financial statements has not been consummated at September 30, 1996. When it has been consummated, we will be in a position to furnish the following report:

> "In our opinion, the accompanying balance sheet and the related statements of income, of shareholders' 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

VIASAT, INC.

BALANCE SHEET

ASSETS

	MARCH 31, 1995	MARCH 31, 1996	JUNE 30, 1996 (UNAUDITED)	PRO FORMA SHAREHOLDERS' EQUITY (UNAUDITED) (NOTE 1)
Current assets:				
Cash and cash equivalents	$ 2,731,000	$ 2,297,000	$ 1,733,000	
Accounts receivable	4,300,000	6,171,000	5,923,000	
Inventory	204,000	1,223,000	1,476,000	
Deferred income taxes	134,000	484,000	558,000	
Other current assets	64,000	170,000	445,000	
Total current assets	7,433,000	10,345,000	10,135,000	
Property and equipment, net	1,896,000	2,789,000	2,877,000	
Other assets	48,000	128,000	236,000	
Total assets	$ 9,377,000	$13,262,000	$13,248,000	
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$ 1,480,000	$ 2,774,000	$ 2,388,000	
Accrued liabilities	2,669,000	2,157,000	2,000,000	
Current portion of notes payable	476,000	763,000	897,000	
Total current liabilities	4,625,000	5,694,000	5,285,000	
Notes payable	1,220,000	1,747,000	1,531,000	
Other liabilities	119,000	604,000	720,000	
Total long-term liabilities	1,339,000	2,351,000	2,251,000	
Commitments (Note 9)				
Shareholders' equity:				
Series A, convertible preferred stock, $.01 par value; 3,225,000 shares authorized, issued and outstanding actual, no shares outstanding pro forma	32,000	32,000	32,000	--
Common stock, $.01 par value, 7,335,000 shares authorized; 3,207,339, 3,342,101 and 3,386,396 issued and outstanding actual, respectively; 5,751,933 shares issued and outstanding pro forma	44,000	46,000	46,000	78,000
Paid in capital	568,000	737,000	754,000	754,000
Retained earnings	2,769,000	4,402,000	4,880,000	4,880,000
Total shareholders' equity	3,413,000	5,217,000	5,712,000	$ 5,712,000
Total liabilities and shareholders' equity	$ 9,377,000	$13,262,000	$13,248,000	

See accompanying notes to financial statements.

VIASAT, INC.

STATEMENT OF INCOME

	YEAR ENDED MARCH 31,		
	1994	1995	1996
Revenues	$ 11,579,000	$ 22,341,000	$ 29,017,000
Cost of revenues	9,033,000	16,855,000	20,983,000
Gross profit	2,546,000	5,486,000	8,034,000
Operating expenses:			
Selling, general and administrative	1,554,000	2,416,000	3,400,000
Independent research and development	134,000	788,000	2,820,000
Income from operations	858,000	2,282,000	1,814,000
Other income (expense):			
Interest income	2,000	27,000	29,000
Interest expense	(47,000)	(114,000)	(260,000)
Income before income taxes	813,000	2,195,000	1,583,000
Provision (benefit) for income taxes	328,000	888,000	(50,000)
Net income	$ 485,000	$ 1,307,000	$ 1,633,000
Pro forma net income per share			$ 0.27
Shares used in computing pro forma net income per share			6,000,894

	THREE MONTHS ENDED	
	JUNE 30, 1995	JUNE 30, 1996
	(UNAUDITED)	(UNAUDITED)
Revenues	$ 6,768,000	$ 9,732,000
Cost of revenues	4,830,000	6,862,000
Gross profit	1,938,000	2,870,000
Operating expenses:		
Selling, general and administrative	918,000	1,040,000
Independent research and development	467,000	1,058,000
Income from operations	553,000	772,000
Other income (expense):		
Interest income	14,000	30,000
Interest expense	(43,000)	(62,000)
Income before income taxes	524,000	740,000
Provision (benefit) for income taxes	(17,000)	262,000
Net income	$ 541,000	$ 478,000
Pro forma net income per share		$ 0.08
Shares used in computing pro forma net income per share		6,003,110

See accompanying notes to financial statements.

VIASAT, INC.

STATEMENT OF SHAREHOLDERS' EQUITY

	PREFERRED STOCK		COMMON STOCK			
	NUMBER OF SHARES	AMOUNT	NUMBER OF SHARES	AMOUNT	PAID IN CAPITAL	RETAINED EARNINGS
Balance at March 31, 1993	3,225,000	$32,000	2,949,697	$40,000	$416,000	$ 977,000
Issuance of common stock			17,311		6,000	
Net income						485,000
Balance at March 31, 1994	3,225,000	32,000	2,967,008	40,000	422,000	1,462,000
Issuance of common stock			240,331	4,000	146,000	
Net income						1,307,000
Balance at March 31 , 1995	3,225,000	32,000	3,207,339	44,000	568,000	2,769,000
Issuance of common stock			134,762	2,000	169,000	
Net income						1,633,000
Balance at March 31, 1996	3,225,000	32,000	3,342,101	46,000	737,000	4,402,000
Issuance of common stock (unaudited)			44,295		17,000	
Net income (unaudited)						478,000
Balance at June 30, 1996 (unaudited)	3,225,000	$32,000	3,386,396	$46,000	$754,000	$4,880,000

See accompanying notes to financial statements.

VIASAT, INC.

STATEMENT OF CASH FLOWS

	YEAR ENDED MARCH 31,			THREE MONTHS ENDED	
	1994	1995	1996	JUNE 30, 1995	JUNE 30, 1996
				(UNAUDITED)	(UNAUDITED)
Cash flows from operating activities:					
Net income	$ 485,000	$ 1,307,000	$ 1,633,000	$ 541,000	$ 478,000
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Depreciation	316,000	542,000	982,000	198,000	299,000
Loss on disposal of fixed assets	83,000				
Deferred income taxes	(66,000)	(13,000)	(350,000)	(228,000)	(74,000)
Increase (decrease) in cash resulting from changes in:					
Accounts receivable	(2,256,000)	(265,000)	(1,871,000)	(1,061,000)	248,000
Inventory	(15,000)	(189,000)	(1,019,000)	(480,000)	(253,000)
Other assets	(53,000)	(43,000)	(186,000)	34,000	(383,000)
Accounts payable	670,000	530,000	1,294,000	184,000	(386,000)
Accrued liabilities	1,019,000	1,331,000	(512,000)	(383,000)	(157,000)
Other liabilities	--	119,000	485,000	(294,000)	116,000
Net cash provided by (used in) operating activities	183,000	3,319,000	456,000	(1,489,000)	(112,000)
Cash flows from investing activities:					
Purchases of property and equipment	(511,000)	(1,701,000)	(1,875,000)	(432,000)	(387,000)
Cash flows from financing activities:					
Proceeds from short-term bank borrowings	170,000	--	1,400,000		
Repayment of short-term bank borrowings	(150,000)	(350,000)	(1,400,000)		
Proceeds from issuance of notes payable	289,000	1,650,000	2,778,000	190,000	75,000
Repayment of notes payable	(53,000)	(346,000)	(1,964,000)	(118,000)	(157,000)
Proceeds from issuance of common stock	6,000	150,000	171,000	5,000	17,000
Net cash provided by (used in) financing activities	262,000	1,104,000	985,000	77,000	(65,000)
Net (decrease) increase in cash and cash equivalents	(66,000)	2,722,000	(434,000)	(1,844,000)	(564,000)
Cash and cash equivalents at beginning of period	75,000	9,000	2,731,000	2,731,000	2,297,000
Cash and cash equivalents at end of period	$ 9,000	$ 2,731,000	$ 2,297,000	$ 887,000	$ 1,733,000
Supplemental information:					
Cash paid for interest	$ 48,000	$ 116,000	$ 260,000	$ 43,000	$ 62,000
Cash paid for income taxes	$ 121,000	$ 642,000	$ 468,000	$ 38,000	$ 210,000

See accompanying notes to financial statements.

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 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.

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.

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 contemplation of the Public Stock Offering, the Company expects to file Amended and Restated Articles 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 Articles of Incorporation will increase the authorized stock of the Company such that the Company will be authorized to issue 5,000,000 shares of $0.01 par value preferred stock, and 25,000,000 shares of $0.01 par value common stock.

Interim results (unaudited)

The accompanying balance sheet at June 30, 1996 and the related statements of income and of cash flows for the three months ended June 30, 1995 and 1996, and the statement of shareholders' equity for the three months ended June 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 shareholders' equity (unaudited)

The unaudited pro forma information presented in the accompanying balance sheet as of June 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

	March 31,		June 30,
	1995	1996	1996
			(Unaudited)
Accounts receivable:			
Billed	$ 2,890,000	$ 5,653,000	$ 4,695,000
Unbilled	1,410,000	518,000	1,228,000
	$ 4,300,000	$ 6,171,000	$ 5,923,000
Inventory:			
Raw materials	$ 67,000	$ 753,000	$ 994,000
Work in process	137,000	402,000	458,000
Finished goods		68,000	24,000
	$ 204,000	$ 1,223,000	$ 1,476,000
Property and equipment:			
Machinery and equipment	$ 1,288,000	$ 2,313,000	$ 2,580,000
Computer equipment	1,564,000	2,213,000	2,326,000
Furniture and fixtures	179,000	380,000	387,000
	3,031,000	4,906,000	5,293,000
Less accumulated depreciation	(1,135,000)	(2,117,000)	(2,416,000)
	$ 1,896,000	$ 2,789,000	$ 2,877,000
Accrued liabilities:			
Accrued vacation	$ 406,000	$ 591,000	$ 650,000
Accrued 401(k) matching contribution	275,000	444,000	145,000
Current portion of warranty reserve	67,000	413,000	564,000
Accrued bonus	488,000	347,000	144,000
Collections in excess of revenues	773,000	237,000	106,000
Income taxes payable	601,000	40,000	326,000
Other	59,000	85,000	65,000
	$ 2,669,000	$ 2,157,000	$ 2,000,000

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.

4. NOTES PAYABLE

Notes payable are as follows:

	MARCH 31,		JUNE 30,
	1995	1996	1996
			(UNAUDITED)
Bank installment loans, with various expiration dates through September 1999, total monthly payments of $74,000 with interest rates ranging between 8% and 12%, collateralized by equipment	$ 1,092,000	$ 1,989,000	$ 1,947,000
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	604,000	521,000	481,000
	1,696,000	2,510,000	2,428,000
Less current portion	(476,000)	(763,000)	(897,000)
	$ 1,220,000	$ 1,747,000	$ 1,531,000

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

Year Ending March 31,	
1997	763,000
1998	932,000
1999	623,000
2000	192,000
	$2,510,000

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.

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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:

	Number of Shares	Option Price per share
Outstanding at March 31, 1994		
(all granted in fiscal 1994)	54,829	$ .34
Options granted	61,137	$ .48
Options granted	74,450	$ .82
Outstanding at March 31, 1995	190,416	$ .34 - $ .82
Options granted	128,033	$ 1.36
Options canceled	(147)	$ .82
Options exercised	(8,215)	$ .34 - $ .82
Outstanding at March 31, 1996	310,087	$ .34 - $1.36
Options granted (unaudited)	-	
Options canceled (unaudited)	(183)	$ 1.36
Options exercised (unaudited)	(44,221)	$ .34 - $1.36
Outstanding at June 30, 1996 (unaudited)	265,683	

At March 31, 1996, options to purchase 77,570 shares of the Company's Common Stock were currently exercisable at $.34 to $.82 per share.

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

7. INCOME TAXES

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

	YEAR ENDED MARCH 31,			THREE MONTHS ENDED JUNE 30,
	1994	1995	1996	1996
				(UNAUDITED)
Current tax provision				
Federal	$ 361,000	$ 708,000	$ 344,000	$ 420,000
State	109,000	193,000	9,000	25,000
	470,000	901,000	353,000	445,000
Deferred tax provision:				
Federal	(109,000)	(10,000)	(310,000)	(141,000)
State	(33,000)	(3,000)	(93,000)	(42,000)
	(142,000)	(13,000)	(403,000)	(183,000)
Total provision (benefit) for income taxes	$ 328,000	$ 888,000	$ (50,000)	$ 262,000

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

	MARCH 31,		JUNE 30,
	1995	1996	1996
			(UNAUDITED)
Deferred tax assets:			
Warranty reserve	$ 36,000	$ 219,000	$ 349,000
Accrued vacation	129,000	190,000	209,000
Other	60,000	142,000	180,000
Total deferred tax assets	225,000	551,000	738,000
Deferred tax liabilities:			
Depreciation	(91,000)	(14,000)	(18,000)
Net deferred tax assets	$ 134,000	$ 537,000	$ 720,000

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:

	YEAR-ENDED MARCH 31,			THREE MONTHS ENDED JUNE 30,
	1994	1995	1996	1996
				UNAUDITED
Tax expense at statutory rate	$ 276,000	$ 746,000	$ 538,000	$ 252,000
State tax provision (benefit), net of federal benefit	87,000	153,000	(60,000)	7,000
Research tax credit	--	(18,000)	(480,000)	--
Other	(35,000)	7,000	(48,000)	3,000
	$ 328,000	$ 888,000	$ (50,000)	$ 262,000

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. Additionally, the Company granted options to purchase 118,460 shares of Common Stock to certain officers and employees at an exercise price of $4.09 per share.

The Company currently intends to complete an initial public offering of its Common Stock. Upon the closing of the offering, after giving effect to the conversion of the Convertible Preferred Stock and an amendment of the Company's Amended and Restated Articles of Incorporation to eliminate all references to the previously outstanding Convertible Preferred Stock, the Company's authorized Capital Stock will consist of 25,000,000 shares of Common Stock, $0.01 par value, and 5,000,000 shares of Preferred Stock with terms as determined by the Board of Directors.

NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, ANY SELLING SHAREHOLDERS OR THE UNDERWRITERS. THIS PROSPECTUS DOES NOT 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.

TABLE OF CONTENTS

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

VIASAT, INC.

COMMON STOCK

_____

PROSPECTUS

_____

OPPENHEIMER & CO., INC.

NEEDHAM & COMPANY, INC.

UNTERBERG HARRIS

_____, 1996

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

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.....	*
Legal fees and expenses.....	*
Accounting fees and expenses.....	*
Printing and engraving expenses.....	*
Blue Sky fees and expenses.....	*
Transfer agent and registrar fees.....	*
Miscellaneous.....	*
TOTAL.....	$650,000

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* To be filed by amendment.

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.

Section 204 of the California General Corporation Law (the "CGCL") provides for the indemnification of directors and officers in terms sufficiently broad to indemnify directors and officers of the Company under certain circumstances from liabilities (including reimbursement for expenses incurred) arising under the Securities Act. The Amended and Restated Articles of Incorporation and Amended and Restated Bylaws of the Company provide for the indemnification of directors and officers against monetary damages to the fullest extent permissible under California law.

The Company's Amended and Restated Articles of Incorporation also authorize the Company to indemnify its agents (as defined in Section 317 of the CGCL) for breach of duty to the Company and its shareholders through bylaw provisions, or through agreements with the agents, or otherwise, in excess of the indemnification otherwise permitted by Section 317 of the CGCL, subject to the limits on such excess indemnification set forth in Section 204 of the CGCL. The general effect of Section 317 of the CGCL and Article V of the Company's Amended and Restated Bylaws is to provide for indemnification of its agents to the fullest extent permissible under California law. Reference is also made to the indemnification provisions of the underwriting agreement which provides for indemnification by the underwriters of the Company and its officers and directors for certain liabilities arising under the Securities Act or otherwise.

In addition, the Company intends to enter into separate indemnification agreements with each of its directors to effectuate the indemnity provisions described above and to purchase director's and officer's liability insurance.

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:

Date of Sale	Title	No. of Shares	Offering Price
03/01/94	Common Stock	140,832	$ 67,200
10/04/94	Common Stock	114,023	93,270
06/26/95	Common Stock	124,805	170,150
07/01/96	Common Stock	118,607	485,100
		498,267	$ 815,720

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.

(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 non-public offerings.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits.

EXHIBIT NUMBERS	DESCRIPTION OF EXHIBIT
1.1	Form of Underwriting Agreement.(1)
3.1	Amended and Restated Articles of Incorporation.(2)
3.2	Amended and Restated Bylaws.(2)
4.1	Form of Common Stock Certificate.(2)
5.1	Opinion of Latham & Watkins.(2)
10.1	Preferred Stock Purchase Agreement, dated as of June 11, 1986, by and among the Company, Southern California Ventures, Robert W. Johnson and Thomas A. Tisch.(1)
10.2	Shareholders' Agreement, dated June 11, 1986, by and among Southern California Ventures, Robert W. Johnson, Thomas A. Tisch, the Company, Mark D. Dankberg, Steven R. Hart and Mark J. Miller.(1)
10.3	Form of Stock Restriction Agreement by and between the Company and each shareholder of the Company.(1)
10.4	Form of Invention and Confidential Disclosure Agreement by and between the Company and each employee of the Company.(1)
10.5	ViaSat, Inc. 1993 Stock Option Plan (the "1993 Stock Option Plan").(1)

EXHIBIT NUMBERS	DESCRIPTION OF EXHIBIT
10.6	Form of Incentive Stock Option Agreement under the 1993 Stock Option Plan.(1)
10.7	Form of Nonqualified Stock Option Agreement under the 1993 Stock Option Plan.(1)
10.8	The 1996 Equity Participation Plan of ViaSat, Inc. (the "1996 Equity Participation Plan").(2)
10.9	Form of Incentive Stock Option Agreement under the 1996 Equity Participation Plan.(2)
10.10	Form of Nonqualified Stock Option Agreement under the 1996 Equity Participation Plan.(2)
10.11	The ViaSat, Inc. Employee Stock Purchase Plan.(2)
10.12	ViaSat, Inc. 401(k) Profit Sharing Plan.(1)
10.13	Loan Agreement, dated as of September 15, 1995, by and between the Company and Union Bank.(1)
10.14	Business Loan Agreement, dated as of April 5, 1994, as amended, by and between the Company and Scripps Bank.(1)
10.15	Equipment Financing Agreement, dated April 28, 1994, by and between the Company and Heritage Leasing Capital.(1)
10.16	Equipment Financing Agreement, dated May 13, 1994, by and between the Company and Heritage Leasing Capital.(1)
10.17	Equipment Financing Agreement, dated September 19, 1994, by and between the Company and Heritage Leasing Capital.(1)
10.18	Equipment Financing Agreement, dated December 6, 1994, by and between the Company and Heritage Leasing Capital.(1)
10.19	Sublease, dated as of August 20, 1993, by and between Whittaker Corporation and the Company (2290 Cosmos Court, Carlsbad, California).(1)
10.20	Lease Agreement, dated December 8, 1994, by and between The Campus, LLC and the Company (The Campus, Carlsbad, California).(1)
10.21	Lease, dated March 21, 1995, by and between Nagog Development Company and the Company (125 Nagog Park, Acton, Massachusetts).(1)
10.22	Lease, dated March 8, 1996, by and between Harry and Wendy Brandon and the Company (1900 S. Harbor City Blvd., Melbourne, Florida).(1)
10.23	Basic Ordering Agreement, dated November 8, 1994, as amended, by and between the Company and AT&T acting through its Tridom division.(1)
10.24	Supply & Services Contract, dated June 2, 1996, by and between HCL Comnet Systems and Services Limited and the Company.(2)
10.25	Basic Ordering Agreement Subcontract, dated March 4, 1994, by and between Magnavox Electronic Systems Company and the Company.(2)
10.26	Award/Contract, effective March 29, 1996, as amended, issued by Electronic Systems Center/MCK Air Force Materiel Command, USAF to the Company.(2)
10.27	Award/Contract, effective October 2, 1995, issued by Electronic Systems Center/ MCK Air Force Materiel Command, USAF to the Company.(2)

EXHIBIT NUMBERS	DESCRIPTION OF EXHIBIT
10.28	Subcontract, dated May 1, 1996, by and between Lockheed Martin Tactical Defense Systems and the Company.(2)
10.29	Award/Contract, effective September 29, 1993, as amended, issued by Information Technology Acquisition Center to the Company.(2)
10.30	Letter Contract, dated October 21, 1994, by and between McDonnell Douglas Corporation and the Company.(2)
10.31	Award/Contract, effective July 30, 1991, issued by Electronic Systems Division Air Force Systems Command, USAF to the Company.(2)
10.32	Award/Contract, effective September 27, 1993, as amended, issued by Contracting Officer Naval Research Laboratory to the Company.(2)
10.33	Award Contract, effective September 21, 1994, as amended, issued by Technical Contract Management Office to the Company.(2)
10.34	Fixed Price Contract, dated as of October 18, 1995, by and between the Company and Spectragraphics.(1)
11.1	Statement re computation of per share earnings.(1)
21.1	Subsidiaries.(1)
23.1	Consent of Price Waterhouse LLP.(1)
23.2	Consent of Latham & Watkins (contained in Exhibit 5.1).
24.1	Power of Attorney (contained on signature page).
27.1	Financial Data Schedule.(1)

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(1) Filed herewith.
(2) 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.

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, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Carlsbad, State of California, on October 1, 1996.

ViaSat, Inc.

By: /s/ MARK D. DANKBERG

Mark D. Dankberg
Chairman, President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Mark D. Dankberg and Gregory D. Monahan, his true and lawful attorney-in-fact, each acting alone, with full power of substitution and resubstitution for him and in his name, place and stead, in any and all capacities to sign any and all amendments including post-effective amendments and any registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933 to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact or their substitutes, each acting alone, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ MARK D. DANKBERG Mark D. Dankberg	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	October 1, 1996
/s/ GREGORY D. MONAHAN Gregory D. Monahan	Vice President, Chief Financial Officer and General Counsel (Principal Financial Officer and Principal Accounting Officer)	October 1, 1996
/s/ ROBERT W. JOHNSON Robert W. Johnson	Director	October 1, 1996
/s/ JEFFREY M. NASH Jeffrey M. Nash	Director	October 1, 1996
/s/ B. ALLEN LAY B. Allen Lay	Director	October 1, 1996

EXHIBIT INDEX

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

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10.18	Equipment Financing Agreement, dated December 6, 1994, by and between the Company and Heritage Leasing Capital.(1)
10.19	Sublease, dated as of August 20, 1993, by and between Whittaker Corporation and the Company (2290 Cosmos Court, Carlsbad, California).(1)

EXHIBIT NUMBERS	DESCRIPTION OF EXHIBIT
10.20	Lease Agreement, dated December 8, 1994, by and between The Campus, LLC and the Company (The Campus, Carlsbad, California).(1)
10.21	Lease, dated March 21, 1995, by and between Nagog Development Company and the Company (125 Nagog Park, Acton, Massachusetts).(1)
10.22	Lease, dated March 8, 1996, by and between Harry and Wendy Brandon and the Company (1900 S. Harbor City Blvd., Melbourne, Florida).(1)
10.23	Basic Ordering Agreement, dated November 8, 1994, as amended, by and between the Company and AT&T acting through its Tridom division.(1)
10.24	Supply & Services Contract, dated June 2, 1996, by and between HCL Comnet Systems and Services Limited and the Company.(2)
10.25	Basic Ordering Agreement Subcontract, dated March 4, 1994, by and between Magnavox Electronic Systems Company and the Company.(2)
10.26	Award/Contract, effective March 29, 1996, as amended, issued by Electronic Systems Center/MCK Air Force Materiel Command, USAF to the Company.(2)
10.27	Award/Contract, effective October 2, 1995, issued by Electronic Systems Center/MCK Air Force Materiel Command, USAF to the Company.(2)
10.28	Subcontract, dated May 1, 1996, by and between Lockheed Martin Tactical Defense Systems and the Company.(2)
10.29	Award/Contract, effective September 29, 1993, as amended, issued by Information Technology Acquisition Center to the Company.(2)
10.30	Letter Contract, dated October 21, 1994, by and between McDonnell Douglas Corporation and the Company.(2)
10.31	Award/Contract, effective July 30, 1991, issued by Electronic Systems Division Air Force Systems Command, USAF to the Company.(2)
10.32	Award/Contract, effective September 27, 1993, as amended, issued by Contracting Officer Naval Research Laboratory to the Company.(2)
10.33	Award Contract, effective September 21, 1994, as amended, issued by Technical Contract Management Office to the Company.(2)
10.34	Fixed Price Contract, dated as of October 18, 1995, by and between the Company and Spectragraphics.(1)
11.1	Statement re computation of per share earnings.(1)
21.1	Subsidiaries.(1)
23.1	Consent of Price Waterhouse LLP.(1)
23.2	Consent of Latham & Watkins (contained in Exhibit 5.1).
24.1	Power of Attorney (contained on signature page).
27.1	Financial Data Schedule.(1)

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(1) Filed herewith.

(2) To be filed by amendment.

EXHIBIT 1.1

_____ Shares

VIASAT, INC.

Common Stock

UNDERWRITING AGREEMENT

September __, 1996

Oppenheimer & Co., Inc.Needham & Company, Inc.
Volpe, Welty & Company
c/o Oppenheimer & Co., Inc.
Oppenheimer Tower
World Financial Center
New York, New York 10281

On behalf of the several Underwriters named on Schedule I attached hereto.

Ladies and Gentlemen:

ViaSat, Inc., a California corporation (the "Company"), and the selling shareholders named on Schedule II attached to this Agreement (the "Selling Shareholders") propose to sell to you and the other underwriters named on Schedule I attached to this Agreement (the "Underwriters"), for whom you are acting as Representatives, an aggregate of _____ shares (the "Firm Shares") of the Company's Common Stock, $.01 par value (the "Common Stock"). Of the _____ Firm Shares, _____ are to be issued and sold by the Company and _____ are to be sold by the Selling Shareholders. In addition, the Company proposes to grant to the Underwriters an option to purchase up to an additional _____ shares (the "Option Shares") of Common Stock solely for the purpose of covering over-allotments in connection with the sale of the Firm Shares. The Firm Shares and the Option Shares are together called the "Shares."

1. Sale and Purchase of the Shares. On the basis of the representations, warranties and agreements contained in, and subject to the terms and conditions of, this Agreement:

(a) The Company and the Selling Shareholders agree severally and not jointly, to sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase, at $[ ] per share (the "Initial Price"), the number of Firm Shares (adjusted by the Representatives to eliminate fractions) which bears the same proportion to the total number of Firm Shares to be sold by the Company or the Selling Shareholders, as the case may be, as the number of Firm Shares set forth opposite the name of such Underwriter on Schedule I attached to this Agreement bears to the total number of Firm Shares to be sold by the Company and the Selling Shareholders.

(b) The Selling Shareholders grant to the Underwriters an option to purchase, severally and not jointly, all or any part of the Option Shares at the Initial Price. The number of Option Shares to be purchased by each Underwriter shall be the same percentage (adjusted by the Representatives to eliminate fractions) of the total number of Option Shares to be purchased by the Underwriters as such Underwriter is purchasing of the Firm Shares. Such option may be exercised only to cover over-allotments in the sales of the Firm Shares by the Underwriters and may be exercised in whole or in part at any time on or before 12:00 noon, New York City time, on the business day before the Firm Shares Closing Date (as defined below), and [ONLY ONCE] thereafter within 30 days after the date of this Agreement, in each case upon written or facsimile notice, or verbal or telephonic notice confirmed by written or facsimile notice, by the Representatives to the Company no later than 12:00 noon, New York City time, on the business day before the Firm Shares Closing Date or at least two business days before the Option Shares Closing Date (as defined below), as the case may be, setting forth the number of Option Shares to be purchased and the time and date (if other than the Firm Shares Closing Date) of such purchase.

2. Delivery and Payment. Delivery of the certificates for the Firm Shares shall be made by the Company and the Custodian (as hereinafter defined) on behalf of the Selling Shareholders to the Representatives for the respective accounts of the Underwriters, and payment of the purchase price by certified or official bank check or checks payable in New York Clearing House (next day) funds to the Company and the Custodian, respectively, shall take place at the offices of Oppenheimer & Co., Inc., Oppenheimer Tower, World Financial Center, New York, New York 10281, at 10:00 a.m., New York City time, on the third business day following the date of this Agreement, provided, however, that if the Shares sold hereunder are priced and this Agreement is entered into after 4:30 p.m., New York City time, on any business day, payment and delivery in respect of the Firm Shares shall take place on the fourth business day following the date of this Agreement; in either case unless another time shall be

agreed upon by the Company, the Selling Shareholders and the Representatives (such time and date of delivery and payment are called the "Firm Shares Closing Date").

In the event the option with respect to the Option Shares is exercised, delivery of the certificates for the Option Shares shall be made by the Company to the Representatives for the respective accounts of the Underwriters, and payment of the purchase price by certified or official bank check or checks payable in New York Clearing House (next day) funds to the Company shall take place at the offices of Oppenheimer & Co., Inc. specified above at the time and on the date (which may be the same date as, but in no event shall be earlier than, the Firm Shares Closing Date) specified in the notice referred to in Section 1(b) (such time and date of delivery and payment are called the "Option Shares Closing Date"). The Firm Shares Closing Date and the Option Shares Closing Date are called, individually, a "Closing Date" and, together, the "Closing Dates."

Certificates evidencing the Shares shall be registered in such names and shall be in such denominations as the Representatives shall request at least two full business days before the Firm Shares Closing Date or, in the case of Option Shares, [ON THE DAY OF NOTICE OF EXERCISE OF THE OPTION,] as described in Section l(b) and shall be made available to the Representatives for checking and packaging, at such place as is designated by the Representatives, on the full business day before the Firm Shares Closing Date (or the Option Shares Closing Date in the case of the Option Shares).

3. Registration Statement and Prospectus; Public Offering. The Company has prepared in conformity with the requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the rules and regulations thereunder (the "Rules") adopted by the Securities and Exchange Commission (the "Commission") a registration statement on Form S-1 (No. 333-[ ]), including a preliminary prospectus relating to the Shares, and has filed with the Commission the Registration Statement (as hereinafter defined) and such amendments thereof as may have been required to the date of this Agreement. Copies of such Registration Statement (including all amendments thereof) and of the related preliminary prospectus have heretofore been delivered by the Company to you. The term "preliminary prospectus" means the preliminary prospectus (as described in Rule 430 of the Rules) included at any time as a part of the Registration Statement or filed with the Commission by the Company with the consent of the Representatives pursuant to Rule 424(a) of the Rules. The Registration Statement, as amended at the time and on the date it becomes effective (the "Effective Date"), including all exhibits and information, if any, deemed to be part of the Registration Statement pursuant to Rule 424(b) and Rule 430A of the Rules, is called the "Registration Statement." The term "Prospectus" means the prospectus in the form first used to confirm sales of the Shares (whether such prospectus was included in the Registration Statement at the time of effectiveness or was subsequently filed with the Commission pursuant to Rule 424(b) of the Rules). If the Company files a registration statement to register a portion of the Shares and relies on Rule 462(b) for such registration statement to become effective upon filing with the Commission (the "Rule 462(b) Registration Statement"), then any

reference to the "Registration Statement" herein shall be deemed to include both the registration statement referred to above (No. 333-_____) and the Rule 462(b) Registration Statement, as each such registration statement may be amended pursuant to the Securities Act.

The Company and the Selling Shareholders understand that the Underwriters propose to make a public offering of the Shares, as set forth in and pursuant to the Prospectus, as soon after the Effective Date and the date of this Agreement as the Representatives deem advisable. The Company and the Selling Shareholders hereby confirm that the Underwriters and dealers have been authorized to distribute or cause to be distributed each preliminary prospectus and are authorized to distribute the Prospectus (as from time to time amended or supplemented if the Company furnishes amendments or supplements thereto to the Underwriters).

4. Representations and Warranties of the Company and the Selling Shareholders. The Company and the Selling Shareholders hereby, jointly and severally, represent and warrant to each Underwriter as follows:

(a) On the Effective Date, the Registration Statement and all other registration statements and reports filed with the Commission by the Company complied, and on the date of the Prospectus, on the date any post-effective amendment to the Registration Statement shall become effective, on the date any supplement or amendment to the Prospectus is filed with the Commission, at all times that a prospectus must be delivered by the Underwriters pursuant to the Securities Act and on each Closing Date, the Registration Statement, the Prospectus (and any amendment thereof or supplement thereto) and all other registration statements and reports filed with the Commission by the Company will comply, in all material respects, with the applicable provisions of the Securities Act and the Rules and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations thereunder adopted by the Commission; the Registration Statement did not, as of the Effective Date, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; and on the other dates referred to above neither the Registration Statement nor the Prospectus, nor any amendment thereof or supplement thereto, will contain any untrue statement of a material fact or will omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading. When any related preliminary prospectus was first filed with the Commission (whether filed as part of the Registration Statement or any amendment thereto or pursuant to Rule 424(a) of the Rules) and when any amendment thereof or supplement thereto was first filed with the Commission, such preliminary prospectus, as amended or supplemented, complied in all material respects with the applicable provisions of the Securities Act and the Rules and did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading.

Notwithstanding the foregoing, the Company and the Selling Shareholders make no representation or warranty as to the last paragraph of the cover page of the Prospectus, the paragraph with respect to stabilization on the inside front cover page of the Prospectus and the statements contained under the caption "Underwriting" in the Prospectus (to the extent such statements relate to the Underwriters). The Company and each of the Selling Shareholders acknowledge that the statements referred to in the previous sentence constitute the only information furnished in writing by the Representatives on behalf of the several Underwriters specifically for inclusion in the Registration Statement, any preliminary prospectus or the Prospectus.

(b) The financial statements of the Company and [ITS SUBSIDIARY (AS DEFINED BELOW)] (including all notes and schedules thereto) included in the Registration Statement and the Prospectus comply as to form in all material respects with the requirements of the Securities Act and the Rules and present fairly on a consolidated basis the financial position, the results of operations and cash flows and the shareholders' equity and the other information purported to be shown therein of the Company [AND ITS SUBSIDIARY] at the respective dates and for the respective periods to which they apply; and such financial statements have been prepared in conformity with generally accepted accounting principles, consistently applied throughout the periods involved, and all adjustments necessary for a fair presentation of the results for such periods have been made; and the other financial and statistical information and the supporting schedules included in the Prospectus and in the Registration Statement present fairly, in all material respects, the information required to be stated therein.

(c) Price Waterhouse LLP, whose reports are filed with the Commission as a part of the Registration Statement, are and, during the periods covered by their reports, were independent public accountants as required by the Securities Act and the Rules.

(d) The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of California. [EXCEPT FOR THE COMPANY'S SUBSIDIARY LISTED IN EXHIBIT 21 TO THE REGISTRATION STATEMENT (THE "SUBSIDIARY"),] The Company does not control, directly or indirectly, any corporation, partnership, joint venture, association or other business organization. [THE SUBSIDIARY HAS BEEN DULY ORGANIZED AND IS VALIDLY EXISTING AS A CORPORATION IN GOOD STANDING UNDER THE LAWS OF THE JURISDICTION OF ITS ORGANIZATION.] [EACH OF] The Company [AND ITS SUBSIDIARY] is duly qualified and in good standing as a foreign corporation in each jurisdiction in which the character or location of its assets or properties (owned, leased or licensed) or the nature of its business makes such qualification necessary or desirable, except for such jurisdictions where the failure to so qualify would not have a material adverse effect on the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company [AND ITS SUBSIDIARY,

TAKEN AS A WHOLE.] [EACH OF] The Company [AND ITS SUBSIDIARY] has all requisite power and authority, and all necessary authorizations, approvals, consents, orders, licenses, certificates and permits of and from all governmental or regulatory agencies, bodies or authorities, [INCLUDING THE FEDERAL COMMUNICATIONS COMMISSION (THE "FCC")] or any other person or entity, to own, lease and license its assets and properties and conduct its businesses as now being conducted and as described in the Registration Statement and the Prospectus, except for such authorizations, approvals, consents, orders, licenses, certificates and permits the failure to so obtain would not have a material adverse effect upon the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company [AND ITS SUBSIDIARY, TAKEN AS A WHOLE]; no such authorization, approval, consent, order, license, certificate or permit contains a materially burdensome restriction other than as disclosed in the Registration Statement and the Prospectus; and the Company has all such corporate power and authority, and such authorizations, approvals, consents, orders, licenses, certificates and permits to enter into, deliver and perform this Agreement and to authorize, issue and sell the Shares (except as may be required under the Securities Act and state Blue Sky or securities laws).

(e) Neither the Commission nor the Blue Sky or securities authorities of any jurisdiction has issued an order suspending the effectiveness of the Registration Statement, preventing or suspending the use of any preliminary prospectus, the Prospectus, the Registration Statement, or any amendment or supplement thereto, refusing to permit the effectiveness of the Registration Statement or suspending the registration or qualification of the Shares, nor has any of such authorities instituted or threatened to institute any proceedings with respect to such an order in any jurisdiction in which the Shares are to be sold.

(f) [EACH OF] The Company [AND ITS SUBSIDIARY] owns, or possesses adequate and enforceable rights to use, all trademarks, trademark applications, trade names, service marks, copyrights, copyright applications, licenses, know-how and other similar rights and proprietary knowledge (collectively, "Intangibles") necessary or desirable for the conduct of its business as described in the Registration Statement and the Prospectus. Neither the Company nor its Subsidiary has received any notice of, or is aware of, any infringement of or conflict with asserted rights of others with respect to any Intangibles which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect upon the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company [AND ITS SUBSIDIARY, TAKEN AS A WHOLE].

(g) [EACH OF] The Company [AND ITS SUBSIDIARY] has good title to each of the items of real and personal property which are reflected in the financial statements referred to in Section 4(c) or are referred to in the Registration Statement and the Prospectus as being owned by it and valid and enforceable leasehold interests in each of the items of real and personal property which

are referred to in the Registration Statement and the Prospectus as being leased by it, in each case free and clear of all liens, encumbrances, claims, security interests and defects, other than those described in the Registration Statement and the Prospectus and those which do not and will not have a material adverse effect upon the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company [AND ITS SUBSIDIARY, TAKEN AS A WHOLE].

(h) There is no litigation or governmental or other proceeding or investigation before any court or before or by any public body, agency or authority, including the FCC, pending or, to the best knowledge of the Company after due inquiry, threatened (and the Company does not know of any basis therefor) against, or involving the assets, properties or business of, the Company [OR ITS SUBSIDIARY] which would materially adversely affect the value or the operation of any such assets or properties or the business, results of operations, prospects or condition (financial or otherwise) of the Company [AND ITS SUBSIDIARY, TAKEN AS A WHOLE], or which would prevent the consummation of the transactions contemplated by this Agreement or is required to be disclosed in the Prospectus.

(i) Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, except as described therein: (i) there has not been any material adverse change in the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company [OR OF ITS SUBSIDIARY], whether or not arising from transactions in the ordinary course of business; (ii) [NEITHER] the Company [NOR ITS SUBSIDIARY] has not sustained any material loss or interference with its assets, businesses or properties (whether owned or leased) from fire, explosion, earthquake, hurricane, flood or other calamity, whether or not covered by insurance, or from any labor dispute or any court or legislative or other governmental or regulatory action, order or decree; and (iii) since the date of the latest balance sheet included in the Registration Statement and the Prospectus, except as reflected therein, [NEITHER] the Company [NOR ITS SUBSIDIARY] has not (A) issued any securities or incurred any liability or obligation, direct or contingent, for borrowed money, except such liabilities or obligations incurred in the ordinary course of business, (B) entered into any transaction not in the ordinary course of business or (C) declared or paid any dividend or made any distribution on any shares of its stock or redeemed, purchased or otherwise acquired or agreed to redeem, purchase or otherwise acquire any shares of its stock or other securities.

(j) There is no document or contract of a character required to be described in the Registration Statement and the Prospectus or to be filed as an exhibit to the Registration Statement which is not described or filed as required. Each agreement listed in the Exhibits to the Registration Statement is in full force and effect and is valid and enforceable by and against the Company or its Subsidiary, as the case may be, in accordance with its terms, assuming the

due authorization, execution and delivery thereof by each of the other parties thereto. Neither the Company [NOR ITS SUBSIDIARY,] nor, to the best knowledge of the Company after due inquiry, any other party is in default in the observance or performance of any term or obligation to be performed by it under any such agreement, and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in any such case which default or event would have a material adverse effect on the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company [AND ITS SUBSIDIARY, TAKEN AS A WHOLE]. No default exists, and no event has occurred which, with notice or lapse of time or both, would constitute a default, in the due performance and observance of any term, covenant or condition, by the Company [OR ITS SUBSIDIARY] of any other agreement or instrument to which the Company [OR ITS SUBSIDIARY] is a party or by which it or its assets, properties or business may be bound or affected which default or event would have a material adverse effect on the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company [AND ITS SUBSIDIARY, TAKEN AS A WHOLE].

(k) [NEITHER] The Company [NOR ITS SUBSIDIARY] is not in violation of any term or provision of its charter or by-laws, or of any franchise, license, permit, judgment, decree, order, statute, rule or regulation, where the consequences of such violation could have a material adverse effect on the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company [AND ITS SUBSIDIARY, TAKEN AS A WHOLE].

(l) The Company [AND ITS SUBSIDIARY] has obtained all authorizations, approvals, consents, orders, licenses, certificates and permits which are required under federal, state and local statutes, rules and regulations relating to pollution or protection of the environment, including laws relating to emissions, discharges, releases or threatened releases of pollutants, contaminants or hazardous, radioactive or toxic materials or wastes into ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants or hazardous, radioactive or toxic materials or wastes. The Company [AND ITS SUBSIDIARY] complies in all respects with all terms and conditions of the authorizations, approvals, consents, orders, licenses, certificates and permits, and are also in full compliance with all other limitations, restrictions, obligations, schedules and timetables contained in such statutes, rules and regulations or contained in any code, plan, order, decree, judgment, notice or demand letter issued, entered, promulgated or approved thereunder. Except as described in the Registration Statement and the Prospectus, [NEITHER] the Company [NOR ITS SUBSIDIARY] is not aware of, nor has the Company [OR ITS SUBSIDIARY] received notice of, any past, present or future events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent continued compliance, or which may give rise to any common law or legal liability, or otherwise form the basis of any claim, action, suit, proceeding, hearing or

investigation, based on or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge, release or threatened release into the environment, of any pollutant, contaminant or hazardous, radioactive or toxic material or waste.

(m) Neither the execution, delivery and performance of this Agreement by the Company nor the consummation of any of the transactions contemplated hereby (including, without limitation, the issuance and sale by the Company of the Shares and the sale by the Selling Shareholders of the Shares to be sold by them) will give rise to a right to terminate or accelerate the due date of any payment due under, or conflict with or result in the breach or violation of any term or provision of, or constitute a default (or an event which with notice or lapse of time or both would constitute a default) under, or require any consent or waiver under, or result in the execution or imposition of any lien, charge or encumbrance upon any properties or assets of the Company [OR ITS SUBSIDIARY] pursuant to the terms of, any indenture, mortgage, deed of trust, note or other agreement or instrument to which the Company [OR ITS SUBSIDIARY] is a party or by which the Company or [ITS SUBSIDIARY] is bound or to which the Company [OR ITS SUBSIDIARY] or any of its properties, assets or businesses is subject or affected, or any franchise, license, consent, certificate, permit, judgment, decree, order, notice, plan, code, statute, rule or regulation, including, without limitation, the Communications Act, applicable to the Company [OR ITS SUBSIDIARY] or violate any term or provision of the Articles of Incorporation, as amended, and By-laws, as amended, of the Company [OR THE CHARTER OR BY-LAWS OF ITS SUBSIDIARY], except for such consents or waivers which have already been obtained and are in full force and effect.

(n) The Company has authorized and outstanding capital stock as set forth under the captions "Capitalization" and "Description of Capital Stock" in the Prospectus. All of the outstanding Common Stock and Series A Preferred Stock, par value, $.01 per share, have been duly and validly issued and are fully paid and nonassessable and none of them was issued in violation of any preemptive or other similar right. [THE COMPANY OWNS ALL OF THE SHARES OF CAPITAL STOCK OR OTHER BENEFICIAL INTERESTS OF ITS SUBSIDIARY, FREE AND CLEAR OF ALL LIENS, CHARGES, CLAIMS, SECURITY INTERESTS, ENCUMBRANCES, SHAREHOLDERS' AGREEMENTS, VOTING TRUSTS AND ANY OTHER RESTRICTIONS WHATSOEVER.] The Shares to be issued and sold by the Company, when issued and sold by the Company pursuant to this Agreement and the Shares to be sold by the Selling Shareholders, when sold by the Selling Shareholders pursuant to this Agreement, will be duly and validly issued, fully paid and nonassessable and none of them will be issued in violation of any preemptive or other similar right. Except as disclosed in the Registration Statement and the Prospectus, there is no outstanding option, warrant or other right calling for the issuance of, and there is no commitment, plan or arrangement to issue, any share of stock of the Company [OR ITS SUBSIDIARY], or any security convertible into, or exercisable or

exchangeable for, such stock. The Common Stock and the Shares conform in all material respects to all statements in relation thereto contained in the Registration Statement and the Prospectus.

(o) Except as described in the Registration Statement and the Prospectus, no holder of any security of the Company has the right to have any security owned by such holder included in the Registration Statement or to demand registration of any security owned by such holder during the period ending 180 days after the date of this Agreement.

(p) Each shareholder listed on Schedule III hereto, director and executive officer of the Company has delivered to the Representatives his or her enforceable written agreement that, except, in the case of the Selling Shareholders, for the sale of the Shares to be sold by the Selling Shareholders pursuant to the Registration Statement, he, she or it will not, for a period of 180 days after the date of this Agreement, sell (including "short sales"), loan, pledge, assign, transfer, encumber, distribute, grant or otherwise transfer or dispose of, directly or indirectly (collectively, "Transfer"), or offer, contract or otherwise agree to Transfer, any Common Stock or any other securities convertible into or exchangeable for Common Stock or any other equity securities of the Company owned by him, her or it, without the prior written consent of the Representatives, except for (i) sales to the several Underwriters pursuant to this Agreement or (ii) pursuant to will or the laws of intestate succession, provided the transferee thereof agrees in writing to be bound by such restrictions.

(q) All necessary corporate action has been duly and validly taken by the Company to authorize the execution, delivery and performance of this Agreement and the issuance and sale of the Shares. This Agreement has been duly and validly authorized, executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles and (ii) to the extent that rights to indemnity or contribution under this Agreement may be limited by Federal and state securities laws or the public policy underlying such laws.

(r) [NEITHER] The Company [NOR ITS SUBSIDIARY] is not involved in any labor dispute nor, to the best knowledge of the Company after due inquiry, is any such dispute threatened, which dispute would have a material adverse effect on the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company [AND ITS SUBSIDIARY, TAKEN AS A WHOLE]; and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers or

contractors which would have a material adverse effect on the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company [AND ITS SUBSIDIARY, TAKEN AS A WHOLE].

(s) No transaction has occurred between or among the Company [OR ITS SUBSIDIARY] and any of its [OR THEIR] officers, directors or shareholders, as the case may be, or any affiliate or affiliates of any such officer, director or shareholder, that is required to be described in and is not described in the Registration Statement and the Prospectus.

(t) [NEITHER] The Company [NOR ITS SUBSIDIARY] has not taken, nor will it take, directly or indirectly, any action designed to or which might reasonably be expected to cause or result in, or which has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of the Common Shares to facilitate the sale or resale of any of the Shares.

(u) [EACH OF] The Company [AND ITS SUBSIDIARY] has filed all Federal, state, local and foreign tax returns which are required to be filed through the date hereof, or has received valid extensions thereof, and has paid all taxes shown on such returns and all assessments received by it to the extent that the same have become due.

(v) The Shares have been duly authorized for quotation and trading on the National Association of Securities Dealers, Inc. Automated Quotation ("NASDAQ") National Market.

(w) The Company has complied with all of the requirements and filed the required forms as specified in Florida Statutes Section 517.075.

(x) The Company is not an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as each such term is defined in the Investment Company Act of 1940, as amended.

(y) [EACH OF] The Company [AND ITS SUBSIDIARY] is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are customary in the business in which it is engaged; and the Company has no reason to believe that it [OR ITS SUBSIDIARY] will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not materially and adversely affect the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company [AND ITS SUBSIDIARY, TAKEN AS A WHOLE].

(z) [NEITHER] The Company [NOR ITS SUBSIDIARY] has not, directly or indirectly, paid or delivered any fee, commission or other sum of money or item of property, however characterized, to any finder, agent, government official or other party, in the United States or any other country, which is in any manner related to the assets, properties, business or operations of the Company [OR SUCH SUBSIDIARY], which the Company knows or has reason to believe to have been illegal under any federal, state or local laws of the United States or any other country having jurisdiction; and neither the Company nor its Subsidiary has participated, directly or indirectly, in any boycotts or other similar practices in contravention of law affecting any of its actual or potential customers.

(aa) The Company meets, and on the Effective Date of the Registration Statement and on each Closing Date will meet, the conditions for use of Form S-1 under the Securities Act and the Rules.

(bb) The Company maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the accounting records for assets are compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(cc) There are no claims, payments, issuances, agreements, arrangements or understandings, whether oral or written, for services in the nature of a finder's fee, brokerage fee, origination fee or otherwise with respect to the offerings contemplated by this Agreement, the Registration Statement and the Prospectus or any other arrangements, agreements, understandings, payments or issuances that may affect the Underwriters' compensation as determined by the National Association of Securities Dealers, Inc. other than as disclosed in the Registration Statement and Prospectus and other than as the Representatives may themselves have agreed to with third parties.

5. Representations and Warranties of the Selling Shareholders. Each of the Selling Shareholders, severally and not jointly, represents and warrants to each Underwriter that:

(a) Such Selling Shareholder is, and on the Firm Shares Closing Date will be, the sole lawful owner of the Shares to be sold by it hereunder, and has, and on such date will have, good and marketable title to the Shares to be sold by such Selling Shareholder hereunder, free and clear of any lien, charge, claim, encumbrance, security interest, shareholders' agreement, voting trust, restriction on transfer or other defect in title.

(b) Such Selling Shareholder has, and on the Firm Shares Closing Date will have, full legal right, power and authority, and every approval, authorization or other consent, required to sell, assign, transfer and deliver such Shares in the manner provided in this Agreement; delivery of certificates for the Shares to be sold by such Selling Shareholder pursuant hereto will, upon payment therefor, pass good and marketable title thereto to each Underwriter, free and clear of any lien, charge, claim, encumbrance, security interest, shareholders' agreement, voting trust, restriction on transfer or other defect in title; and there are no outstanding options, warrants, rights or other agreements or arrangements requiring such Selling Shareholder at any time to transfer any Shares which may be sold to the Underwriters pursuant to this Agreement.

(c) Such Selling Shareholder has duly executed and delivered a power of attorney (the "Power of Attorney"), in the form heretofore delivered to the Representatives, appointing [ ] and [ ], as such Selling Shareholder's attorneys-in-fact (the "Attorneys-in- Fact"), each of them, together or individually, with full power and authority to execute, deliver and perform this Agreement on behalf of such Selling Shareholder.

(d) Such Selling Shareholder has duly executed and delivered a custody agreement (the "Custody Agreement"), in the form heretofore delivered to the Representatives pursuant to which certificates in negotiable form for the Shares to be sold by such Selling Shareholder under this Agreement were deposited with [ ], as a custodian (the "Custodian"). The Custody Agreement and the Custodian's authority thereunder and the appointment of the Attorneys-in-Fact are irrevocable and the obligations of such Selling Shareholder hereunder and under the Custody Agreement are not subject to termination by such Selling Shareholder, except as provided in this Agreement, the Power of Attorney or the Custody Agreement, or by operation of law, whether by the death or incapacity of such Selling Shareholder (if such Selling Shareholder is an individual), the death or incapacity of any trustee or executor or the termination of any trust or estate (if such Selling Shareholder is a trust or estate), the dissolution or liquidation of any corporation or partnership (if such Selling Shareholder is a corporation or a partnership), or the occurrence of any other event. If any event referred to in the preceding sentence should occur before the delivery of the Shares hereunder, the certificates for the Shares to be sold by such Selling Shareholder shall be delivered by the Custodian on behalf of such Selling Shareholder in accordance with the terms and conditions of this Agreement and the Custody Agreement, and action taken by the Custodian pursuant to the Custody Agreement shall be as valid as if such event had not occurred, whether or not the Custodian or the Attorneys-in- Fact, or any one of them, shall have received notice of such event.

(e) The execution, delivery and performance of this Agreement, the Power of Attorney and the Custody Agreement and the consummation of the transactions to be performed by such Selling Shareholder contemplated hereby and thereby, including the delivery and sale

of the Shares to be delivered and sold by such Selling Shareholder hereunder and thereunder, will not conflict with or result in a breach or violation of, or constitute a default (or an event which with notice or lapse of time or both would constitute a default) under, any agreement, indenture or other instrument to which such Selling Shareholder is a party or by which it is bound, or to which any of its assets or properties are subject or affected, nor will the performance by such Selling Shareholder of its obligations hereunder or thereunder violate any statute, rule, regulation, including, without limitation, the Communications Act, or order or decree of any court or any governmental or regulatory agency, authority or body, including, without limitation, the FCC, having jurisdiction over such Selling Shareholder or any of its assets or properties or result in the creation or imposition of any lien, charge, claim, security interest, encumbrance or restriction whatsoever upon such Shares.

(f) Except for permits and similar authorizations required under the Securities Act, the securities or Blue Sky laws of certain jurisdictions, and such permits and authorizations which have been obtained, no consent, approval, authorization, license, permit or certificate or order of any court, governmental or regulatory agency, authority or body, including the FCC, or financial institution is required in connection with the consummation of the transactions to be performed by such Selling Shareholder contemplated by this Agreement, including the delivery and sale of the Shares to be sold by such Selling Shareholder.

(g) Each of this Agreement, the Power of Attorney and the Custody Agreement has been duly and validly authorized, executed and delivered by such Selling Shareholder and constitutes a legal, valid and binding obligation of such Selling Shareholder, enforceable against such Selling Shareholder in accordance with its terms, except (i) as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles and (ii) to the extent that rights to indemnity or contribution under this Agreement may be limited by Federal and state securities laws or the public policy underlying such laws.

(h) All information furnished to the Company by such Selling Shareholder or on such Selling Shareholder's behalf for use in connection with the preparation of the Registration Statement and Prospectus (including, without limiting the generality of the foregoing, all representations and warranties of such Selling Shareholder in such Selling Shareholder's Power of Attorney and the information relating to such Selling Shareholder which is set forth in the Registration Statement under the caption "Principal and Selling Shareholders") is true and correct and does not omit any material fact necessary to make such information not misleading.

(i) The sale by such Selling Shareholder of Shares pursuant hereto is not prompted by any adverse information concerning the Company or its Subsidiary.

(j) Such Selling Shareholder has not since the filing of the Registration Statement (i) sold, bid for, purchased, attempted to induce any person to purchase, or paid anyone any compensation for soliciting purchases of, the Common Shares or (ii) paid or agreed to pay to any person any compensation for soliciting another to purchase any securities of the Company, except for the sale of the Shares by the Selling Shareholders under this Agreement.

(k) Such Selling Shareholder has not taken and will not take, directly or indirectly, any action designed to cause or result in, or which has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of the Common Shares to facilitate the sale or resale of the Shares.

6. Conditions of the Underwriters' Obligations. The obligations of the Underwriters under this Agreement are several and not joint. The respective obligations of the Underwriters to purchase the Shares are subject to each of the following terms and conditions:

(a) The Prospectus shall have been timely filed with the Commission in accordance with Section 7(A)(a) of this Agreement. The Registration Statement shall have become effective no later than 5:00 p.m., New York City time, on the date of this Agreement or such later time and date as shall be consented to in writing by the Representatives.

(b) No order preventing or suspending the use of any preliminary prospectus or the Prospectus shall have been or shall be in effect and no order suspending the effectiveness of the Registration Statement shall be in effect and no proceedings for such purpose shall be pending before or threatened by the Commission, and any requests for additional information on the part of the Commission (to be included in the Registration Statement or the Prospectus or otherwise) shall have been complied with to the satisfaction of the Representatives.

(c) The representations and warranties of the Company and the Selling Shareholders contained in this Agreement and in the certificates delivered pursuant to Section 6(d) and 6(e), respectively, shall be true and correct when made and on and as of each Closing Date as if made on such date and the Company and the Selling Shareholders shall have performed all covenants and agreements and satisfied all the conditions contained in this Agreement required to be performed or satisfied by it or them at or before such Closing Date.

(d) The Representatives shall have received on each Closing Date a certificate, addressed to the Representatives and dated such Closing Date, of the chief executive or chief operating officer and the chief financial officer or chief accounting officer of the Company to the

effect that the signers of such certificate have carefully examined the Registration Statement, the Prospectus and this Agreement and that the representations and warranties of the Company in this Agreement are true and correct on and as of such Closing Date with the same effect as if made on such Closing Date and the Company has performed all covenants and agreements and satisfied all conditions contained in this Agreement required to be performed or satisfied by it at or prior to such Closing Date.

(e) The Representatives shall have received on the Firm Shares Closing Date a certificate, addressed to the Representatives and dated such Closing Date, of each Selling Shareholder, to the effect that such Selling Shareholder has carefully examined the Registration Statement, the Prospectus and this Agreement and that the representations and warranties of such Selling Shareholder contained in this Agreement are true and correct as if made on and as of such Closing Date, with the same effect as if made on such Closing Date, and such Selling Shareholder has performed all covenants and agreements and satisfied all conditions contained in this Agreement required to be performed or satisfied by such Selling Shareholder at or prior to such Closing Date.

(f) The Representatives shall have received on the Effective Date, at the time this Agreement is executed and on each Closing Date signed letters from Price Waterhouse LLP addressed to the Representatives and dated, respectively, the Effective Date, the date of this Agreement and each such Closing Date, in form and substance satisfactory to the Representatives, confirming that they are independent accountants within the meaning of the Securities Act and the Rules, that the response to Item 10 of the Registration Statement is correct insofar as it relates to them and stating in effect that:

(i) in their opinion the audited financial statements and the schedules to the financial statements included in the Registration Statement and the Prospectus and reported on by them comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Rules;

(ii) on the basis of a reading of the amounts included in the Registration Statement and the Prospectus under the headings "Summary Financial [INFORMATION]," "Capitalization," "Dilution," "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," carrying out certain procedures (but not an examination in accordance with generally accepted auditing standards) which would not necessarily reveal matters of significance with respect to the comments set forth in such letter, a reading of the minutes of the meetings of the shareholders and directors of the Company [AND ITS SUBSIDIARY] (including any committees thereof), and inquiries of certain officials of the Company [AND ITS

SUBSIDIARY] who have responsibility for financial and accounting matters of the Company [AND ITS SUBSIDIARY] as to transactions and events subsequent to the date of the latest audited financial statements, except as disclosed in the Registration Statement and the Prospectus, nothing came to their attention which caused them to believe that:

(A) the amounts in "Summary Financial [INFORMATION]," "Capitalization," "Dilution," "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Registration Statement and the Prospectus do not agree with the corresponding amounts in the audited financial statements from which such amounts were derived; or

(B) (x) there were, at a specified date not more than five business days prior to the date of the letter, any changes in the short-term or long-term debt of the Company and its Subsidiary or capital stock of the Company or its Subsidiary or any decreases in net income or in working capital or the shareholders' equity in the Company or its Subsidiary, as compared with the amounts shown on the Company's unaudited June 30, 1996 balance sheet included in the Registration Statement or, (y) for the period from June 30, 1996 to such specified business date not more than five business days prior to the date of the letter, there were any decreases, as compared with the corresponding period in the preceding year, in net revenues or in the total or per share amounts of net income in which case the Company shall deliver to the Representatives a letter containing an explanation by the Company as to the significance thereof unless said explanation is not deemed necessary by the Representatives or is set forth in or contemplated by the Registration Statement;

(iii) on the basis of a reading of the pro forma financial information included in the Registration Statement and the Prospectus, carrying out certain procedures that would not necessarily reveal matters of significance with respect to the comments set forth in this clause (iii), inquiries of certain officials of the Company [AND ITS SUBSIDIARY] who have responsibility for financial and accounting matters and proving the arithmetic accuracy of the application of the pro forma adjustments to the historical amounts in the pro forma financial information, nothing came to their attention that caused them to believe that the pro forma financial information included in the Prospectus do not comply in form in all material respects with the applicable accounting requirements of Rule 11-02 of Regulation S-X, or that the pro forma adjustments have not been properly applied to the historical amounts in the compilation of those statements; and

(iv) they have performed certain other procedures as a result of which they have determined that certain information of an accounting, financial or statistical nature (which is limited to accounting, financial or statistical information derived from the general accounting records of the Company) set forth in the Registration Statement and the Prospectus and reasonably specified by the Representatives agrees with the accounting records of the Company.

References to the Registration Statement and the Prospectus in this paragraph (f) are to such documents as amended and supplemented as of the date of the letter.

(g) The Representatives shall have received:

(i) an opinion from Latham & Watkins, counsel for the Company, addressed to the Representatives, dated each Closing Date, stating in effect that:

(A) The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of California. To the best of such counsel's knowledge after due inquiry, [EXCEPT FOR THE SUBSIDIARY,] the Company has no [OTHER] subsidiary and does not control, directly or indirectly, any corporation, partnership, joint venture, association or other business organization. [THE SUBSIDIARY HAS BEEN DULY ORGANIZED AND IS VALIDLY EXISTING AS A CORPORATION IN GOOD STANDING UNDER THE LAWS OF THE JURISDICTION OF ITS ORGANIZATION.] [EACH OF] The Company [AND ITS SUBSIDIARY] is duly qualified and in good standing as a foreign corporation in each jurisdiction in which the character or location of its assets or properties (owned, leased or licensed) or the nature of its businesses makes such qualification necessary or desirable, except for such jurisdictions where the failure to so qualify would not have a material adverse effect on the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company [AND ITS SUBSIDIARY, TAKEN AS A WHOLE].

(B) [EACH OF] The Company [AND ITS SUBSIDIARY] has all requisite power and authority to own, lease and license its assets and properties and conduct its business as now being conducted and as described in the Registration Statement and the Prospectus; and the Company has all requisite corporate power and authority and all necessary authorizations, approvals, consents, orders, licenses, certificates and permits, other than those required under state Blue Sky or securities laws, to enter into, deliver and perform this Agreement and to authorize, issue and sell the Shares.

(C) The Company has authorized and issued capital stock as set forth in the Registration Statement and the Prospectus. The certificates evidencing the Shares are in due and proper legal form and have been duly authorized for issuance by the Company. All of the outstanding Common Stock of the Company have been duly and validly authorized and have been duly and validly issued and are fully paid and nonassessable and none of them was issued in violation of any preemptive or other similar right. [THE COMPANY OWNS ALL OF THE SHARES OF CAPITAL STOCK OR OTHER BENEFICIAL INTERESTS OF ITS SUBSIDIARY, FREE AND CLEAR OF ALL LIENS, CHARGES, CLAIMS, SECURITY INTERESTS, ENCUMBRANCES, SHAREHOLDERS' AGREEMENTS, VOTING TRUSTS AND ANY OTHER RESTRICTIONS WHATSOEVER.] The Shares, when issued and sold pursuant to this Agreement, will be duly and validly issued, outstanding, fully paid and nonassessable and none of them will have been issued in violation of any preemptive or other similar right. To such counsel's knowledge after due inquiry, except as disclosed in the Registration Statement and the Prospectus, there is no outstanding option, warrant or other right calling for the issuance of, and no commitment, plan or arrangement to issue, any share of stock of the Company or any security convertible into, exercisable for, or exchangeable for stock of the Company. The Common Stock and the Shares conform in all material respects to the descriptions thereof contained in the Registration Statement and the Prospectus.

(D) The agreement of the Company's shareholders set forth on Schedule III to this Agreement and directors and officers stating that (except in the case of the Selling Shareholders, for the sale of the Shares to be sold by the Selling Shareholders pursuant to the Registration Statement) for a period of 180 days from the date of this Agreement they will not, without the Representatives' prior written consent, directly or indirectly, Transfer, or offer, contract or otherwise agree to Transfer, any Common Stock or any other securities convertible into or exchangeable for Common Stock or any other equity securities owned by them, except for (i) sales to the several Underwriters pursuant to this Agreement or (ii) pursuant to will or the laws of intestate succession, provided the transferee thereof agrees in writing to be bound by such restrictions, has been duly and validly executed and delivered by such persons and constitutes the legal, valid and binding obligation of each such person enforceable against each such person in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws

affecting the enforcement of creditors' rights generally and by general equitable principles.

(E) All necessary corporate action has been duly and validly taken by the Company to authorize the execution, delivery and performance of this Agreement and the issuance and sale of the Shares. This Agreement has been duly and validly authorized, executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles and (ii) to the extent that rights to indemnity or contribution under this Agreement may be limited by Federal or state securities laws or the public policy underlying such laws.

(F) Neither the execution, delivery and performance of this Agreement by the Company nor the consummation of any of the transactions contemplated hereby (including, without limitation, the issuance and sale by the Company of the Shares to be issued and sold by the Company) will give rise to a right to terminate or accelerate the due date of any payment due under, or conflict with or result in the breach or violation of any term or provision of, or constitute a default (or any event which with notice or lapse of time, or both, would constitute a default) under, or require consent or waiver under, or result in the execution or imposition of any lien, charge or encumbrance upon any properties or assets of the Company [OR ITS SUBSIDIARY] pursuant to the terms of, any indenture, mortgage, deed of trust, note or other agreement or instrument to which the Company [OR ITS SUBSIDIARY] is a party or by which the Company [OR ITS SUBSIDIARY] is bound or to which the Company [OR ITS SUBSIDIARIES] or any of its respective properties, assets or businesses is subject or affected, or any franchise, license, consent, certificate, permit, judgment, decree, order, notice, plan, code, statute, rule or regulation or violate any provision of the Articles of Incorporation, as amended, or By-laws, as amended, of the Company [OR THE CHARTER OR BY-LAWS OF THE SUBSIDIARY].

(G) To the best of such counsel's knowledge after due inquiry, no default exists, and no event has occurred which with notice or lapse of time, or both, would constitute a default, in the due performance and observance of any term, covenant or condition by the Company [OR ITS SUBSIDIARY] of any

indenture, mortgage, deed of trust, note or any other agreement or instrument to which the Company [OR ITS SUBSIDIARY] is a party or by which the Company [OR ITS SUBSIDIARY] may be bound or to which the Company [OR ITS SUBSIDIARY] or of any of its assets, properties or businesses may be subject or affected, where the consequences of such default would have a material adverse effect on the assets, properties, business, results of operations, prospects or condition (financial or otherwise) of the Company [AND ITS SUBSIDIARY, TAKEN AS A WHOLE].

(H) To the best of such counsel's knowledge after due inquiry, [NEITHER] the Company [NOR ITS SUBSIDIARY] is not in violation of any term or provision of its Articles of Incorporation, as amended, or the By-laws, as amended, or any franchise, license, consent, certificate, permit, judgment, decree, order, notice, plan, code, statute, rule or regulation, where the consequences of such violation would have a material adverse effect on the assets or properties, businesses, results of operations, prospects or condition (financial or otherwise) of the Company [AND ITS SUBSIDIARY, TAKEN AS A WHOLE.]

(I) No consent, approval, authorization, license, certificate, permit or order of any court or governmental or regulatory agency, authority or body is required for the execution, delivery or performance of this Agreement by the Company or the consummation of the transactions contemplated hereby or by the Registration Statement or the Prospectus, except such as have been obtained under the Securities Act and such as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the several Underwriters.

(J) To the best of such counsel's knowledge after due inquiry, there is no litigation or governmental or other proceeding or investigation before any court or before or by any public body, agency or authority pending or threatened against, or involving the assets, properties or businesses of, the Company [OR ITS SUBSIDIARY] which might have a material adverse effect upon the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company [AND ITS SUBSIDIARY, TAKEN AS A WHOLE].

(K) The statements in the Prospectus under the captions "Description of Capital Stock," "Shares Eligible for Future Sale," "Business," "Management," "Capitalization," "Management's Discussion and Analysis of Financial

Condition and Results of Operations," "Principal and Selling Shareholders," "Certain Transactions," and "Risk Factors" insofar as such statements constitute a summary of documents referred to therein or matters of law, are fair summaries in all material respects and accurately present the information called for with respect to such documents and matters. All contracts and other documents required to be filed as exhibits to, or described in, the Registration Statement have been so filed with the Commission or are fairly described in the Registration Statement, as the case may be.

(L) The Registration Statement, all preliminary prospectuses, the Prospectus and each amendment or supplement thereto (except for the financial statements and schedules and other financial data included therein, as to which such counsel expresses no opinion) comply as to form in all material respects with the requirements of the Securities Act and the Rules. The descriptions in the Registration Statement, all preliminary prospectuses, the Prospectus, and each amendment or supplement thereto, of statutes, legal and governmental proceedings, contracts and other documents are accurate in all material respects; such counsel does not know of any statutes or legal or governmental proceedings required to be described in the Prospectus that are not described as required, or of any contracts or documents of a character required to be described in the Registration Statement or Prospectus or to be filed as exhibits to the Registration Statement that are not described and filed as required.

(M) The Registration Statement has become effective under the Securities Act, and no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are threatened, pending or contemplated.

(N) Such counsel does not know that any of the representations and warranties of the Company contained in this Agreement are not true or correct or that any of the covenants and agreements herein contained to be performed on the part of the Company or any of the conditions herein contained, or set forth in the Registration Statement and the Prospectus, to be fulfilled or complied with by the Company, have not been or will not be duly and timely performed, fulfilled or complied with.

To the extent deemed advisable by such counsel, they may rely as to matters of fact on certificates of responsible officers of the Company and public officials and on the opinions of other counsel satisfactory to the Representatives as to matters which are

governed by laws other than the laws of the State of California, the State of New York, the General Corporation Law of the State of Delaware and the Federal laws of the United States; provided that such counsel shall state that in their opinion the Underwriters and they are justified in relying on such other opinions. Copies of such certificates and other opinions shall be furnished to the Representatives and counsel for the Underwriters.

In addition, such counsel shall state that such counsel has participated in conferences with officers and other representatives of the Company, representatives of the Representatives and representatives of the independent certified public accountants of the Company, at which conferences the contents of the Registration Statement and the Prospectus and related matters were discussed and, although such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement and the Prospectus (except as specified in the foregoing opinions), on the basis of the foregoing, no facts have come to the attention of such counsel which lead such counsel to believe that the Registration Statement at the time it became effective (except with respect to the financial statements and notes and schedules thereto and other financial data, as to which such counsel need express no belief) contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus as amended or supplemented (except with respect to the financial statements and notes and schedules thereto and other financial data, as to which such counsel need express no belief) on the date thereof contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(ii) an opinion from [LATHAM & WATKINS], counsel for the Selling Shareholders, addressed to the Representatives, dated the Firm Shares Closing Date, stating in effect that:

(A) Assuming that the Underwriters acquire their respective interests in the Shares to be sold by the Selling Shareholders in good faith and without notice of any adverse claims (within the meaning of Section 8-302 of the Uniform Commercial Code), upon delivery to the Underwriters of such Shares registered in their names, the Underwriters will acquire good and marketable title to such Shares free and clear of all liens, charges, claims, security interests, encumbrances, pledges, shareholders' agreements, voting trusts and any other restrictions whatsoever.

(B) To the best of such counsel's knowledge after due inquiry, the execution, delivery and performance of this Agreement, the Power of Attorney and the Custody Agreement and the consummation of the transactions to be performed by each such Selling Shareholder contemplated hereby and thereby (including, without limitation, the delivery and sale of the Shares to be delivered and sold by such Selling Shareholder hereunder and thereunder), will not give rise to a right to terminate or accelerate the due date of any payment due under, or conflict with or result in the breach or violation of any term or provision of, or constitute a default (or any event which with notice or lapse of time, or both, would constitute a default) under, or require consent or waiver under, or result in the execution or imposition of any lien, charge or encumbrance upon any properties or assets of such Selling Shareholder pursuant to the terms of any indenture, mortgage, deed of trust, note or other agreement or instrument to which such Selling Shareholder is a party or bound or by which it or any of such Selling Shareholder's assets, properties or businesses are subject or affected, or any franchise, license, consent, certificate, permit, judgment, decree, order, notice, plan, code, statute, rule or regulation of which such counsel is aware or result in the creation of imposition of any lien, charge, claim, encumbrance, security interest or restriction whatsoever upon the Shares to be sold by such Selling Shareholder.

(C) No consent, approval, authorization, license, certificate, permit or order of any court, governmental or regulatory agency, authority or body or financial institution is required in connection with the performance of this Agreement by each Selling Shareholder or the consummation of the transactions contemplated hereby, by the Power of Attorney or by the Custody Agreement, including the delivery and sale of the Shares to be delivered and sold by such Selling Shareholder, except such as have been obtained under the Securities Act and such as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the several Underwriters.

(D) Each of this Agreement, the Power of Attorney and the Custody Agreement has been duly and validly authorized, executed and delivered by each Selling Shareholder and constitutes a legal, valid, and binding obligation of such Selling Shareholder, enforceable against such Selling Shareholder in accordance with its terms, except (i) as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii)

to the extent that rights to indemnity or contribution under this Agreement may be limited by Federal and state securities laws or the public policy underlying such laws.

(E) Such counsel does not know that any of the representations and warranties of the Selling Shareholders contained in this Agreement are not true or correct or that any of the covenants and agreements herein contained to be performed on the part of the Selling Shareholders or any of the conditions herein contained, or set forth in the Registration Statement and the Prospectus, to be fulfilled as complied with by the Selling Shareholders, have not been or will not be duly and timely performed, fulfilled or complied with.

To the extent deemed advisable by such counsel, they may rely as to matters of fact on certificates of the Selling Shareholders and on the opinions of other counsel satisfactory to the Representatives as to matters which are governed by laws other than the laws of the State of California, the State of New York, the General Corporation Law of the State of Delaware and the Federal laws of the United States; provided that such counsel shall state that in their opinion the Underwriters and they are justified in relying on such other opinions. Copies of such certificates and other opinions shall be furnished to the Representatives and counsel for the Underwriters.

In addition, such counsel shall state that such counsel has participated in conferences with officers and other representatives of the Company, representatives of the Representatives and representatives of the independent certified public accountants of the Company, at which conferences the contents of the Registration Statement and the Prospectus and related matters were discussed and, although such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement and the Prospectus (except as specified in the foregoing opinion), on the basis of the foregoing, no facts have come to the attention of such counsel which lead such counsel to believe that the Registration Statement at the time it became effective (except with respect to the financial statements and notes and schedules thereto and other financial data, as to which such counsel need express no belief) contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus as amended or supplemented (except with respect to the financial statements and notes and schedules thereto and other financial data, as to which such counsel need express no belief) on the date thereof contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make

the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) All proceedings taken in connection with the sale of the Firm Shares and the Option Shares as herein contemplated shall be reasonably satisfactory in form and substance to the Representatives and their counsel and the Underwriters shall have received from Kaye, Scholer, Fierman, Hays & Handler, LLP a favorable opinion, addressed to the Representatives and dated each Closing Date, with respect to the Shares, the Registration Statement and the Prospectus, and such other related matters, as the Representatives may reasonably request, and the Company shall have furnished to Kaye, Scholer, Fierman, Hays & Handler, LLP such documents as they may reasonably request for the purpose of enabling them to pass upon such matters.

(i) The Representatives shall have received on each Closing Date a certificate, addressed to the Representatives, and dated such Closing Date, of an executive officer of the Company to the effect that the signer of such certificate has reviewed and understands the provisions of Section 517.075 of the Florida Statutes, and represents that the Company has complied, and at all times will comply, with all provisions of Section 517.075 and further, that as of such Closing Date, neither the Company nor any of its affiliates does business with the government of Cuba or with any person or affiliate located in Cuba.

(j) The Representatives shall have received from each of the shareholders listed on Schedule III hereto and each director and executive officer of the Company the enforceable written agreements described in Section 4(p).

(k) The Company shall have furnished or caused to be furnished to the Representatives such further certificates and documents as the Representatives shall have reasonably requested.

(l) At each Closing Date, the Shares shall have been approved for listing on the Nasdaq National Market.

7. Covenants of the Company. (A) The Company covenants and agrees as follows:

(a) The Company shall prepare the Prospectus in a form approved by the Representatives and file such Prospectus pursuant to Rule 424(b) under the Securities Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Securities Act, and shall promptly advise the Representatives (i) when any amendment to the Registration Statement shall have become effective, (ii) of any

request by the Commission for any amendment of the Registration Statement or the Prospectus or for any additional information, (iii) of the prevention or suspension of the use of any preliminary prospectus or the Prospectus or of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the institution or threatening of any proceeding for that purpose and (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose. The Company shall not file any amendment of the Registration Statement or supplement to the Prospectus unless the Company has furnished the Representatives with a copy for their review prior to filing and shall not file any such proposed amendment or supplement to which the Representatives reasonably object. The Company shall use its best efforts to prevent the issuance of any such stop order and, if issued, to obtain as soon as possible the withdrawal thereof.

(b) If, at any time when a prospectus relating to the Shares is required to be delivered under the Securities Act and the Rules, any event occurs as a result of which the Prospectus, as then amended or supplemented, would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it shall be necessary to amend or supplement the Prospectus to comply with the Securities Act or the Rules, the Company promptly shall prepare and file with the Commission, subject to the second sentence of paragraph (a) of this Section 7(A), an amendment or supplement which shall correct such statement or omission or an amendment which shall effect such compliance.

(c) The Company shall make generally available to its security holders and to the Representatives as soon as practicable, but not later than 45 days after the end of the 12-month period beginning at the end of the fiscal quarter of the Company during which the Effective Date occurs (or 90 days if such 12-month period coincides with the Company's fiscal year), an earnings statement (which need not be audited) of the Company, covering such 12-month period, which shall satisfy the provisions of Section 11(a) of the Securities Act or Rule 158 of the Rules.

(d) The Company shall furnish to the Representatives and counsel for the Underwriters, without charge, signed copies of the Registration Statement (including all exhibits thereto and amendments thereof) and to each other Underwriter a copy of the Registration Statement (without exhibits thereto) and all amendments thereof and, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Securities Act or the Rules, as many copies of any preliminary prospectus and the Prospectus and any amendments thereof and supplements thereto as the Representatives may reasonably request.

(e) The Company shall use its best efforts to assist the Representatives and their counsel in endeavoring to qualify the Shares for offer and sale under the laws of such jurisdictions as the Representatives may designate and shall maintain such qualifications in effect so long as required for the distribution of the Shares; provided, however, that the Company shall not be required in connection therewith, as a condition thereof, to qualify as a foreign corporation or to execute a general consent to service of process in any jurisdiction or subject itself to taxation as doing business in any jurisdiction.

(f) For a period of five years after the date of this Agreement, the Company shall supply to the Representatives, and to each other Underwriter who may so request in writing, copies of such financial statements and other periodic and special reports as the Company may from time to time distribute generally to the holders of any class of its capital stock and to furnish to the Representatives a copy of each annual or other report it shall be required to file with the Commission (including the Report on Form SR required by Rule 463 of the Rules).

(g) Without the prior written consent of the Representatives, for a period of 180 days after the date of this Agreement, the Company shall not, directly or indirectly, Transfer, or offer, contract or otherwise agree to Transfer, any Common Stock, or any other securities convertible into or exchangeable for Common Stock or any other equity securities of the Company, except for (i) the issuance of Common Stock pursuant to stock options outstanding on the date hereof or the issuance of Common Stock pursuant to the Company's [1996 STOCK OPTION PLAN] (the "Plans"); and (ii) the issuance of Common Stock in connection with any acquisition of another entity. In the event that during this period, (i) any Common Stock is issued pursuant to the Plans; (ii) any Common Stock is issued in connection with any acquisition of another entity; or (iii) any registration is effected on Form S-8 or on any successor form, the Company shall obtain the enforceable written agreement of such grantee or purchaser or holder of such securities that, for a period of 180 days after the date of this Agreement, such person will not directly or indirectly, without the prior written consent of the Representatives, Transfer, or offer, contract or otherwise agree to Transfer, or exercise any registration rights with respect to, any Common Stock (or any other securities convertible into or exchangeable for any Common Stock, or any other equity securities) owned by such person.

(h) The Company shall cause each director and executive officer of the Company and each shareholder set forth on Schedule III to this Agreement to deliver to the Representatives his or her enforceable written agreement that, except, in the case of a Selling Shareholder, for the sale of the Shares to be sold by such Selling Shareholder pursuant to the Registration Statement, he or she will not, without the prior written consent of the Representatives, directly or indirectly, Transfer, or offer, contract or otherwise agree to Transfer, any Common Stock or any other securities convertible into or exchangeable for Common Stock

or any other equity securities of the Company until 180 days after the date of this Agreement, except for (i) sales to the several Underwriters pursuant to this Agreement or (ii) pursuant to will or the laws of intestate succession, provided the transferee thereof agrees in writing to be bound by such restrictions.

(i) On or before completion of this offering, the Company shall make all filings required under applicable securities laws and by the Nasdaq (including any required registration under the Exchange Act).

(j) The Company shall file timely and accurate reports in accordance with the provisions of Florida Statutes Section 517.075, or any successor provision, and any regulations promulgated thereunder, if at any time after the Effective Date, the Company or any of its affiliates commences engaging in business with the government of Cuba or any person or affiliate located in Cuba.

(k) The Company will apply the net proceeds from the offering of the Shares in the manner set forth under "Use of Proceeds" in the Prospectus.

(B) The Company agrees to pay, or reimburse if paid by the Representatives, whether or not the transactions contemplated hereby are consummated or this Agreement is terminated, all costs and expenses incident to the public offering of the Shares and the performance of the obligations of the Company and of the Selling Shareholders under this Agreement including those relating to: (i) the preparation, printing, filing and distribution of the Registration Statement including all exhibits thereto, each preliminary prospectus, the Prospectus, all amendments and supplements to the Registration Statement, the Prospectus, and the printing, filing and distribution of this Agreement; (ii) the fees and disbursements of counsel for the Company and the Selling Shareholders and of the Company's independent public accountants; (iii) the preparation and delivery of certificates for the Shares to the Underwriters; (iv) the registration or qualification of the Shares for offer and sale under the securities or Blue Sky laws of the various jurisdictions referred to in Section 7(A)(e), including the reasonable fees and disbursements of counsel for the Underwriters in connection with such registration and qualification and the preparation, printing, distribution and shipment of preliminary and supplementary Blue Sky memoranda; (v) the furnishing (including costs of shipping and mailing) to the Representatives and to the Underwriters of copies of each preliminary prospectus, the Prospectus and all amendments or supplements to the Prospectus, and of the several documents required by this Section to be so furnished, as may be reasonably requested for use in connection with the offering and sale of the Shares by the Underwriters or by dealers to whom Shares may be sold; (vi) the filing fees of the National Association of Securities Dealers, Inc. in connection with its review of the terms of the public offering; (vii) the furnishing

(including costs of shipping and mailing) to the Representatives and to the Underwriters of copies of all reports and information required by Section 7(A)(f); (viii) inclusion of the Common Stock for quotation on the Nasdaq National Market; and (ix) all transfer taxes, if any, with respect to the sale and delivery of the Shares by the Company and the Selling Shareholders to the Underwriters. Subject to the provisions of Section 10, the Underwriters agree to pay, whether or not the transactions contemplated hereby are consummated or this Agreement is terminated, all costs and expenses incident to the performance of the obligations of the Underwriters under this Agreement not payable by the Company pursuant to the preceding sentence, including, without limitation, the fees and disbursements of counsel for the Underwriters.

8. Indemnification.

(a) The Company and each Selling Shareholder agree, jointly and severally, to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all losses, claims, damages and liabilities, joint or several (including any reasonable investigation, legal and other expenses incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claim asserted), to which they, or any of them, may become subject under the Securities Act, the Exchange Act, the Rules or other Federal or state law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus, the Registration Statement or the Prospectus or any amendment thereof or supplement thereto, or arise out of or are based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that such indemnity shall not inure to the benefit of any Underwriter (or any person controlling such Underwriter) on account of any losses, claims, damages or liabilities arising from the sale of the Shares to any person by such Underwriter if such untrue statement or omission or alleged untrue statement or omission was made in such preliminary prospectus, the Registration Statement or the Prospectus, or such amendment or supplement, and was contained in the last paragraph of the cover page of the Prospectus, in the paragraph relating to stabilization on the inside front cover page of the Prospectus or under the caption "Underwriting" in the Prospectus (to the extent such statements relate to the Underwriters). Notwithstanding the foregoing, the liability of each Selling Shareholder pursuant to the provisions of this Section 8(a) shall be limited to an amount equal to the aggregate net proceeds received by such Selling Shareholder from the sale of the Shares sold by such Selling Shareholder hereunder. This indemnity agreement will be in addition to any liability which the Company and each Selling Shareholder may otherwise have.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, the Selling Shareholders, each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, each director of the Company, and each officer of the Company who signs the Registration Statement, to the same extent as the foregoing indemnities from the Company or such Selling Shareholder to each Underwriter, but only insofar as such losses, claims, damages or liabilities arise out of or are based upon any untrue statement or omission or alleged untrue statement or omission which was made in any preliminary prospectus, the Registration Statement or the Prospectus, or any amendment thereof or supplement thereto, and was contained in the last paragraph of the cover page of the Prospectus, in the paragraph relating to stabilization on the inside front cover page of the Prospectus or under the caption "Underwriting" in the Prospectus (to the extent such statements relate to the Underwriters); provided, however, that the obligation of each Underwriter to indemnify the Company or any Selling Shareholder (including any controlling person, director or officer thereof), as the case may be, shall be limited to the net proceeds received by the Company or the Selling Shareholder, as the case may be, from such Underwriter.

(c) Any party that proposes to assert the right to be indemnified under this Section will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim is to be made against an indemnifying party or parties under this Section , notify each such indemnifying party of the commencement of such action, suit or proceeding, enclosing a copy of all papers served. The indemnification provided for in Section 8(a) or 8(b) shall be limited for any party who shall fail to give notice as provided in this Section 8(c) to the extent the indemnifying party was materially prejudiced by the failure to give such notice, if the party to whom notice was not given was unaware of the proceeding to which such notice would have related but the omission to so notify such indemnifying party of any such action, suit or proceeding shall not relieve it from any liability that it may have to any indemnified party for contribution or otherwise than under this Section . In case any such action, suit or proceeding shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate in, and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof and the approval by the indemnified party of such counsel, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses, except as provided below and except for the reasonable costs of investigation subsequently incurred by such indemnified party in connection with the defense thereof. The indemnified party shall have the right to employ its counsel in any such action, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the

employment of counsel by such indemnified party has been authorized in writing by the indemnifying parties, (ii) the indemnified party shall have reasonably concluded that there may be a conflict of interest between the indemnifying parties and the indemnified party in the conduct of the defense of such action (in which case the indemnifying parties shall not have the right to direct the defense of such action on behalf of the indemnified party) or (iii) the indemnifying parties shall not have employed counsel, as provided above, to assume the defense of such action within a reasonable time after notice of the commencement thereof, in each of which cases the fees and expenses of counsel shall be at the expense of the indemnifying parties. An indemnifying party shall not be liable for any settlement of any action, suit, proceeding or claim effected without its written consent.

9. Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in Section 8(a) or 8(b) for any reason is unavailable to or insufficient to hold harmless an indemnified party under Section 8(a) or 8(b), then each indemnifying party shall contribute to the aggregate losses, claims, damages and liabilities (including any investigation, legal and other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claims asserted) to which the indemnified party may be subject in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Shareholders on the one hand and the Underwriters on the other from the offering of the Shares or, if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to above but also the relative fault of the Company and the Selling Shareholders on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company, the Selling Shareholders and the Underwriters shall be deemed to be in the same proportion as (x) the total proceeds from the offering (net of underwriting discounts but before deducting expenses) received by the Company or the Selling Shareholders, as set forth in the table on the cover page of the Prospectus, bear to (y) the underwriting discounts received by the Underwriters, as set forth in the table on the cover page of the Prospectus. The relative fault of the Company, the Selling Shareholders or the Underwriters shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact related to information supplied by the Company, the Selling Shareholders or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Selling Shareholders and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 9 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this Section 9, (i) in no case shall any Underwriter (except as may be provided in the Agreement Among Underwriters) be liable or responsible for any amount in excess of the underwriting discount applicable to the Shares purchased by such Underwriter hereunder less the

amount of any damages which such Underwriter has otherwise been required to pay by reason of any untrue or alleged untrue statement or omission or alleged omission which was made in any preliminary prospectus, the Registration Statement or the Prospectus, or any amendment thereof or supplement thereto; and (ii) the Company shall be liable and responsible for any amount in excess of the amount set forth in clause (i) of this sentence; and (iii) in no case shall any Selling Shareholder be liable and responsible for any amount in excess of the aggregate net proceeds of the sale of the Shares received by such Selling Shareholder hereunder; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 9, each person, if any, who controls an Underwriter within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act shall have the same rights to contribution as such Underwriter and each person, if any, who controls the Company within the meaning of the Section 15 of the Securities Act or Section 20(a) of the Exchange Act, each officer of the Company who shall have signed the Registration Statement and each director of the Company shall have the same rights to contribution as the Company, subject in each case to clauses (i), (ii) and (iii) in the immediately preceding sentence of this Section 9. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this Section , notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties from whom contribution may be sought shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this Section . No party shall be liable for contribution with respect to any action, suit, proceeding or claim settled without its written consent. The Underwriters' obligations to contribute pursuant to this Section 9 are several in proportion to their respective underwriting commitments and not joint.

10. Termination. This Agreement may be terminated with respect to the Shares to be purchased on a Closing Date by the Representatives notifying the Company and the Selling Shareholders at any time:

(a) in the absolute discretion of the Representatives at or before any Closing Date: (i) if on or prior to such date, any domestic or international event or act or occurrence has materially disrupted, or in the opinion of the Representatives will in the future materially disrupt, the securities markets; (ii) if the Company [OR ITS SUBSIDIARY] shall have sustained a loss or interference with its business by fire, flood, accident, hurricane, earthquake, theft, sabotage or other calamity or malicious act which is material to the Company [AND THE SUBSIDIARY, TAKEN AS A WHOLE,] whether or not said loss shall have been insured, or by court or governmental action, order or decree which will, in the opinion of the Representatives, make it inadvisable or impractical to proceed with the offering; (iii) if there has been, since the respective dates as of which information is given in the Prospectus, any material adverse change in the assets or

properties, business, results of operations, prospects or condition (financial or otherwise) of the Company [AND ITS SUBSIDIARY, TAKEN AS A WHOLE,] whether or not arising in the ordinary course of business; (iv) if there has occurred any new outbreak or material escalation of hostilities or other calamity or crisis the effect of which on the financial markets of the United States is such as to make it, in the judgment of the Representatives, inadvisable or impractical to proceed with the offering; (v) if there shall be such a material adverse change in general financial, political or economic conditions in the United States or elsewhere or the effect of international conditions on the financial markets in the United States is such as to make it, in the judgment of the Representatives, inadvisable or impractical to proceed with the offering; (vi) if trading in the Shares has been suspended by the Commission or trading generally on the New York Stock Exchange, Inc., on the American Stock Exchange, Inc. or Nasdaq has been suspended or limited, or minimum or maximum ranges for prices for securities shall have been fixed, or maximum ranges for prices for securities have been required, by said exchanges or automated quotation system or by order of the Commission, the National Association of Securities Dealers, Inc., or any other governmental or regulatory agency, authority or body; or (vii) if a banking moratorium has been declared by any state or Federal agency, authority, or body, or

(b) at or before any Closing Date, that any of the conditions specified in Section 6 shall not have been fulfilled when and as required by this Agreement.

If this Agreement is terminated pursuant to any of its provisions, neither the Company nor any of the Selling Shareholders shall be under any liability to any Underwriter (except as otherwise provided in Section 7(B) and Sections 8 and 9, and no Underwriter shall be under any liability to the Company or the Selling Shareholders except that (y) if this Agreement is terminated by the Representatives because of any failure, refusal or inability on the part of the Company or the Selling Shareholders to comply with the terms or to fulfill any of the conditions of this Agreement, the Company will reimburse the Underwriters for all out-of-pocket expenses (including the reasonable fees and disbursements of their counsel) incurred by them in connection with the proposed purchase and sale of the Shares or in contemplation of performing their obligations hereunder and (z) no Underwriter who shall have failed or refused to purchase the Shares agreed to be purchased by it under this Agreement, without some reason sufficient hereunder to justify cancellation or termination of its obligations under this Agreement, shall be relieved of liability to the Company, the Selling Shareholders or to the other Underwriters for damages occasioned by its failure or refusal.

11. Substitution of Underwriters. If one or more of the Underwriters shall fail (other than for a reason sufficient to justify the cancellation or termination of this Agreement under Section 10) to purchase on any Closing Date the Shares agreed to be purchased on such Closing Date by such Underwriter or Underwriters, the Representatives may find one or more substitute underwriters to

purchase such Shares or make such other arrangements as the Representatives may deem advisable or one or more of the remaining Underwriters may agree to purchase such Shares in such proportions as may be approved by the Representatives, in each case upon the terms set forth in this Agreement. If no such arrangements have been made by the close of business on the business day following such Closing Date,

(a) if the number of Shares to be purchased by the defaulting Underwriters on such Closing Date shall not exceed 10% of the Shares that all the Underwriters are obligated to purchase on such Closing Date, then each of the nondefaulting Underwriters shall be obligated to purchase such Shares on the terms herein set forth in proportion to their respective obligations hereunder; provided, that in no event shall the maximum number of Shares that any Underwriter has agreed to purchase pursuant to Section 1 be increased pursuant to this Section 11 by more than one-ninth of such number of Shares without the written consent of such Underwriter, or

(b) if the number of Shares to be purchased by the defaulting Underwriters on such Closing Date shall exceed 10% of the Shares that all the Underwriters are obligated to purchase on such Closing Date, then the Company shall be entitled to an additional business day within which it may, but is not obligated to, find one or more substitute underwriters reasonably satisfactory to the Representatives to purchase such Shares upon the terms set forth in this Agreement.

In any such case, either the Representatives or the Company shall have the right to postpone the applicable Closing Date for a period of not more than five business days in order that necessary changes and arrangements (including any necessary amendments or supplements to the Registration Statement or Prospectus) may be effected by the Representatives and the Company. If the number of Shares to be purchased on such Closing Date by such defaulting Underwriter or Underwriters shall exceed 10% of the Shares that all the Underwriters are obligated to purchase on such Closing Date, and none of the nondefaulting Underwriters or the Company shall make arrangements pursuant to this Section within the period stated for the purchase of the Shares that the defaulting Underwriters agreed to purchase, this Agreement shall terminate with respect to the Shares to be purchased on such Closing Date without liability on the part of any nondefaulting Underwriter to the Company or the Selling Shareholders, and without liability on the part of the Company or the Selling Shareholders, except in both cases as provided in Sections 7(B), 8, 9 and 10. The provisions of this Section shall not in any way affect the liability of any defaulting Underwriter to the Company, the Selling Shareholders or to the nondefaulting Underwriters arising out of such default. A substitute underwriter hereunder shall become an Underwriter for all purposes of this Agreement.

12. Submission to Jurisdiction. The Company hereby irrevocably (i) agrees that any legal suit, action or proceeding against the Company brought by any Underwriter or by any person who controls any Underwriter arising out of or based upon this Agreement or the transactions contemplated hereby, including any legal suit, action or proceeding to enforce the provisions of Sections 8 and 9 hereof, may be instituted in any United States or State court in the County of New York, (ii) waives, to the fullest extent it may effectively do so, any objection which it may have now or hereafter based on forum non convenient or to the laying of venue of any such suit, action or proceeding, and (iii) expressly consents and submits to the exclusive jurisdiction of any such court in any such suit, action or proceeding. The Company has designated and appointed _____ (or any successor corporation) (the "Authorized Agent"), as such person's authorized agent upon whom process may be served in any such suit, action or proceeding at the office of such agent at _____ (or such other address in the Borough of Manhattan, the City of New York, as such person may designate by written notice received by you). The Company represents and warrants that the Authorized Agent has agreed to act as such agent for service of process and agrees to take any and all action, including the filing of any and all documents and instruments, that may be necessary to continue such appointments in full force and effect as aforesaid. Service of process upon the Authorized Agent and written notice of said service to the Company mailed by first class mail shall be deemed in every respect effective and valid personal service of process upon the Company. Nothing herein shall affect the right of any Underwriter or any person controlling any Underwriter to serve process in any other manner permitted by law.

13. Miscellaneous. The respective agreements, representations, warranties, indemnities and other statements of the Company or its directors or officers, of the Selling Shareholders and of the Underwriters set forth in or made pursuant to this Agreement shall remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or the Company or the Selling Shareholders or any of the officers, directors or controlling persons referred to in Sections 8 and 9 hereof, and shall survive delivery of and payment for the Shares. The provisions of Sections 7(B), 8, 9 and 10 shall survive the termination or cancellation of this Agreement.

This Agreement has been and is made for the benefit of the Underwriters, the Company and the Selling Shareholders and their respective successors and assigns, and, to the extent expressed herein, for the benefit of persons controlling any of the Underwriters and the Company, and directors and officers of the Company, and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. The term "successors and assigns" shall not include any purchaser of Shares from any Underwriter merely because of such purchase.

All notices and communications hereunder shall be in writing and mailed or delivered or by telephone, telex or facsimile transmission if subsequently confirmed in writing, (a) if to the Representatives, c/o Oppenheimer & Co., Inc., Oppenheimer Tower, World Financial Center, New

York, New York 10281 Attention: _____ (b) if to the Company, to its agent for service as such agent's address appears on the cover page of the Registration Statement; and (c) if to a Selling Shareholder, to the Attorneys-in-Fact, c/o _____.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflict of laws.

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Please confirm that the foregoing correctly sets forth the agreement among us.

Very truly yours,

VIASAT, INC.

By:

Name:
Title:

SELLING SHAREHOLDERS NAMED ON
SCHEDULE II ANNEXED HERETO

By:

Attorney-in-Fact for the Selling
Shareholders listed on Schedule II
annexed hereto

Confirmed:
OPPENHEIMER & CO., INC.
NEEDHAM & COMPANY, INC.
VOLPE, WELTY & COMPANY

Acting severally on behalf of themselves and
as representatives of the several Underwriters
named in Schedule I annexed hereto.

By: OPPENHEIMER & CO., INC.

By:

Name:
Title:

SCHEDULE I

Name	Number of Firm Shares to Be Purchased
Oppenheimer & Co., Inc.	
Needham & Company, Inc.	
Volpe, Welty & Company	
Total Shares:	

SCHEDULE II

SELLING SHAREHOLDERS

Selling Shareholder	Number of Firm Shares to be Sold
Total Shares:	

SCHEDULE III

SHAREHOLDERS EXECUTING CERTAIN

AGREEMENTS PURSUANT TO SECTION 7(A)(h)

EXHIBIT 10.1

VIASAT, INC.

PREFERRED STOCK PURCHASE AGREEMENT

3,000,000 SHARES OF SERIES A CONVERTIBLE PREFERRED STOCK

Dated as of June 11, 1986

TABLE OF CONTENTS
(NOT PART OF Agreement)

PREFERRED STOCK PURCHASE AGREEMENT

THIS PREFERRED STOCK PURCHASE AGREEMENT (this "Agreement") is made as of the 11th day of June, 1986, by and among ViaSat, Inc., a California corporation (the "Company"), and Southern California Ventures, a California limited partnership, Robert W. Johnson and Thomas A. Tisch (collectively, the "Purchasers").

SECTION 1

Authorization, Purchase and Sale of the Shares

1.1 Authorization of the Shares. The Company has authorized the issuance and sale of up to 3,000,000 shares of its Series A Convertible Preferred Stock (the "Shares") having the rights, restrictions, privileges and preferences as set forth in the Amended and Restated Articles of Incorporation (the "Certificate") attached to this Agreement as Exhibit A.

1.2 Sale and Purchase of the Shares. At the Closing (as defined in Section 2.1 hereof), subject to the terms and conditions hereof and in reliance upon the representations, warranties and agreements contained herein, the Company agrees to issue and sell to the Purchasers and the Purchasers agree to purchase from the Company a total of 3,000,000 Shares at a purchase price of $.10 per share and an aggregate purchase price of $300,000 (the "Purchase Price"), in the individual amounts set forth on Exhibit B hereto.

SECTION 2

Closing, Payment and Delivery

2.1 Closing Date and Place of Closing. The closing of the purchase and sale of the Shares hereunder (the "Closing") shall occur at 3 o'clock P.M., Pacific Standard Time, on the date hereof or on such later date (within 30 days thereafter) as the Company and the Purchasers shall agree (the date of such Closing being referred to as the "Closing Date"). The place of the Closing (including the place of delivery to the Purchasers by the Company of the certificates evidencing all Shares being purchased and the place of payment to the Company by the Purchasers of the Purchase Price therefor) shall be at such place as the Purchasers and the Company shall agree.

2.2 Payment and Delivery. At the Closing, each Purchaser shall pay the portion of the aggregate Purchase Price set forth opposite the Purchaser's name on Exhibit B hereto to the Company by check or wire transfer and the Company shall deliver to each Purchaser a certificate or certificates representing the number of Shares purchased, as set forth on Exhibit B registered in the Purchaser's name.

2.3 Covenant of Best Efforts and Good Faith. The Company and the Purchasers agree to use their respective best efforts and to act in good faith to cause to occur all conditions to Closing, as set forth in Sections 5 and 6 hereof, which are in the control of such party.

SECTION 3

Representations and Warranties of the Company

The Company hereby covenants with and represents and warrants to the Purchasers that, except as set forth in the Schedule of Exceptions, attached to this Agreement as Exhibit C:

3.1 Organization and Standing; Articles and Bylaws.

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of California. The Company has all requisite corporate power and authority to own its properties, to conduct its business, to enter into this Agreement, to file the Certificate, to issue and sell the Shares, to issue the Common Stock issuable upon conversion of the Shares, and to carry out and perform its obligations under this Agreement and the Certificate.

(b) The Company has furnished the Purchasers or Special Counsel with true, correct and complete copies of its Articles of Incorporation, Bylaws and all amendments thereto to date.

3.2 Subsidiaries. The Company has no Subsidiaries or direct or indirect equity interest, by way of stock ownership or otherwise, in any other firm, corporation, association or business enterprise.

3.3 Capitalization. The Company's authorized capital stock consists of (a) 10,000,000 shares of common stock, par value $.01 per share (the "Common Stock"), of which 3,000,000 shares are issued and outstanding, and (b) 3,000,000 shares of preferred stock (the "Preferred Stock"), 3,000,000 of which have been designated "Series A Convertible Preferred Stock," no par value, and the Company has no authority to issue any other capital stock.

No shares of Preferred Stock have been issued prior to the Closing. ALL of the issued and outstanding shares of Common Stock have been duly authorized and validly issued, are fully paid and nonassessable, and have been offered, issued, sold and delivered by the Company in compliance with all applicable Federal and state securities laws. Exhibit D hereto contains a true and complete list of the names and addresses of the beneficial holders of all of the outstanding Common Stock and of the holders of all outstanding options or other rights to purchase Common Stock. Except as expressly provided in this Agreement or disclosed in Exhibit D, there are no outstanding preemptive, conversion or other rights, options, warrants or agreements granted or issued by or binding upon the Company for the purchase or acquisition of any shares of its capital stock. To the best of the Company's knowledge and belief, no holder of Common Stock has granted options or other rights to purchase any shares of Common Stock from such shareholder, and there is no voting trust agreement or arrangement among any of the beneficial holders of Common Stock affecting the exercise of the voting rights of such Common Stock. The Company has reserved 1,500,000 shares of Common Stock for issuance to future employees either upon the exercise of stock options or upon the issuance of stock, in all cases subject to approval of such options or stock by the Board.

3.4 Authorization. ALL corporate actions and proceedings on the part of the Company, its directors and shareholders necessary for the authorization, execution, delivery and performance by the Company of this Agreement and the Certificate, and otherwise for the authorization, issuance and delivery of the Shares and the Common Stock issuable upon conversion thereof have been lawfully and validly conducted. This Agreement and the Certificate are valid and binding obligations of the Company, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws and equitable princples relating to or affecting the enforcement of creditors' rights in general and by general principles of equity, and except that enforcement of the indemnity provisions of Section 8.8 of this Agreement may be limited by Federal or state securities laws or public policy underlying such laws. The execution, delivery and performance by the Company of this Agreement, and the compliance by the Company with the Certificate, will not result in any violation of, conflict with, or result in a breach of any of the terms of, or constitute a default under, any provision of Federal or state law to which the Company is subject, the Company's Articles of Incorporation or Bylaws, or any mortgage, indenture, agreement, instrument, judgment, decree, order, rule, regulation or other restriction to which the Company is a party or by which it or any of its assets are bound, or result in the creation of any Lien upon any of the assets of the Company, which violation, conflict, breach, default or Lien could have a material adverse effect on the condition, financial or otherwise, or operation of

the Company. The Shares have been duly authorized, and when issued in compliance with the provisions of this Agreement, will be validly issued, fully paid and nonassessable, and will be free of any Liens and restrictions (except restrictions arising under the Securities Act or the California Corporate Securities Law of 1968) and will have the rights, preferences, privileges and restrictions as provided in the Certificate. The shares of Common Stock issuable upon conversion of the Shares have been duly and validly reserved and, upon issuance in accordance with the terms of the Certificate, will be duly authorized, validly issued, fully paid and nonassessable and free and clear of all Liens and restrictions, except those arising from any acts of the Purchaser (except restrictions arising under the Securities Act or the California Corporate Securities Law of 1968).

3.5 Financial Information. The Company's unaudited balance sheet at May 23, 1986, a copy of which is attached hereto as Exhibit E, (i) is in accordance with the books and records of the Company, (ii) presents fairly the financial condition of the Company at such date and (iii) was prepared in accordance with generally accepted accounting principles.

3.6 Absence of Undisclosed Liabilities. Except as disclosed on Exhibit E hereto, the Company has no obligations or liabilities (whether accrued, absolute, contingent, liquidated or otherwise, including without limitation, any tax liabilities due or to become due), except current liabilities incurred and obligations under agreements entered into in the usual and ordinary course of business since the inception of the Company, none of which (individually or in the aggregate) is material.

3.7 Contracts. Except as to those contracts, leases and other documents set forth in the Schedule of Contracts and Leases, attached hereto as Exhibit F (correct and complete copies of which have been previously delivered to Special Counsel or described in all material respects in Exhibit F), the Company is not a party to any material written or oral agreement not made in the ordinary course of business and the Company is not a party to any written or oral:

(a) Employment, bonus or consulting agreement, pension, profit sharing, deferred compensation, stock bonus, retirement, stock option, stock purchase, phantom stock or similar plan, including any agreement evidencing rights to purchase securities of the Company or agreement among shareholders and the Company;

(b) Loan or other agreement, note, indenture, or instrument relating to or evidencing Indebtedness for Borrowed Money, or mortgaging, pledging, granting or creating a Lien or security interest or other encumbrance on, any of the Company's

properties or assets, or any agreement or instrument evidencing any guaranty by the Company of payment or performance by any other Person;

(c) Joint venture contract or arrangement or other agreement involving a sharing of profits or expenses to which the Company is a party;

(d) Agreement limiting the freedom of the Company to compete in any line of business or in any geographic area or with any person;

(e) Agreement or letter of intent with respect to the acquisition of the business assets or shares of any other business;

(f) Agreement obligating the Company to pay any royalty or similar charge for the use or exploitation of any tangible or intangible property;

(g) Lease of real property or any material lease of personal property or equipment; or

(h) Agreement to register securities of the Company under the Securities Act.

3.8 Interested Party Transactions. No officer, director, or shareholder of the Company or any "affiliate" or "associate" (as such terms are defined in Rule 405 under the Securities Act) of any such Person or the Company has or has had either directly or indirectly, (a) a beneficial interest in any Person which (i) furnishes or sells services or products which are furnished or sold or proposed to be furnished or sold by the Company or (ii) purchases from or sells or furnishes to the Company any goods or services, or (b) a beneficial interest in any contract or agreement to which the Company is a party or by which it may be bound or affected, except to the extent arising solely from the ownership of shares of the Company's capital stock.

3.9 Litigation. There is neither pending nor, to the Company's best knowledge, threatened any action, suit, arbitration, proceeding (whether Federal, state, local or foreign) or claim, or any basis therefor, whether or not purportedly on behalf of the Company, to which the Company is or may be named as a party or its property, assets or business is or may be subject and in which an unfavorable outcome, ruling or finding could have a material adverse effect on the condition, financial or otherwise, or operations of the Company. The Company has no knowledge of any unasserted claim, the assertion of which is likely and which, if asserted, will be for legal or equitable relief which

if granted would have a material adverse effect on the condition, financial or otherwise, or operations of the Company.

3.10 Title to Properties; Liens and Encumbrances. The Company has good and marketable title to all of its properties and assets, excluding any and all property and assets described in Section 3.15 hereof, and has good title to all of its leasehold interests in each case subject to no Lien except as disclosed in Exhibit F and except for any Lien on personal property in the nature of a purchase money security interest granted in the usual and ordinary course of business.

3.11 Condition of Properties. All facilities, machinery, equipment fixtures, vehicles and other tangible property owned, leased or used by the Company are in good operating condition and repair.

3.12 Intangible Assets.

(a) The Company has all franchises, permits, certificates, authorizations, licenses and other similar authority required by law or governmental regulations from all applicable Federal, state or local authorities and any other regulatory authorities, which are necessary for the conduct of its business as now being conducted by it and as planned to be conducted, the lack of which could have a material and adverse effect on the operations or condition, financial or otherwise, of the Company, and it is not in default or noncompliance in any material respect under any of such franchises, permits, certificates, authorizations, licenses or other similar authority.

(b) The Company owns or has the right to use all patents, trademarks, trade names, copyrights and rights with respect to any of the foregoing necessary to conduct its business as now being conducted and as planned to be conducted, without conflict with or infringement upon any right or claimed right of any Person and without any obligation or liability for royalties, fees, or other compensation to any owner, licensor, or other claimant to any of the foregoing.

(c) The Company owns and has the unrestricted right to use all trade secrets, including know-how, inventions, designs, processes, computer programs and technical data and information (collectively herein "Intellectual Property") required for or incident to the development, manufacture, operation and sale of all products and services sold or proposed to be sold by the Company, free and clear of any right, Lien, or claim of any Person, including without limitation former employers of its employees; provided, however, the possibility exists that other Persons, completely independent of the Company or its employees

or agents, could have developed trade secrets or items of technical information similar or identical to those of the Company.

(d) The Company has taken reasonable security measures to protect the secrecy, confidentiality and value of all of its Intellectual Property. Each employee of the Company and all other Persons who, either alone or in concert with others, have developed, discovered or conceived the Intellectual Property, or who have or have had access to the Intellectual Property, will have entered into proprietary information agreements in substantially the form approved by Special Counsel on or prior to September 9, 1986.

3.13 Employees. To the best of the Company's knowledge, no officer or key employee of the Company has any plans to terminate his or her employment with the Company and no employee of the Company is in violation of any term of any employment contract, invention assignment or nondisclosure agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant relating to the right of any such employee to be employed by the Company because of the nature of the business conducted or to be conducted by the Company or relating to the use of trade secrets or proprietary information of others, and the employment of the Company's employees does not subject the Company or the Purchaser to any liability arising by reason of any such contract, agreement or restrictive covenant or by reason of trade secret or unfair competition laws. The Company does not have any collective bargaining agreement covering any of its employees and has encountered no material labor difficulties.

3.14 Compliance with Laws and Other Instruments. The business and operations of the Company have been and are being conducted in accordance with all applicable Federal, state and local laws, rules and regulations. The Company is not in violation of any term of its Articles of Incorporation or Bylaws or any term of any mortgage, indenture, contract, agreement, instrument, judgment, decree, order, statute, rule or regulation to which the Company is subject. The offer, issuance and sale of the Shares as contemplated by this Agreement, and the issuance of Common Stock upon conversion of the Shares in accordance with the terms of the Certificate are and will be, exempt from the registration and prospectus delivery requirements of the Securities Act and have been registered or qualified (or are exempt from registration and qualification) under all applicable state securities laws.

3.15 Insurance. There are in full force and effect one or more policies of insurance issued by insurers of recognized

responsibility, insuring the Company and its properties and business against such losses and risks, and in such amounts, as are customary for the contemplated business of the Company. On or before September 9, 1986, the Company will have acquired a policy of guaranteed renewable term life insurance naming the Company as beneficiary and providing $330,000 of coverage on the life of Mark D. Dankberg.

3.16 No Brokers or Finders. The Company has retained no finder or broker with the transactions contemplated by this Agreement, and hereby agrees to indemnify and hold harmless the Purchasers from any liability for any commission or compensation in the nature of an agent's fee to any broker or other Person (and the costs and expenses of defending against such liability or asserted liability) arising from any act by the Company or any of its employees or representatives.

3.17 Business Plan. The Company has heretofore furnished to each of the Purchasers and Special Counsel a business plan of the Company dated May 24, 1986 ("Business Plan"). The Business Plan represents a good faith effort by the Company to describe its proposed business and projected growth and the Company does not believe that these projections, or any other information contained in the Business Plan are materially and adversely misleading or that there are any materially and adversely misleading omissions in the Business Plan.

3.18 Disclosure. To the best of the Company's knowledge, this Agreement: and all other documents or writings delivered to the Purchasers or Special Counsel pursuant to this Agreement or otherwise in connection with the offering of the Shares do not contain any untrue statement of a material fact, or omit to state any fact necessary to make the statements made therein not misleading.

SECTION 4

Representations and Warranties of the Purchasers

Each of the Purchasers represents and warrants to the Company as follows:

4.1 Authorization. The execution, delivery and performance of this Agreement have been duly authorized by each Purchaser as necessary and this Agreement is a valid and binding obligation of each Purchaser, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws and equitable principles relating to or affecting the enforcement of creditors' rights in general and by general principles of equity

and except that enforcement of the indemnity provisions of Section 8.8 of this Agreement may be limited by Federal or state securities laws or public policy underlying such laws.

4.2 Investigation and Experience. Each Purchaser has carefully reviewed the representations concerning the Company contained in this Agreement. Each Purchaser understands that this investment involves substantial risks and has had an opportunity to discuss the Company's business, management and financial affairs with the Company's management and has had the opportunity to inspect the Company's facilities. The officers of the Company have made available to the Purchasers any and all written information that has been requested and have answered to the satisfaction of the Purchasers all inquiries made by them. Each Purchaser is experienced in evaluating and investing in newly organized companies in the electronics and communications industries such as the Company and has such knowledge and experience in financial and business matters that he or it is capable of evaluating the merits and risks of an investment in the Company and has the capacity to protect his or its own interests in connection with this Agreement and the transactions contemplated hereby and at the present time could afford a complete loss of such investment, within the meaning of Section 25102(f) of the California Corporations Code. Each Purchaser has been further advised that no public market now exists for any of the securities issued by the Company and that a public market may never exist for the Shares.

4.3 Investment Intent. Each Purchaser is acquiring the Shares, and the shares of Common Stock issuable upon conversion of the Shares, for investment for the Purchaser's own account and not with the view to, or for resale in connection with, any distribution thereof. Each Purchaser understands that the Shares and the shares of Common Stock issuable upon conversion of the Shares have not been registered under the Securities Act by reason of specified exemptions therefrom which depend upon, among other things, the bona fide nature of its investment intent as expressed herein.

4.4 Accredited Investor. Each Purchaser is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act.

4.5 No Brokers or Finders. Each Purchaser has retained no finder or broker in connection with the transactions contemplated by this Agreement and hereby agrees to indemnify and to hold the Company harmless from any liability for any commission or compensation in the nature of an agent's fee to any broker or other Person (and the costs and expenses of defending against such liability or asserted liability) arising from any act by the Company or any of its employees or representatives.

SECTION 5

Conditions of Purchasers' Obligations

The obligation of the Purchasers to purchase the Shares at the Closing is subject to the fulfillment on or prior to the Closing Date of each of the following conditions, any of which may be waived in whole or in part by the Purchasers:

5.1 Representations and Warranties. The representations and warranties made by the Company in Section 3 hereof shall be true and correct in all respects when made and shall be true and correct in all respects on the Closing Date with the same force and effect as if they had been made on and as of the Closing Date.

5.2 Performance. All covenants, agreements and conditions contained in this Agreement to be performed or complied with by the Company on or prior to the Closing Date shall have been performed or complied with in all respects.

5.3 Opinion of Company's Counsel. The Purchasers shall have received from Wiles, Circuit and Tremblay, counsel to the Company, an opinion addressed to them, dated the Closing Date, in form and substance acceptable to the Purchasers and Special Counsel.

5.4 Legal Investment. At the time of the Closing, the purchase of the Shares hereunder shall be legally permitted by all laws and regulations to which the Purchasers and the Company are subject.

5.5 Compliance Certificate. The Company, if requested by Special Counsel, shall have delivered to the Purchasers a certificate of the President of the Company, dated the Closing Date, certifying the fulfillment of the conditions specified in Sections 5.1 and 5.2.

5.6 Proceedings and Documents. All corporate and other proceedings and actions taken in connection with the transactions contemplated hereby and all certificates, opinions, agreements, instruments and documents mentioned herein or incident to such transactions shall be satisfactory in substance and form to the Purchasers and Special Counsel.

5.7 Qualification. All authorizations, registrations, qualifications, approvals or permits, if any, of any governmental authority or regulatory body that are required in connection with the lawful issuance and sale of the Shares pursuant to this Agreement, the conversion of the Shares into Common Stock and the issuance of such Common Stock upon such conversion, shall have

been duly obtained and shall be effective on and as of the Closing.

5.8 Certificate. The Certificate shall have been properly executed and filed with the Secretary of State of California and a copy of the Certificate certified by the Secretary of State shall have been delivered to Special Counsel.

5.9 Election of Directors. The Company's Bylaws shall provide for three authorized directors. Robert W. Johnson shall have been elected to the Board as a representative of the Purchasers effective as of the Closing.

5.10 Shareholders' Agreement. Mark D. Dankberg, Steven R. Hart, Mark J. Miller, the Company and the Purchasers shall have entered into a Shareholders' Agreement in form and substance acceptable to the Purchasers, relating to the election to the Board of Directors of certain persons chosen or nominated by the Purchasers and other shareholders.

5.11 Supporting Documents. The Purchasers or Special Counsel shall have received the following:

(a) Copies of resolutions of the Board certified by the Secretary of the Company, authorizing and approving the Certificate and the execution, delivery and performance of this Agreement and and all other documents and instruments to be delivered pursuant hereto;

(b) A certificate of incumbency executed by the Secretary of the Company certifying the names, titles and signatures of the officers authorized to execute the documents referred to in paragraph (a) above and certifying that the Articles of Incorporation and Bylaws delivered to the Purchasers pursuant to Section 3.1 are in full force and effect without modification or amendment.

(c) Such additional supporting documentation with respect to the transactions contemplated hereby as the Purchasers or Special Counsel may reasonably request.

5.12 Founders' Stock Purchase. Each of Mark D. Dankberg, Steven R. Hart and Mark J. Miller shall have entered into stock restriction agreements with the Company in form and substance satisfactory to the Purchasers.

SECTION 6

Conditions to Obligations of the Company

The Company's obligation to sell the Shares at the Closing is subject to the fulfillment on or prior to the Closing Date of each of the following conditions:

6.1 Representations. The representations and warranties made by the Purchasers in Section 4 hereof shall be true and correct in all respects when made and shall be true and correct in all respects on the Closing Date with the same force and effect as if they had been made on and as of the Closing Date.

6.2 Legal Investment. At the time of the Closing, the conditions set forth in Sections 5.4, 5.6, 5.7, 5.8 and 5.10 shall have been satisfied.

SECTION 7

Affirmative Covenants of the Company

The Company hereby covenants and agrees that, so long as the Purchasers or their assigns are the Holders in the aggregate of more than 50% of the Restricted Stock purchased hereunder:

7.1 Accounts and Records. The Company will keep true records and books of account in which full, true and correct entries will be made of all dealings or transactions in relation to its business and affairs in accordance with generally accepted accounting principles applied on a consistent basis.

7.2 Financial Information. The Company will furnish the following reports to the Purchasers (or their representative):

(a) As soon as available and in any event within 60 days after the end of each fiscal year of the Company, a consolidated balance sheet of the Company and its Subsidiaries, if any, as of the end of such fiscal year, and consolidated statements of income, shareholders' equity and changes in financial condition of the Company and its Subsidiaries, if any, for such year, prepared in accordance with generally accepted accounting principles consistently applied and setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and, if unaudited, certified by the principal financial or accounting officer of the Company. Upon written request delivered prior to the end of any fiscal year of the Company from Purchasers holding a majority of the Restricted Stock, such financial statements for that fiscal year shall be audited and certified by independent accountants of recognized national

reputation selected by the Company. If audited financial information is so requested, the Company shall provide such audited information within 90 days of the end of the fiscal year for which the audited financial information was requested.

(b) As soon as available and in any event within 30 days after the end of each fiscal quarter of the Company, a consolidated balance sheet of the Company and its Subsidiaries, if any, as of the end of each such fiscal quarter and consolidated statements of income, shareholders' equity and changes in financial position of the Company and its Subsidiaries, if any, for such fiscal quarter and for the current fiscal year to date, prepared in accordance with generally accepted accounting principles consistently applied and setting forth in comparative form the figures for the corresponding periods of the previous fiscal year, subject only to changes resulting from normal year-end audit adjustments, if any, all in reasonable detail and certified by the principal financial or accounting officer of the Company.

(c) During such time as the Company is subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, and in lieu of the financial information required pursuant to Sections 7.2(a) and (b), copies of its Annual and Quarterly Reports on Forms 10-K and 10-Q, respectively, or any similar successor forms, and all registration statements proxy statements and other reports, filed with the Commission, such reports to be furnished to the Purchasers no later than the deadline for filing them with the Commission.

7.3 Additional Information.

(a) Except as prohibited by federal law, the Company will permit representatives of the Purchasers to visit and inspect any of the properties of the Company (with the understanding that, when security demands, the Purchasers shall be accompanied by an authorized individual), including its books of account, and to discuss its affairs, finances and accounts with the Company's officers and its independent public accountants, during normal business hours and as often as the Purchasers may reasonably request. Partners and full-time employees of the Purchasers shall be granted access to proprietary data on the same basis as employees and directors of the Company provided that, if requested, they agree in writing to undertake the same fiduciary duty and responsibility to protect the proprietary data as would be required of an employee or a director having access to such proprietary data. As used herein, "proprietary data" shall mean data which has been classified and is being controlled (as of the date of the requested access) as confidential and proprietary by the Company.

(b) As long as a Purchaser holds at least 150,000 of the Shares or 150,000 shares of Restricted Stock, adjusted as

appropriate for stock splits and combinations and stock dividends and other distributions, the Company will deliver to such Purchaser:

(i) As soon as available and in any event within 30 days after the end of each month, a consolidated balance sheet of the Company and its Subsidiaries, if any, as of the end of such month, and consolidated statements of income and sources and applications of funds of the Company and its Subsidiaries, for each month and for the current fiscal year of the Company to date, prepared in accordance with generally accepted accounting principles consistently applied, together with a comparison of such statements to the Company's operating plan then in effect and approved by its Board, and certified, subject only to changes resulting from normal year-end audit adjustments, by the principal financial or accounting officer of the Company, together with a report of operations by the Company's President including a statement of orders received, shipments made and a backlog analysis reflecting orders to be delivered within six months of the reporting date, and orders to be delivered after six months from the reporting date.

(ii) As soon as available and in any event within 60 days after the Closing Date for the Company's partial fiscal year ending after the Closing Date and within 30 days before the commencement of each subsequent fiscal year, a copy of the operating plan for such partial or full fiscal year prepared and approved by the Board in accordance with section 7.4. Any modifications in such operating plan shall be submitted as promptly as practicable after such changes have been approved by the Board.

(iii) With reasonable promptness, such other information and data with respect to the Company and its Subsidiaries, if any, as any Purchaser may from time to time reasonably request.

7.4 Preparation of Operating Plan. The Company shall, within 60 days after the Closing Date for the Company's partial fiscal year ending after the Closing Date and at least 30 days prior to the beginning of each subsequent fiscal year, prepare and submit to the Board, for its approval, an annual plan for such partial or full fiscal year which shall include monthly capital and operating expense budgets, cash flow statements and profit and loss and quarterly balance sheet projections. Each annual plan shall be modified as often as necessary, but in any event every six months to reflect material changes required as a result of operating results and other events that occur, or may be reasonably expected to occur, during the year covered by the annual plan, and copies of these modifications shall be submitted to and approved by the Board. The Company may dispense with any

six month modification if the Board reasonably determines that no material change is required in the budget for that six-month fiscal period.

7.5 Prompt Payment of Taxes and Other Liabilities. The Company will promptly pay and discharge, or cause to be paid and discharged, before the same shall become delinquent and before penalties accrue thereon, all lawful taxes, assessments and governmental charges or levies imposed upon the income, profits, property or business of the Company; provided, however, that any such tax, assessment, charge or levy need not be paid if the validity thereof shall concurrently be contested in good faith and by appropriate proceedings in such a manner as not to have any materially adverse effect on the Company's financial condition or operation and if the Company shall have set aside on its books adequate reserves with respect thereto; provided, further, that the Company will promptly pay all such taxes, assessments, charges or levies upon the commencement of proceedings to foreclose any Lien which may have attached as security therefor. The Company will promptly pay or cause to be paid when due, or in conformance with customary trade terms, all other Indebtedness incident to operations of the Company.

7.6 Maintenance of Properties and Leases. The Company will keep its tangible properties and those of any Subsidiary necessary to the business of the Company or such Subsidiary in good repair and in working order and condition, reasonable wear and tear excepted, and will from time to time make all necessary and proper repairs, renewals, replacements, additions and improvements thereto. The Company and all of its Subsidiaries will at all times comply with each provision of all leases to which any of them is a party or under which any of them occupies property if the breach of such provision might have a material adverse effect on the condition, financial or otherwise, or operations of the Company or such Subsidiary.

7.7 Insurance. The Company will keep its assets and those of any Subsidiary which are of an insurable character insured by financially sound and reputable insurers against loss or damage by fire, extended coverage, explosion and such other hazards, risks and liability to persons and property, and in such amounts, as are customary and prudent for companies in similar businesses similarly situated.

7.8 Compliance with Laws. The Company and all of its Subsidiaries shall duly observe and conform to all applicable laws and requirements of governmental authorities relating to the conduct of their businesses or to their property or assets.

7.9 Maintenance of Corporate Existence. The Company shall maintain in full force and effect its corporate existence,

rights and franchises and all licenses and other rights to use patents, processes, licenses, trademarks, trade names or copyrights owned or licensed by it or any Subsidiary, and deemed by the Company to be necessary for the conduct of its business, and conduct its business in an orderly manner without voluntary interruption.

7.10 Availability of Common Stock for Conversion. The Company will, from time to time, in accordance with the laws of California, increase the authorized amount of Common Stock prior to such time as the failure to do so would cause the number of shares of Common Stock remaining authorized and unissued to be insufficient to permit conversion of all the then outstanding Shares.

7.11 Expenses of Purchasers. The Company shall pay, and hold the Purchasers harmless from liability for the payment of, (i) all reasonable fees and expenses of Special Counsel arising in connection with the negotiation of execution of this Agreement and consummation of the transactions contemplated hereby, which fees (not including expenses) shall not exceed $12,000.

7.12 Board of Directors Meetings. The Company shall hold meetings of the Board at least once every month unless the failure to hold any meeting is consented to by Purchasers holding a majority of the Restricted Stock, and shall furnish to the Purchasers upon request, a complete and accurate copy of the minutes and other records of all meetings and other proceedings of the Board and its committees as well as of the written consents of the members of the Board by which action is taken by the Board or any committee without a meeting.

7.13 Right of First Refusal. The Company hereby grants to each Purchaser the right of first refusal to purchase a pro rata part of any New Securities (as defined in this section 7.13) which the Company may, from time to time, propose to sell and issue. Each Purchaser's pro rata share, for purposes of this right of first refusal, is the ratio of (i) the number of shares of Restricted Stock held by the Purchaser as of the date of the proposed sale (ii) the aggregate number of shares of Common Stock outstanding and the aggregate number of shares of such stock issuable upon the conversion of all securities convertible into Common Stock. This right of first refusal shall be subject to the following provisions:

(a) "New Securities" shall mean any capital stock (including Common Stock or preferred shares) of the Company and all rights, options or warrants to purchase capital stock, and securities of any type whatsoever that are, or may become, convertible into capital stock; provided, however, that the term

"New Securities" does not include (i) securities purchased under this Agreement and securities outstanding on the Closing date; (ii) securities offered to the public pursuant to a registration statement filed pursuant to the Securities Act; (iii) securities issued pursuant to the acquisition of another corporation by the Company by merger, purchase of all or substantially all the assets or other reorganization whereby the Company shall become the owner of more than 50% of the voting power of such corporation; (iv) shares of Common Stock issued in connection with any stock split, stock dividend or recapitalization of the Company; (v) any borrowings, direct or indirect, from financial institutions or other Persons by the Company, whether or not presently authorized, including any type of loan or payment evidenced by any type of debt instrument, provided such borrowings do not have equity features, including warrants, options or other rights to purchase capital stock, and are not convertible into capital stock of the Company; or (vi) shares of Common Stock of the Company issued to employees, consultants or directors of the Company upon the exercise of stock options or pursuant to stock purchase agreements or other incentive arrangements or otherwise, all of which options, agreements, arrangements and other issuances are approved by the Board.

(b) In the event the Company proposes to undertake an issuance of New Securities, it shall give each Purchaser written notice of its intention, describing the type or New Securities, the price and the general terms upon which the Company proposes to issue the same. Each Purchaser shall have 30 days from the date such notice is given to agree to purchase all or any portion of the Purchaser's pro rata share of such New Securities for the price and upon the general terms specified in the notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased.

(c) In the event the Purchasers fail to exercise the right of first refusal as to all of the New Securities proposed to be issued within said 30-day period, the Company shall give written notice of such fact, specifying the amount of securities not elected to be purchased, to each Purchaser who has elected to purchase any of such New Securities, and each such Purchaser shall have five days, after the giving of such further notice, to purchase all or any part of its pro rata share of such unpurchased portion by giving written notice thereof to the Company. After the expiration of the period for the exercise of the over-allotment provisions of this section 7.13, the Company shall have 180 days thereafter to sell or enter into an agreement (pursuant to which the sale of New Securities covered thereby shall be closed, if at all, within 180 days from the date of said agreement) to sell that portion of the New Securities for which the Purchasers' option was not exercised, at a price and upon general terms no more favorable to the purchasers thereof than

specified in the Company's notice. In the event the Company has not sold the New Securities within said 180-day period (or sold and issued New Securities in accordance with the foregoing within 180 days from the date of said agreement), the Company shall not thereafter issue or sell any New Securities, without first offering such securities to the Purchasers in the manner provided above.

7.14 Replacement of Certificates. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction, or mutilation of any certificate representing any of the Shares, and upon receipt of an appropriate indemnity bond in the case of any reasonable request therefor by the Company, the Company shall issue a new certificate representing such Shares in lieu of such lost, stolen, destroyed or mutilated certificate.

7.15 Notice of Litigation. The Company shall promptly provide notice to the Purchasers of any material suit or litigation instituted against the Company.

7.16 Securities Law Filings. The Company shall make any filing necessary to perfect in a timely fashion an exemption from the registration and prospectus delivery requirements of the Securities Act, and to register or qualify or secure an exemption from such registration or qualification under any applicable Blue Sky or securities laws of any state or other jurisdiction for the issuance of the Shares to the Purchasers.

7.17 Termination of Certain Obligations. The obligations of the Company under Sections 7.1, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 7.12, 7.13, and 7.15 hereof shall terminate upon the occurrence of any event specified in the Certificate as a condition precedent for the automatic conversion of the Shares or upon the voluntary conversion pursuant to the Certificate of more than 50% of the Shares.

SECTION 8

Transfer of Securities

8.1 Restrictions on Transfer. The Shares shall not be transferable, except upon the conditions specified in this Section 8, which are intended to insure compliance with the provisions of the Securities Act and the California Corporate Securities Act of 1968 or, in the case of Section 8.13 hereof, to assist in an orderly distribution. Each Purchaser agrees to cause any proposed transferee of Shares held by the Purchaser to agree to take and hold those securities subject to the provisions of this Section 8.

8.2 Restrictive Legend. Each certificate representing the Shares or any Restricted Stock shall be imprinted with a legend substantially in the following form:

> THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) COVERED BY AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (B) IN COMPLIANCE WITH RULE 144 UNDER SUCH ACT, OR (C) THE COMPANY HAS BEEN FURNISHED WITH AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY TO THE EFFECT THAT NO REGISTRATION IS LEGALLY REQUIRED BY SUCH TRANSFER.

8.3 Transfers. Prior to any proposed transfer of any Shares or any Restricted Stock (other than under circumstances described in Section 8.4 and 8.5 hereof), and so long as such securities bear the restrictive legend required under Section 8.2, the Holder thereof shall deliver to the Company (except in transactions demonstrated to the Company's reasonable satisfaction to be in compliance with Rule 144 of the Commission, or any substantially similar successor rule of the Commission) either (i) a written opinion of legal counsel reasonably satisfactory to the Company to the effect that the proposed transfer of such securities may be effected without registration under the Securities Act and any applicable state securities laws, or (ii) a "no action" letter from the Commission (and any necessary state securities administrators) to the effect that the distribution of such securities without registration will not result in a recommendation by the staff of the Commission (or such administrators) that action be taken with respect thereto, whereupon the Holder of such securities shall be entitled to transfer such securities in accordance with the terms of such opinion or "no action" letter. Upon the request of a Holder complying with either of these conditions, the Company will issue a new certificate for such securities free of any legend.

8.4 Requested Registration.

(a) If the Company shall receive from any Purchaser or Purchasers a written request that the Company effect a registration for the sale of Restricted Stock, the Company will, as soon as practicable, effect such registration as may be so requested and as would permit or facilitate the sale and distribution of the Restricted Stock specified in such request, provided that the Company shall not be obligated to effect, or to take any action to effect, any such registration pursuant to this Section 8.4:

(i) Prior to the earlier of the fifth anniversary of the date hereof or the completion of the initial, firm-commitment underwritten public offering of the Common Stock pursuant to an effective registration statement under the Securities Act;

(ii) If the request from the Purchaser(s) is for a registration on Form S-1, S-2 or S-18 (or their equivalents) and the Company has previously effected two such registrations pursuant to this Section 8.4(a);

(iii) If the Company has effected any registration pursuant to this Section 8.4(a) within twelve months of such request;

(iv) If the aggregate proposed selling price of the Restricted Stock to be included by the Purchaser(s) is less than $1,000,000 in the case of a registration on Form S-1, S-2 or S-18 or $500,000 in the case of a registration on Form S-3; or

(v) If the request from the Purchaser(s) is for registration of a class of securities other than Common Stock, and the Company has not previously effected a registered public offering of such class of securities.

(b) If a Purchaser, in making a valid request for registration pursuant to Section 8.4(a), intends to distribute the Restricted Stock covered by its request by means of an underwriting, it shall so advise the Company as a part of its request and the Company shall include such information in the written notice referred to in Section 8.4(a) above. The right of the Purchaser to registration pursuant to this Section 8.4 shall be conditioned upon the inclusion of the Purchaser's Restricted Stock in the underwriting. If holders of securities of the Company (other than holders of Restricted Stock) who are entitled by contract with the Company to have securities included in any registration initiated pursuant to this Section 8.4 (the "Other Shareholders") request such inclusion, the Purchaser(s) shall offer to include the securities of such Other Shareholders in the underwriting and may condition such offer on their acceptance of the further applicable provisions of this Section 8. If the managing underwriter or underwriters of the offering advise the Purchaser(s) in writing that marketing factors require a limitation on the number of shares to be underwritten, the securities of the Company held by the Other Shareholders shall, to the extent necessary, be first excluded from such registration before any shares of Restricted Stock held by the Purchaser(s) are excluded. No securities excluded from the underwriting by reason of the underwriter's marketing limitation shall be included in

such registration. If any Purchaser disapproves of the terms of any underwriting, it may elect to withdraw therefrom by written notice to the Company and the underwriter. In such event, the registration shall not be counted as a registration for the purposes of Section 8.4(a). If the managing underwriter or underwriters have not limited the amount of Restricted Stock to be underwritten, the Company may include its securities for its own account in such registration unless such inclusion will limit the sale of any Restricted Stock in the underwriting. The managing underwriter or underwriters of any underwritten public offering requested pursuant to this Section 8.4 shall be selected by mutual agreement of the Company and the Purchaser(s).

8.5 Company Registration.

(a) If the Company shall determine to register any of its securities either for its own account or the account of any security holder or holders, other than a registration relating solely to employee benefit plans, or a registration relating solely to a transaction pursuant to Rule 145 of the Commission (or substantially similar successor rule) or a registration on any registration form which does not permit secondary sales or does not include substantially the same information regarding the Company as would be required to be included in a registration statement covering the sale of Restricted Stock, the Company will:

(i) promptly give to each Holder of Restricted Stock written notice thereof (which shall include a list of the jurisdictions in which the Company intends to attempt to qualify such securities under the applicable Blue Sky or other state securities laws, and the name of the managing underwriter or underwriters, if any, of the offering); and

(ii) include in such registration all the Restricted Stock of the same class or classes of securities to be registered by the Company, as specified in a written request or requests given by any Holder within 15 days after such written notice from the Company described in clause (i) above is given, except as set forth in Section 8.5(b) below.

(b) The right of any Holder to include Restricted Stock in a registration pursuant to Section 8.5 involving an underwritten public offering shall be conditioned upon the inclusion of such Holder's Restricted Stock in the underwriting to the extent provided herein. Notwithstanding any other provision of this Section 8.5, if the managing underwriter or underwriters determine that marketing factors require a limitation on the number of shares to be underwritten, and if such registration is

the first registered public offering of the Company's securities, the underwriter may (subject to the allocation priority set forth below) exclude from such registration and underwriting some or all of the Restricted Stock requested to be included. The Company shall so advise all holders of securities requesting registration, and the securities of the Company held by Other Shareholders shall, to the extent necessary, be first excluded from such registration before any shares of Restricted Stock held by the Purchaser are excluded. If the Purchaser disapproves of the terms of any such underwriting, it may elect to withdraw therefrom by written notice to the Company and the underwriter. Any Restricted Stock excluded or withdrawn from such underwriting shall be withdrawn from such registration.

8.6 Expenses of Registration. The Company shall bear all Registration Expenses incurred in connection with (i) the first two registrations on Form S-1, S-2, S-3 or S-18 (or their equivalents) effected pursuant to Section 8.4, and (ii) all registrations pursuant to Section 8.5; provided, however, that if any holder of Registrable Securities shall withdraw from any registration commenced pursuant to this Section 8, such holder shall pay his or its portion of any expenses incurred in connection with such registration prior to such withdrawal pro rata, on the basis of the number of shares such holder had requested to include in the registration. All Selling Expenses shall be borne by the holders of the securities so registered and sold, pro rata on the basis of the number of their shares so registered and sold.

8.7 Registration Procedures. In the case of each registration effected by the Company pursuant to this Section 8, the Company will advise the Purchasers in writing as to the initiation of such registration and as to the completion thereof, and the Company will as expeditiously as possible:

(a) Keep such registration effective for a period of 90 days or until the Holder or Holders of Restricted Stock included in such registration have completed the distribution described in the registration statement relating thereto, whichever first occurs;

(b) Furnish such number of prospectuses and other documents incident thereto as a Holder of Restricted Stock included in such registration may from time to time reasonably request;

(c) If the offering is to be underwritten, in whole or in part, enter into a written underwriting agreement in form and substance reasonably satisfactory to the Company, the underwriter of the public offering and the Holders of the Restricted Stock included in such offering;

(d) Register or qualify the securities covered by such registration statement under state securities or Blue Sky laws of such jurisdictions as such participating Holders of Restricted Stock and underwriters may reasonably request, except in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification or compliance, unless the Company is already subject to service in such jurisdiction;

(e) Notify the Holders participating in such registration, promptly after it shall receive notice thereof, of the date and time when such registration statement and each post-effective amendment thereto has become effective or a supplement to any prospectus forming a part of such registration statement has been filed;

(f) Notify counsel for such Holders promptly of any request by the Commission for the amending or supplementing of such registration statement or prospectus or for additional information;

(g) Advise such Holders promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of such registration statement or the initiation or threatening of any proceeding for that purpose and promptly use its best efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued; and

(h) Refrain from making any sale or distribution of Common Stock or other equity security, except pursuant to any employee benefit plan approved by the Board and any pre-existing agreement for the sale or distribution of such securities, for at least 90 days after the closing of the public offering pursuant to such registration statement.

8.8 Indemnification.

(a) The Company will indemnify and hold harmless each Holder of Restricted Stock included in a registration pursuant to this Section 8, each of such Holder's officers, directors and partners, and each person controlling such Holder within the meaning of the Securities Act and the rules and regulations thereunder, and each underwriter, if any, and each person who controls any underwriter, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus, offering circular or other document (including any related registration statement, notification or the like) incident to any such registration, qualification or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated

therein or necessary to make the statements therein not misleading, or any violation by the Company of the Securities Act or any rule or regulation thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification or compliance, and will reimburse each such Holder, each of such Holder's officers, directors and partners, and each Person controlling such Holder, each such underwriter and each Person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating and defending any such claim, loss, damage, liability or action; provided, that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue statement or omission (or alleged untrue statement or omission) based upon written information furnished to the Company by such Holder or underwriter and stated to be specifically for use therein; provided, however, that in the case of a registration pursuant to Section 8.5 hereof, the obligation of the Company hereunder shall be limited to an amount equal to the aggregate proceeds to the Company of securities sold in such registration.

(b) Each Holder of Restricted Stock included in a registration pursuant to this Section 8 will indemnify the Company, each of the Company's directors and officers and each underwriter, if any, of the Company's securities covered by such registration, each Person who controls the Company or such underwriter within the meaning of the Securities Act and the rules and regulations thereunder, each other such Holder of Restricted Stock included in such registration and such other Holder's officers, directors and partners, and each Person controlling such other Holder against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement, prospectus, offering circular or other document, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Company, such underwriters and such other Holders, directors, officers, partners, and control Persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by such Holder and stated to be specifically for use therein; provided, however, that the obligations of the Purchaser hereunder shall be limited to an amount equal to the proceeds to the Purchaser of securities sold as contemplated herein.

(c) Each party entitled to indemnification under this Section 8.8 (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party's expense, and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 8. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

8.9 Information by Holder. Each Holder of Restricted Stock included in a registration pursuant to this Section 8 shall furnish to the Company such information regarding such Holder and the distribution proposed by such Holder as the Company may reasonably request in writing and as shall be reasonably required in connection with any registration, qualification or compliance referred to in this Section 8.

8.10 Limitations on Registration of Issues of Securities. From and after the date of this Agreement, so long as the Purchasers or their assigns are together the Holders of more than 50% of the Restricted Stock purchased hereunder, the Company shall not enter into any agreement with any holder or prospective holder of any securities of the Company giving such holder or prospective holder the right to require the Company to initiate any registration of any securities of the Company or to participate in any registration effected pursuant to Section 8.4 hereof. This Section 8.10 shall not limit the right of the Company to enter into any agreements with any holder or prospective holder of any securities of the Company giving such holder or prospective holder the right to require the Company, upon any registration of any of its securities other than pursuant to Section 8.4 hereof, to include, among the securities which the Company is then registering, securities owned by such holder subject to the terms and conditions of this Section 8 applicable to Other Shareholders. Any right given by the Company to any holder or prospective holder of the Company's securities in connection with the registration of securities shall be conditioned such that it shall be consistent with the rights of the Holders of Restricted Stock provided in this Agreement.

8.11 Rule 144 Reporting. With a view to making available the benefits of the rules and regulations of the Commission which may permit the sale of the Restricted Stock to the public without registration and the benefits of using Form S-3, the Company agrees to:

(a) Make and keep public information available as those terms are understood and defined in Rule 144 under the Securities Act, at all times from and after 90 days following the effective date of the first registration of the Company under the Securities Act of an offering of its securities to the general public;

(b) File with the Commission in a timely manner all reports and other documents as the Commission may prescribe under Section 13(a) or 15(d) of the Exchange Act, whether or not the Company is required to do so, at any time after it has become subject to such reporting requirements of the Exchange Act; and

(c) So long as any Purchaser holds any Restricted Stock, furnish to the Purchaser forthwith upon request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time from and after 90 days following the effective date of the first registration of the Company for an offering of its securities to the general public), and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed as the Purchaser may reasonably request to avail itself of any rule or regulation of the Commission allowing the Purchaser to sell any such securities without registration.

(d) Use reasonable efforts to qualify for the use of Form S-3 (or its equivalent).

8.12 Transfer of Registration Rights. The rights to cause the Company to register securities granted by the Company under Sections 8.4 and 8.5 may be assigned by any Purchaser to any of its limited partners or to the spouse of any Purchaser, without regard to the amount of securities transferred, and to any other transferees or assignees of such stock acquiring at least 50% of the shares held by the Purchaser, provided that the Company is given written notice at the time of or within a reasonable time after any said transfer, stating the name and address of said transferees or assignees and identifying the securities with respect to which such registration rights are being assigned, and provided further that the transferees or assignees of such rights assume the obligations of the Purchaser(s) under this section 8.

8.13 "Market Stand-Off" Agreement. The Purchasers, if requested by the Company and the underwriter of any public offering of the Company, shall agree not to sell or otherwise transfer or dispose of any Common Stock (or other securities) of the Company held by it during the 90 day period following the effective date of the registration statement covering the public offering, provided that all officers and directors of the Company shall also enter into similar agreements. Such agreement shall be in writing in a form satisfactory to the Company and such underwriter. The Company may impose stop-transfer instructions with respect to the securities subject to the foregoing restrictions until the end of said 90 day period.

8.14 No Action Letter or Opinion of Counsel in Lieu of Registration; Conversion of Restricted Stock. Notwithstanding anything else in this Section 8, if Company shall have obtained from the Commission a "no action" letter in which the Commission has indicated that it will take no action, if without registration under the Securities Act, any holder disposes of securities covered by any request for a registration made under this section in the specific manner in which such holder proposes to dispose of the Restricted Stock, included in such request, or if in the opinion of counsel for the Company concurred in by counsel for such holder, which concurrence shall not be unreasonably withheld, no registration under the Securities Act is required in connection with such disposition, the shares included in such request shall not be eligible for registration under this Section 8.

SECTION 9

Enforcement

9.1 Remedies at Law or in Equity. If any Default should occur or if any representation or warranty made by or on behalf of either party to this Agreement or in any certificate, report or other instrument delivered under or pursuant to any term hereof shall be untrue or misleading in any material respect as of the date of this Agreement or as of the Closing Date or as of the date it was made, furnished or delivered, the other party may proceed to protect and enforce its rights by suit in equity or action at law, whether for the specific performance of any term contained in this Agreement or the Certificate or for the injunction against the breach of any such term or in aid of the exercise of any power granted in this Agreement or the Certificate or to enforce any other legal or equitable right of such party, or to take any one or more of such actions. In the event of such an action, the prevailing party in any such dispute shall

be entitled to recover from the losing party all fees, costs, and expenses of enforcing any right of such prevailing party under or with respect to this Agreement or the Certificate, including without limitation such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs, and expenses of appeals.

9.2 Cumulative Remedies. None of the rights, powers or remedies conferred under this Agreement shall be mutually exclusive, and each such right, power or remedy shall be cumulative and in addition to any other right, power or remedy whether conferred by this Agreement or by the Certificate or now or hereafter available at law, in equity, by statute or otherwise.

SECTION 10

Definitions

Unless the context otherwise requires, the terms defined in this section 10 shall have the meaning herein specified for all purposes of this Agreement, applicable to both the singular and plural forms of any of the terms herein defined. All accounting terms used in this Agreement not defined in this section 10 shall, except as otherwise provided for herein, be construed in accordance with those generally accepted accounting principles that the Company is required to employ by the terms of this Agreement. If and so long as the Company has any Subsidiary, the accounting terms appearing in this Agreement shall refer to accounting on a consolidated basis for the Company and each of its Subsidiaries.

"Agreement" shall mean this Agreement.

"Certificate" shall have the meaning assigned to it in section 1.1 hereof.

"Board" shall mean the Board of Directors of the Company.

"Business Plan" shall have the meaning assigned to it in section 3.20 hereof.

"Closing" and "Closing Date" shall have the meanings assigned to them in section 2.1 hereof.

"Common Stock" shall have the meaning assigned to it in section 3.3 hereof.

"Commission" shall mean the Securities and Exchange Commission.

"Company" shall mean Intellicom, Inc.

"Default" shall mean a default or failure in the due observance or performance of any covenant, condition or agreement to be observed or performed under the terms of this Agreement or the Certificate, if such default or failure in performance shall remain unremedied for thirty days.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Holder" shall mean, with respect to any outstanding security, the record owner of such security and, with respect to the Common Stock or other securities issuable upon conversion of any Shares, the record owner of such Shares.

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind, including, without limitation, any conditional sales or other title retention agreement, any lease in the nature thereof, and the filing of or agreement to give any financing statement under the Uniform Commercial code of any jurisdiction and including any lien or charge arising by statute or other law.

"Other Shareholder" shall have the meaning assigned to it in section 8.4(b) hereof.

"Person" shall include all natural persons, corporations, business trusts, associations, companies, partnerships, joint ventures and other entities and governments and agencies and political subdivisions.

"Preferred Stock" shall have the meaning assigned to it in section 3.3 hereof.

"Purchasers" shall mean Southern California Ventures, Robert W. Johnson and Thomas A. Tisch.

The terms "register", "registered" and "registration" shall refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act and applicable rules and regulations thereunder, and the declaration or ordering of the effectiveness of such registration statement.

"Registration Expenses" shall mean all expenses incurred by the Company in order to comply with sections 8.4, 8.5 and 8.7 hereof, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of accountants

and legal counsel for the Company, fees and disbursements NASD fees, blue sky fees and expenses, and the expenses associated with the Company's obligations under section 8.7, but excluding Selling Expenses.

"Restricted Stock" shall mean (i) all Common Stock issued or issuable upon conversion of the Shares and (ii) any securities issued or issuable with respect to such Common Stock or the Shares upon any stock dividend, stock split, recapitalization, merger, consolidation or similar event; provided, however, that any shares of such Common Stock or other, securities shall cease to be Restricted Stock after they have been lawfully sold to the public or certificates representing such shares shall be issued in accordance with Section 8.3 without the legend required under Section 8.2.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Selling Expenses" shall mean all underwriting discounts and selling commissions relating solely to the sale of Restricted Stock.

"Shares" shall have the meaning assigned to it in section 1.1 hereof.

"Special Counsel" shall mean Riordan & McKinzie, legal counsel for the Purchasers in connection with the purchase and sale of the Shares.

"Subsidiary" shall mean any corporation, association or other business entity at least 50% of the outstanding voting stock of which is at the time owned or controlled directly or indirectly by the Company or by one or more of such subsidiary entities or both.

SECTION 11

Miscellaneous

11.1 Governing Law. This Agreement shall be governed in all respects by the laws of the State of California.

11.2 Survival. All representations, warranties, covenants and agreements made in Section 3 of this Agreement, the Exhibits hereto or in the Business Plan shall survive until 30 days following the delivery to the Purchasers of the financial statements for the year ended April 30, 1988 pursuant to Section 7.2(a) hereof. All statements contained in any certificate, instrument or other writing delivered by or on behalf of the Company pursuant

hereto or in connection with or in contemplation of the transactions herein contemplated shall constitute representations and warranties by the Company hereunder.

11.3 Successors and Assigns. Except as otherwise expressly provided herein, the terms and provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto; provided, however, that the Company may not assign its rights hereunder and the Purchasers may not assign their rights hereunder except to any Purchaser's limited partners or to the spouse of any Purchaser, without regard to the amount of shares transferred to such Person or to any other person to whom a Purchaser transfers at least 50% of the Restricted Stock purchased by such Purchaser.

11.4 Entire Agreement. This Agreement (including the Exhibits hereto) constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof.

11.5 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given upon delivery, if delivered personally, or upon the expiration of 72 hours after mailing, if mailed, first class mail, postage prepaid, addressed as follows:

(a) If to the Purchasers, at the addresses set forth below or at such other address or addresses as the Purchaser may specify by written notice to the Company:

Mr. Robert W. Johnson
Southern California Ventures
2102 Business Center Drive
Suite 218
Irvine, CA 92715

James W. Geisz, Esq.
Riordan & McKinzie
300 South Grand Avenue
Suite 2900
Los Angeles, CA 90071

(b) If to the Company, at the addresses set forth below or at such other address or addresses as the Company may specify by written notice to the Purchaser:

Mr. Mark D. Dankberg
ViaSat, Inc.
1239 Crest Drive
Encinitas, California 92024

Richard K. Circuit, Esq.
Wiles, Circuit and Tremblay
1205 Prospect Street, Suite 400
La Jolla, California 92037

11.6 Severability; Counterparts.

(a) In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and

enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(b) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

11.7 Titles and Subtitles. The titles of the sections of this Agreement are for convenience and reference only and are not to be considered in construing this Agreement.

11.8 Waivers and Amendments. With the written consent of Purchasers holding a majority of the Restricted Stock the obligations of the Company and the rights of the Purchasers under this Agreement may be waived (either generally or in a particular instance, either retroactively or prospectively and either for a specified period of time or indefinitely), and with the same consent, the Company, when authorized by resolution of its Board, may enter into a supplementary agreement for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or of any supplemental agreement or modifying in any manner the rights and obligations hereunder of the Purchasers and the Company; provided, however, that no such waiver or supplemental agreement shall affect any of the rights of the Purchasers created by the Certificate or by the California Corporations Code unless such waiver or supplemental agreement shall comply with the requirements of the Certificate or the California Corporations Code. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally or by course of dealing, but only by a statement in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought, except to the extent provided in this section 11.8.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed And delivered by their proper and duly authorized officers or representatives as of the day and year first written above.

VIASAT, INC.	SOUTHERN CALIFORNIA VENTURES
By /s/ Mark D. Dankberg	By
_____	_____
_____	_____
Robert W. Johnson	Thomas A. Tisch

enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(b) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

11.7 Titles and Subtitles. The titles of the sections of this Agreement are for convenience and reference only and are not to be considered in construing this Agreement.

11.8 Waivers and Amendments. With the written consent of Purchasers holding a majority of the Restricted Stock the obligations of the Company and the rights of the Purchasers under this Agreement may be waived (either generally or in a particular instance, either retroactively or prospectively and either for a specified period of time or indefinitely), and with the same consent, the Company, when authorized by resolution of its Board, may enter into a supplementary agreement for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or of any supplemental agreement or modifying in any manner the rights and obligations hereunder of the Purchasers and the Company; provided, however, that no such waiver or supplemental agreement shall affect any of the rights of the Purchasers created by the Certificate or by the California Corporations Code unless such waiver or supplemental agreement shall comply with the requirements of the Certificate or the California Corporations Code. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally or by course of dealing, but only by a statement in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought, except to the extent provided in this section 11.8.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers or representatives as of the day and year first written above.

VIASAT, INC.	SOUTHERN CALIFORNIA VENTURES
By_____	By_____
	/s/ Thomas A. Tisch
_____	_____
Robert W. Johnson	Thomas A. Tisch

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VIASAT, INC.	SOUTHERN CALIFORNIA VENTURES
By _____	By /s/ ,General Partner _____
_____	_____
Robert W. Johnson	Thomas A. Tisch

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VIASAT, INC.	SOUTHERN CALIFORNIA VENT
By _____	By /s/ ,General Partner _____
_____	_____
Robert W. Johnson	Thomas A. Tisch

EXHIBIT A

AMENDED AND RESTATED ARTICLES OF

INCORPORATION OF

VIASAT, INC.

a California Corporation

MARK D. DANKBERG and RICHARD K. CIRCUIT hereby certify that:

1. They are the President and Assistant Secretary, respectively, of ViaSat, Inc., a California corporation.

2. The Articles of Incorporation of this corporation are amended and restated to read as follows:

ONE: The name of this corporation is ViaSat, Inc.

TWO: The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

THREE: A. This corporation is authorized to issue thirteen million (13,000,000) shares of its capital stock, which shall be divided into two classes known as common stock and preferred stock, respectively, and the par value of each share of common and preferred stock shall be One Cent ($.01).

B. The total number of shares of common stock which this corporation is authorized to issue is ten million (10,000,000). The total number of shares of preferred stock which this corporation is authorized to issue is three million (3,000,000). This corporation is authorized to issue one series of its preferred stock, which shall be known as its Series A convertible preferred stock ("Series A Preferred Stock") and shall consist of three million (3,000,000) shares.

C. This corporation shall from time to time, in accordance with the laws of the State of

California, increase the authorized amount of its common stock, if at any time the number of shares of common stock remaining unissued and available for issuance shall not be sufficient to permit conversion of the preferred stock in accordance with the applicable conversion provisions.

FOUR: The rights, preferences, privileges and restrictions granted to or imposed upon the shares of Series A Preferred Stock or the holders thereof are 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 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 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 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 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 Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to it 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 the case of any liquidation, dissolution, or winding up of the corporation occurring on or prior to June 11, 1989, after the holders of shares of Series A 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 per share equal to the price paid per share to the Corporation by the original holder of each share of Common Stock plus all accrued but unpaid dividends, if any, on such Common Stock. Thereafter, any assets remaining shall be distributed ratably among the holders of all of the stock of the Corporation (Preferred and Common). In case of any liquidation, dissolution or winding up of the Corporation occurring subsequent to June 11, 1989, after the holders of shares of Series A 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 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 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 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 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 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, at 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 Stock and the holders of Common Stock shall vote together and not as separate classes.

(d) Conversion Rights.

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

(1) Right to Convert. The Series A 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 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 Stock being converted. The initial Conversion Price shall be $.10 subject to adjustment from time to time as provided below.

(3) Mechanics of Conversion. Each holder of Series A 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 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 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 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 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 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 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 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 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 Stock.

(7) Adjustment for Recapitalizations, Reclassifications and Exchanges. If the Common Stock issuable upon the conversion of the Series A 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 Stock shall have the right thereafter to convert their Series A 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 Stock might have been converted immediately prior to such recapitalization, reclassification or exchange, all subject to further adjustment as provided herein.

(8) Reorganizations, 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 Stock shall thereafter be entitled to receive, upon conversion of the Series A 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 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 purchasable upon conversion of the Series A 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 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 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 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 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 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 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 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 Stock, each holder of Series A Stock shall surrender the certificates representing such shares at the office of the Corporation or any transfer agent for the Series A 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 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 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 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 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 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 Stock shall be deemed given upon the earlier of actual receipt or 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 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 of Series A Stock so converted were registered.

(e) Redemption.

The Company may only redeem or otherwise acquire for value any outstanding Series A Stock as follows:

(1) Mandatory Redemption. So long as any Series A Stock remains outstanding, the Company will, if it may lawfully do so, redeem one third of the number of shares of Series A Stock held on January 1, 1991 by each holder thereof, on each of April

1, 1991, April 1, 1992, and April 1, 1993 ("Redemption Date(s)"), at the redemption price hereinafter specified; provided, however, that the Company shall not redeem any shares of Series A Stock required to be redeemed on a Redemption Date which a holder elects not to have redeemed by delivery of a written notice to the Company within 45 days after the receipt of the Redemption Notice (as defined below) for such Redemption Date. If the funds of the Company legally available for redemption of Series A Stock on any Redemption Date are insufficient to redeem the total number of shares required under this subsection to be redeemed on such date, the funds which are legally available will be used to redeem the maximum possible number of shares. At any time thereafter when additional funds of the Company are legally available for the redemption of the Series A Stock, such funds will immediately be used to redeem Series A Stock which the Company has become obligated to redeem on any Redemption Date but has not yet redeemed. In the event of the redemption of less' than one third of the Series A Stock held by each holder thereof on any Redemption Date, the Company shall effect such redemption pro rata from the holders of Series A Stock according to the number of shares held by each.

(2) Redemption Price. The redemption price shall be an amount per share in cash equal to $.10 plus all accrued and unpaid dividends thereon (the "Redemption Price").

(3) Redemption Notice. The Company shall, not less than 60 nor more than 90 days prior to each date for the redemption of the Series A Stock, mail written notice ("Redemption Notice"), postage prepaid, to each holder of record of Series A Stock to be redeemed at such post office address last shown on the records of the Company. The Redemption Notice shall state:

(i) The total number of the outstanding shares of Series A Stock to be redeemed;

(ii) The number of shares of Series A Stock held by the holder which the Company intends to redeem;

(iii) The Redemption Date and Redemption Price;

(iv) The date on or before which the holder of Series A Stock may elect not to have redeemed any or all of such holder's Series A Stock scheduled for redemption.

(v) The time and manner in, and place at, which the holder is to surrender to the Company the certificate or certificates representing the shares of Series A Stock to be redeemed.

(4) Surrender of Stock. On or before the Redemption Date, each holder of Series A Stock to be redeemed, unless the holder has converted the shares to be redeemed as provided in paragraph (d), shall surrender the certificate or certificates representing such shares to the Company, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered certificate shall be cancelled and retired. In the event less than all of the shares of Series A Stock represented by such certificate are redeemed, a new certificate representing the unredeemed shares shall be issued to the holder of such shares.

(5) Termination of Rights. If the Redemption Notice is duly given, and if on or prior to the Redemption Date the Redemption Price is either paid or made available for payment through the arrangement specified in subparagraph (6) below, then notwithstanding that the certificates evidencing any of the shares of Series A Stock so called for redemption have not been surrendered, such shares will thereupon be deemed to be redeemed and no longer outstanding, and the dividends with respect to such shares shall cease to accrue and all rights with respect to such shares shall forthwith cease and terminate, except the right of the holders to receive the Redemption Price without interest upon surrender of their certificates therefor.

(6) Deposit of Funds. On or prior to the Redemption Date, the Company shall deposit with any bank or trust company in San Diego, California, having a capital and surplus of at least $100,000,000, as a trust fund, a sum equal to the aggregate Redemption Price of all outstanding shares of Series A Stock and any other Preferred Stock on a parity therewith as to redemption, called for redemption and not yet redeemed, with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date or prior thereto, the Redemption Price to the respective holders upon the surrender of their share certificates. Any monies so deposited and unclaimed at the end of one year from the Redemption Date shall be released or repaid to the Company, after which the holders of shares called for redemption shall be entitled only to receive payment of the Redemption Price from the Company.

(f) Restrictions and Limitations.

(1) So long as at least 300,000 shares of Series A 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 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) Prior to April 1, 1993, effect any sale, lease, assignment, transfer or other conveyance of all or substantially all of the assets of the Corporation or any corporation more than 50% of whose outstanding voting stock is owned by the Corporation ("Subsidiary"), or any consolidation or merger involving the Corporation or any Subsidiary, or any recapitalization, dissolution, liquidation or winding up, of the Corporation in which the consideration received by or allocable to the holders of the Series A Stock is cash in an amount, or freely tradeable Securities with a value, which is less than $.50 per share, appropriately adjusted for stock splits, combinations and dividends, or make any agreement or become obligated to do so unless the obligations of the Corporation under the agreement are expressly conditioned upon the requisite approval of the holders of the Series A Stock.

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

(iv) Until the earlier of April 1, 1993 or the end of the second consecutive fiscal year in which the Corporation has pre-tax earned income (determined in accordance with generally accepted accounting principles consistently applied) of at least $500,000, amend the Bylaws of the Corporation to change the authorized number of directors.

(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 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 Stock.

(g) 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 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 Stock in lieu of such lost, stolen, destroyed, or mutilated certificate.

3. The foregoing amendment and restatement of the Articles of Incorporation has been duly approved by the Board of Directors.

4. The foregoing amendment and restatement of the Articles of Incorporation has been duly approved by the required vote of shareholders in accordance with Sections 902 and 903 of the California Corporations Code. The total number of outstanding shares of common stock of the corporation is three million (3,000,000). The number of shares voting in favor of the amendment and restatement equaled or exceeded the vote required. The percentage vote required was more than fifty percent (50%).

We declare, under the penalty of perjury, under the laws of the State of California, that the matters set forth in this certificate are true on our own knowledge.

Executed this 9th day of June, 1986, at La Jolla, California.

/s/ Mark D. Dankberg

MARK D. DANKBERG
President

/s/ Richard K. Circuit

RICHARD K. CIRCUIT
Assistant Secretary

EXHIBIT B

SCHEDULE OF PURCHASERS

Purchaser	Number of Shares	Consideration
Southern California Ventures	2,720,000	$272,000
Robert W. Johnson	250,000	25,000
Thomas A. Tisch	30,000	3,000
	3,000,000	$300,000

ViaSat, Inc.

Schedule of Exceptions to
Preferred Stock Purchase Agreement
Dated June 11 , 1986

1. Mark Dankberg, the Company's President, owns 263 shares of the common stock of M/A - COM, Inc., his former employer and a potential competitor of the Company.

EXHIBIT C

ViaSat, Inc.

Schedule of Shareholders of Record
June 11, 1986

Mark Dankberg 1239 Crest Drive Encinitas, California 92024	1,200,000 shares
Steven R. Hart 1858 Avenida Flores Encinitas, California 92024	900,000 shares
Mark J. Miller 11384 Avenger Road San Diego, California 92126	900,000 shares

EXHIBIT "D"

ViaSat, Inc.

Opening Statement of Assets and Liabilities
May 23, 1986

ASSETS		
Cash in bank accounts	$ 5,000.00	
Notes receivable	25,000.00	
Total Assets:		$30,000.00
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities	None	
Shareholders' equity:		
Common stock, par value $.01, 10,000,000 shares authorized, 3,000,000 issued and outstanding	30,000.00	
Total Liabilities and Shareholders' Equity		$30,000.00

EXHIBIT "E"

ViaSat, Inc.

Schedule of Contracts and Leases

1. Cincinnati Electric Technical Support Contract dated May 22, 1986.

2. TRW Personal Consulting Contracts with Messr. Dankberg, Miller and Hart, beneficially assigned to Company, dated May 20, 1986.

EXHIBIT F

EXHIBIT 10.2

VIASAT, INC.

SHAREHOLDERS' AGREEMENT

This Shareholders' Agreement (the "Agreement") is made and entered into this 11th day of June, 1986, by and among Southern California Ventures, a California limited partnership ("SCV"), Robert W. Johnson and Thomas A. Tisch (SCV and Messrs. Johnson and Tisch are collectively referred to herein as the "Investors" and singly as an "Investor"), ViaSat, Inc., a California corporation (the "Corporation"), and Mark D. Dankberg, Steven R. Hart and Mark J. Miller (Messrs. Dankberg, Hart and Miller are collectively referred to herein as the "Common Shareholders").

R E C I T A L S

A. The Investors desire to purchase from the Corporation shares of its Series A Convertible Preferred Stock (the "Preferred Stock") on the terms and conditions set forth in a Preferred Stock Purchase Agreement among each of the Investors and the Corporation dated as of June 11, 1986 (the "Purchase Agreement").

B. The Amended and Restated Articles of Incorporation of the Corporation provide that each holder of Preferred Stock is entitled to the number of votes equal to the largest number of full shares of the Corporation's Common Stock into which such shares of Preferred Stock could be converted on all matters submitted to a vote of shareholders.

C. The Common Shareholders own all or substantially all of the outstanding Common Stock of the Corporation and have entered into certain agreements ("Stock Restriction Agreements") with the Corporation providing for the right of the Corporation to repurchase such stock under certain circumstances.

D. The Stock Restriction Agreements between the Company and the Common Stockholders grant the Investors the option to purchase the shares of Common Stock of the Common Shareholders in certain circumstances; accordingly, the Investors are third party beneficiaries under such Stock Restriction Agreements.

E. The Investors are willing to purchase the Preferred Stock on the terms and conditions contained in the Purchase Agreement if the Investors can obtain assurances from the Corporation and the Common Shareholders regarding, among other things, election of the Corporation's Board of Directors. To induce the Investors to purchase the Preferred Stock, the Corporation and the Common Shareholders are willing to enter into certain agreements as set forth herein.

A G R E E M E N T

NOW, THEREFORE, IT IS AGREED among the parties as follows:

1. Definitions. Except as otherwise specifically provided in this Agreement, or unless the context otherwise requires, the following terms shall have the following respective meanings:

1.1 "Board" shall mean the Board of Directors of the Corporation.

1.2 "Capital Stock" shall mean all shares or other units into which the proprietary interest of the Corporation is divided pursuant to its Articles of Incorporation, as amended and restated from time to time, and shall include Common Stock and Preferred Stock.

1.3 "Common Shareholders" shall mean Mark Dankberg, Steve Hart and Mark Miller.

1.4 "Common Stock" shall mean all shares of Capital Stock other than Preferred Stock.

1.5 "Corporation" shall mean Intellicom, Inc., a California corporation.

1.6 "Investor" shall mean SCV or Robert W. Johnson or Thomas A. Tisch, and "Investors" shall mean all three of such individuals and entities and any successor or successors to them as holders of any portion of the Preferred Stock or the Common Stock into which the Preferred Stock is convertible.

1.7 "Investors' Common Stock" shall mean the shares of Common Stock issued upon conversion of the Preferred Stock.

1.8 "Preferred Stock" shall mean the shares of Series A Convertible Preferred Stock sold to the Investors by the Corporation pursuant to the Purchase Agreement.

1.9 "Purchase Agreement" shall mean that certain Preferred Stock Purchase Agreement by and among the corporation and the Investors.

1.10 "SCV" shall mean Southern California Ventures, a California limited partnership.

1.11 "Stock Restriction Agreement" shall mean any of the agreements between the Corporation and a Common Shareholder providing for the right of the Corporation to repurchase the Common Stock of such Common Shareholder under certain circumstances.

2. Representations and warranties.

2.1 Common Shareholders. Each of the Common Shareholders represents and warrants to each Investor that (a) Exhibit 1 attached hereto sets forth his true name and address and contains a true and complete description of the number of shares of Common Stock owned by him, and (b) no other individual (besides his spouse, if any), estate, corporation, trust, partnership, joint venture, association or other entity has any present or contingent interest in any of the shares of Common Stock listed on Exhibit 1 hereof.

2.2 Investors. Each Investor represents and warrants to each Common Share holder that (a) Exhibit B to the Purchase Agreement contains a true and complete description of the number of shares of Preferred Stock owned by him or it after giving effect to the transactions contemplated by the Purchase Agreement, and (b) no other individual (besides his spouse, if any), estate, corporation, trust, partnership, joint venture, association or other entity has any present or contingent interest in any of the shares of Preferred Stock listed on such Exhibit B (other than as a general or limited partner of SCV).

3. Irrevocable Proxies.

3.1 Intent. The purpose of this Agreement is to provide for a Board composed as follows:

(a) One person less than a majority of the Board selected by the vote of the holders of outstanding Preferred Stock and Investors' Common Stock voting as a class (the "Preferred Directors");

(b) One person less than a majority of the Board selected by the vote of the holders of Common Stock, excluding the holders of the Investors' Common Stock (the "Common Directors");

(c) One person (who shall not be an officer or full-time employee of the Corporation, except as is specifically otherwise approved by the Investors) selected by the Common Shareholders and not objected to by holders of a majority of the Preferred Stock and Investors' Common Stock as a class (the "Independent Director").

3.2 Grant of irrevocable Proxy. The Common Shareholders and each of them hereby appoint the Preferred Directors (or if less than two directors are acting, the one so acting) as their attorney and proxy to attend meetings, vote, give consents and in all other ways to act in their place with respect to the shares of Common Stock held respectively by them, in order to effect the following actions:

(a) To maintain a Board consisting of an odd number of Directors;

(b) To provide for prompt elections to assure that vacancies on the Board are replaced in a manner so that Common Directors continue to be elected by holders of the Common Stock (excluding the Investors' Common Stock), Preferred Directors continue to be elected by holders of the Preferred Stock and the Investors' Common Stock, and the Independent Director continues to be selected and elected as hereinafter provided.

(c) To vote or withhold the vote of the shares of Common Stock for which the irrevocable proxy has been granted for the person nominated by the holders of the Common Stock to be the Independent Director, it being understood that if such vote is withheld no votes may be cast for such nominee by any holder of the Preferred Stock or by any bolder of the Investors' Common Stock. It is understood that it is the intent of this provision to provide to a majority of the persons acting as Preferred Directors the right to disapprove a nominee selected by the holders of the Common Stock to act as the Independent Director. The proxy granted hereunder shall not permit the Preferred Directors to nominate or select any person to act as Independent Director, if such person has not been nominated on the same occasion by the holders of the Common Stock. if no action in favor or against a nominee is taken by the holders of the proxy, the holders of the Common Stock may vote in favor of the nominee.

3.3 Directors to Act as Nominees. The Investors, as holders of the option to purchase common Stock of the Common Shareholders 'pursuant to the Stock Restriction Agreements, each hereby appoint the Preferred Director or Directors, as their nominees, to accept the irrevocable proxy granted under Section 3.2 of this Agreement. It is the express intention of the Investors, as holders of such option, and the Common Shareholders that such persons be appointed as proxy holders so that the irrevocable proxy granted under Section 3.2 meets the requirements of Section 705(e)(2) of the California General Corporation Law.

3.4 Term. The proxy granted under Section 3.2 shall remain in effect and shall be irrevocable for the period of

time commencing on the date of this Agreement and ending upon termination of this Agreement pursuant to Section 6.6 of this Agreement.

3.5 Agreement Not to Amend Stock Restriction Agreements. The Corporation and the Common Shareholders shall not amend any of the Stock Restriction Agreements without the consent of Investors who are holders of a majority of the number of shares of Common Stock issued or issuable upon conversion of the Preferred Stock.

4. Legend. All shares and certificates representing the Common Stock held by the Common Shareholders shall have the following legend printed thereon:

> "These shares are subject to a Shareholders' Agreement which grants under certain limited circumstances an irrevocable proxy to vote these shares. Such Agreement is binding upon succeeding holders of these shares. A copy of such Agreement is on file and may be inspected at the principal office of the Corporation."

Such legend shall be promptly removed upon the earlier of termination of the irrevocable proxy or the written consent of a majority of the then living Selling Shareholders.

5. Assistance of the Corporation. The Corporation shall use its reasonable best efforts to cause the nomination and election to the Board of Directors of the persons chosen in accordance with Section 3.1 above.

6. Miscellaneous.

6.1 Amendment and Waiver. No modification or amendment of any provision of this Agreement shall be valid unless it is in writing and signed by all of the parties hereto, and no waiver of any provision hereof shall be binding upon any party unless in writing and signed by the party so waiving.

6.2 Notices. All notices and other communications given or made pursuant to or in connection with this Agreement shall be in writing, shall be addressed to the Corporation at its principal place of business or to the Common Shareholders and Investors as specified on Exhibit 1 or 2 hereto, or at such other address or to such other person as each party shall furnish by notice to all the others with respect to himself, and shall be delivered personally or sent by certified mail, postage prepaid, return receipt requested. Unless otherwise specifically provided

herein, all such notices and other communications shall be deemed given or made only (a) upon personal delivery to the appropriate address or (b) on the second business day following deposit in the mail, if sent by certified mail, return receipt requested.

6.3 Governing Law and Interpretation. This Agreement shall be governed and construed in accordance with the laws of the State of California. The headings of the various Sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

6.4 Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same instrument.

6.5 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of each of the parties hereto and their respective administrators, executors, legal representatives, heirs, devisees, legatees, successors, assigns, and transferees. The invalidity or unenforceability of any provisions hereof shall in no way affect the validity or enforceability of any other provisions.

6.6 Termination. The provisions of this Agreement shall terminate upon the earlier of (i) the closing of a firm commitment underwritten public offering of the Corporation's Common Stock pursuant to a registration statement declared effective under the Securities Act of 1933, as amended, in which the aggregate gross proceeds are at least $3,000,000 at a price per share (subject to adjustment for events occurring after the date hereof) of at least $0.50, (ii) the end of the second consecutive fiscal year of the Corporation in which the Corporation has earned income before taxes (determined in accordance with generally accepted accounting principles consistently applied) of

at least $500,000, or (iii) the conversion of more than 50% of the shares of Preferred Stock issued to the Investors pursuant to the Purchase Agreement.

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the day and year first above written.

VIASAT, INC.

By /s/ Mark D. Dankberg

Robert W. Johnson

Thomas A. Tisch

SOUTHERN CALIFORNIA VENTURES

By

/s/ Mark D. Dankberg

Mark D. Dankberg

/s/ Steven R. Hart

Steven R. Hart

/s/ Mark J. Miller

Mark J. Miller

at least $500,000, or (iii) the conversion of more than 50% of the shares of Preferred Stock issued to the Investors pursuant to the Purchase Agreement.

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the day and year first above written.

VIASAT, INC.	SOUTHERN CALIFORNIA VENTURES
By _____	By /s/ _____
_____	_____
Robert W. Johnson	Mark D. Dankberg
_____	_____
Thomas A. Tisch	Steven R. Hart
	_____
	Mark J. Miller

EXHIBIT 10.3

STOCK RESTRICTION AGREEMENT

THIS STOCK RESTRICTION AGREEMENT is entered into between ViaSat, Inc., a California corporation ("Company"), and _____ ("Shareholder") and is made effective for all purposes on _____, 19___.

ARTICLE I
PURPOSE AND DEFINITIONS

1.1 PURPOSE. This Stock Restriction Agreement ("Agreement") is entered into with Shareholder for the purpose of limiting the sale, succession, or other transfer of ownership of common stock of the Company ("shares") during the lifetime or at the death of Shareholder in accordance with the provisions herein. The Agreement also requires the acceptance of an offer to purchase all of the shares if Shareholders owning sixty-six and two-thirds percent (66-2/3%) of the outstanding shares of the Company agree to accept such an offer. This Agreement covers all shares of the Company capital stock now or subsequently owned by Shareholder ("shares") and a reference to this agreement shall be endorsed on all of the certificates of shares owned by Shareholder or which may be subsequently issued to him.

1.2 EFFECT ON SPOUSE'S INTEREST. All references in this Agreement to "shares" or to a "Shareholder's shares" shall include the community or separate property interest, if any, of Share- holder's spouse in any shares of the Company's stock regardless of

whether registered in said spouse's name only or registered in any manner in the names of both spouses. All of the conditions and restrictions contained in this Agreement to Shareholder's shares shall be equally binding on Shareholder's spouse with respect to his or her interest in shares. For purposes of this Agreement if the shares are owned jointly or by either spouse, Shareholder shall refer only to the spouse associated with Company by employment, agency, or other relationship where financial consideration is paid to such person for services performed for Company.

1.3 DATE OF EMPLOYMENT. Any reference in this Agreement to "Date of Employment" shall mean the day and year when "Shareholder" commenced his first day of employment with the Company.

1.4 FIRST YEAR OF EMPLOYMENT. Any reference to "First Year of Employment" shall mean any day beginning after the Date of Employment and ending one (1) year thereafter.

1.5 EMPLOYMENT ANNIVERSARY. Any reference to "Employment Anniversary" shall include the date(s) in any subsequent year(s) which coincide with the Date of Employment of Shareholder.

1.6 DATE OF GRANT. The "Date of Grant" shall mean (i) any Employment Anniversary of Shareholder that is prior to or is on the same date as the fiscal year-end of the Company that is utilized as a basis by the Company for determining the amount of shares that may be purchased by Shareholder, or (ii) if shares are being purchased as a result of exercising a right to purchase shares under the Company's 1993 Stock Option Plan or any subsequently created Company Stock Option Plan, the Date of Grant shall mean the Employment Anniversary of Shareholder that is prior

to or is the same date as the fiscal year-end of the Company that is utilized as a basis by the Company for determining the amount of shares subject to the option that are granted to the Shareholder pursuant to the Company's Stock Option Plan or any subsequently created Company Stock Option Plan.

ARTICLE II
TRANSFERS OF STOCK
RESTRICTIONS AND MANDATORY OFFERS

2.1 LIFETIME GRATUITOUS TRANSFERS TO SPOUSE OR ISSUE (MANDATORY OFFER BY DONEE UPON DEATH OF SHAREHOLDER). Shareholder may make a gift of shares to his spouse or issue outright or to the Trustee of a trust for his or her benefit, or to his spouse or issue as joint tenants with right of survivorship ("Donee"). The Donee of these shares shall hold them subject to all of the provisions of this Agreement, and shall not make any transfers other than as provided in this Agreement, except for gifts to revocable trusts or members of a Shareholder's family as described above.

Within thirty (30) days after the date of Shareholder's death, such Donee shall be required to offer these shares for sale as provided at Article III of this Agreement ("Mandatory Offer"). All references to shares in this Agreement shall include shares owned by any Donee or held in trust on behalf of the Donee. Payment for a Donee's shares on the death of Shareholder shall be made to the Donee or, where held in trust, pursuant to the provisions of the trust.

2.2 OTHER LIFETIME GRATUITOUS TRANSFERS. Except as

permitted at Section 2.1, Shareholder shall not transfer any shares gratuitously during his lifetime unless he shall have first offered the shares for sale as provided at Article III of this Agreement ("Mandatory Offer").

2.3 OFFER UPON DEATH OF SHAREHOLDER. Within ten (10) days after the receipt of notice of the death of Shareholder, or within ten (10) days after the qualification of his personal representative (if Shareholder's shares will be part of his probate estate), whichever is later, the Shareholder's shares shall be offered for sale as provided at Article III of this Agreement by the person or persons entitled to do so ("Mandatory Offer").

2.4 LIFETIME SALES OF SHARES. Shareholder shall not sell or transfer shares during his lifetime for a valuable consideration without first offering such shares for sale as provided at Article III of this Agreement ("Sale of Shares").

2.4.1 A shareholder desiring to complete the Sale of Shares shall give written notice of his intention to transfer to the President or Secretary, but not to himself, of the Company ("Notice"). The Notice shall name the proposed purchaser, his or its business or residence address, and shall specify the number of shares to be transferred, the price per share, and the terms of transfer.

2.5 PURCHASE OR MANDATORY OFFER ON TERMINATION OF MARITAL STATUS. In the event that the marital status of Shareholder is terminated, that termination of marital status shall be an event giving rise to options to purchase all, but not less than all, of whatever interest is held by the spouse of such Shareholder

in the shares.

2.5.1 OPTION OF SHAREHOLDER. The Shareholder whose marital status is terminated shall have the first option to purchase whatever interest is held by his spouse in the stock held in their name, or owned by them. This option shall be exercised by the Shareholder giving written notice to his spouse and to the Company within 30 days following the date of termination of marital status of the Shareholder and his spouse. The purchase price shall be determined by the Shareholder and his spouse using the same procedure described at Article IV of this Agreement. The price shall be paid to the selling spouse in the manner selected by the Shareholder from the alternatives described at Article V of this Agreement.

2.5.2 SECONDARY OPTION TO PURCHASE. If the Shareholder whose marital status is terminated does not exercise the option to purchase all of whatever interest is held by his spouse in the shares held in their name or owned by them, the Shareholder and his spouse shall each notify the Company in writing that the Shareholder has not exercised his option pursuant to Paragraph 2.5.1 of this Agreement. If both the Shareholder and his spouse fail to notify the Company in writing of the termination of their marital status, the Company shall not be deemed to have received notice until the Company has actual notice of the termination of marital status of Shareholder and his spouse. For a period of thirty (30) days commencing upon the date that Company has received the notice specified in this paragraph, the Shareholder's spouse shall be required to offer those shares to the

Company for sale as provided at Article III of this Agreement ("Mandatory Offer").

2.5.3 BIFURCATION OF MARITAL STATUS AND PROPERTY RIGHTS. Notwithstanding Subparagraphs 2.5.1 and 2.5.2 to the contrary, in the event that the marital status of Shareholder is terminated prior to the determination by a court of the right to ownership of the shares, then in such circumstance, the event giving rise to the option specified or notice required in Sub-paragraphs 2.5.1 and 2.5.2 shall be the date of entry of judgment by the court determining ownership of the shares.

2.6 TERMINATION OF EMPLOYMENT.

2.6.1 If Shareholder's employment with Company terminates within three (3) years from the Date of Employment by the Company, for any reason whatsoever, Shareholder, or his Donee at Section 2.1, or his former spouse under Section 2.5.2, shall offer his shares to the Company in accordance with Article III of this Agreement ("Mandatory "Offer").

2.6.2 The price of the shares purchased during the first year commencing on the Date of Employment shall be based on Shareholder's completed months of service determined from his Date of Employment, as follows:

Completed Months of Service From Date of Employment	Unvested Shares Required to be Sold at Price Originally Paid by Shareholder ("Cost")	Vested Shares Required to be Sold at Price Determined in Section 4.1 ("Higher of Cost or Fair Market Value")
Less than 6	100%	0
6 but less than 7	75%	25%

7 and continuing thereafter through 36 months, Shareholder shall

7
vest to his shares at a rate of 1/30 (3.333 % per month).

2.6.3 The price of any shares purchased by Shareholder after the First Year of Employment shall be based on Shareholder's completed months of service as determined for each subsequent purchase by Shareholder beginning from the Date of Grant, as follows:

Completed Months of Service From Date of Grant	Unvested Shares Required to be Sold at Price Originally Paid by Shareholder ("Cost")	Vested Shares Required to be Sold at Price Determined in Section 4.1 ("Higher of Cost or Fair Market Value")
Less than 6	100%	0
6 but less than 7	75%	25%

7 and continuing thereafter through 36 months, Shareholder shall vest to his shares at a rate of 1/30 (3.333 % per month).

2.6.4 If Shareholder's employment with the Company terminates after three (3) years from the date of his employment with the Company, for any reason whatsoever, Shareholder or his Donee at Section 2.1 or his former spouse under Section 2.5.2, shall offer his shares to Company in accordance with Article III of the Agreement ("Mandatory Offer") and at the price determined by Section 4.1.

2.6.5 The term "employment" or "employed" for purposes of this Agreement shall include but not be limited to any relationship in which Shareholder is paid for his service to the Company whether by way of salary, hourly compensation, commission, director's fees, fringe benefits, reimbursement and the like.

2.6.6 In the event of any conflict between Section 2.6 and Section 2.4, the provisions of Section 2.6 shall prevail.

2.6.7 Notwithstanding anything in this Agreement to the contrary, so long as Shareholder's share or portion thereof are subject to the restrictions in this Section 2.6, Shareholder shall not transfer such shares, or portion thereof, gratuitously or for consideration, except as permitted at Sections 2.1, 2.3, or 2.5.

2.7 TRANSFEREES SUBJECT TO RESTRICTIONS. Any Transferee upon receiving shares (or any interest in shares) shall be subject to all of the provisions and restrictions contained in this Agreement, and shall, prior to receiving delivery of the shares, become a signatory to the then current Stock Restriction Agreement of the Company.

2.8 OFFER TO ALL SHAREHOLDERS. If an offer is made to all Shareholders to purchase all of the outstanding shares of the Company, and if that offer is accepted by Shareholders owning sixty-six and two-thirds (66-2/3) percent of the shares, Shareholder agrees he will be bound by such acceptance. Shareholder further agrees he will sell all of the shares owned by him to the offeror on the terms and conditions contained in the offer to all Shareholders. Should such an offer be made, the provisions of this Agreement requiring that shares be offered to Company or its designated purchaser shall not apply and the purchaser shall acquire the shares free and clear of this Agreement and of any of its terms and conditions.

ARTICLE III
OPTION TO PURCHASE TO COMPANY OR SHAREHOLDERS

3.1 SUBMISSION TO COMPANY. A Mandatory Offer required by Sections 2.1, 2.2, 2.3 2.5 or 2.6 or a Notice required

by Section 2.4.1, shall be submitted to the Company by the person required to do so (Offeror).

3.2 OPTION TO COMPANY. The Company shall have the right to elect to purchase any or all of the shares which are the subject of a Mandatory Offer or Notice (the "shares offered") for the price and on the terms set forth in this Agreement. This option shall expire sixty (60) days after receiving a Mandatory Offer or Notice or sixty (60) days after termination of Shareholder's employment, whichever is applicable.

3.3 NON-EXERCISE OF OPTION. If for any reason the Company does not exercise its option in a timely manner to purchase any or all of the offered shares, the Offeror shall be entitled to do whichever of the following is applicable:

3.3.1 Continue to hold such shares under Section 2.1 of this Agreement either outright or as a trustee subject to the terms of the trust. In either event, the holder of such shares shall be treated in all respects as a Shareholder subject to the terms of this Agreement;

3.3.2 Complete the gratuitous transfer under Section 2.2 in which case the Transferee will be a Shareholder subject to the terms of this Agreement;

3.3.3 Continue to hold such shares under Section 2.3 of this Agreement as a Shareholder subject to the terms of this Agreement or to distribute them according to law to the deceased Shareholder's beneficiaries who will then be treated as Shareholders subject to the terms of this Agreement;

3.3.4 Complete the transfer of shares for

consideration under Section 2.4 of this Agreement in which case the Transferee shall be a Shareholder subject to the terms of this Agreement; provided, however, that the transfer must be completed within six (6) months of termination of the Company's and Share- holders' option period, and at the price and upon terms no more favorable than those specified in the Notice;

3.3.5 Continue to hold shares under Section 2.5 of this Agreement as a Shareholder subject to the terms of this Agreement; provided, however, that a Shareholder who has acquired shares as a result of dissolution of marriage with a Shareholder who is then employed by the Company, shall remain subject to the provisions of Section 2.6 of this Agreement as though the Shareholder is employed by the Company.

3.3.6 Continue to hold shares under Section 2.6 of this Agreement as a Shareholder subject to the terms of this Agreement.

3.4 RESTRICTION. Notwithstanding the foregoing, the Company shall not have the option to purchase such shares as designated at Section 3.2 if such purchase would violate Sections 500 and 501 of the California Corporations Code or any statute of similar import restricting the right of a corporation to purchase its own shares. This Section 3.6 does not restrict the Company's option to designate, appoint or approve as a purchaser for such shares, any person or persons including other Shareholders of the Company.

ARTICLE IV
PURCHASE PRICE

4.1 DETERMINATION. Except when a purchase price per share is stated in a Notice required by Section 2.4, the option price per share shall be based on the original cost of the stock to the Offeror, in the case of unvested shares, and on the higher of original cost of the stock to Offeror or fair market value ("Fair Market Value") as agreed upon by the Offeror and the Company in the case of vested shares. If the Offeror and the Company cannot agree upon the Fair Market Value for the Offeror's shares within fifteen (15) days ("Agreement Period") after the Company has received a Mandatory Offer of Notice, or termination of Shareholder's employment, whichever is applicable, the Fair Market Value shall be determined by an appraiser chosen by Offeror and an appraiser chosen by the Company. Within fifteen (15) days after the expiration of the Agreement Period, Offeror and Company shall each choose an appraiser ("Appointment Period") and notify the other in writing of the name, address and phone number of such appraiser. The two appraisers shall thereafter have fifteen (15) days to determine the Fair Market Value of the shares ("First Appraisal Period"). In the event the two appraisers cannot agree within fifteen (15) days after expiration of the First Appraisal Period, they shall thereupon immediately choose a third appraiser and the decision in writing of any two of the three appraisers ("Second Appraisal Period") so appointed shall be deemed binding and conclusive on the Offeror and the Company with respect to the price per share of shares being offered for sale.

In the event that either Company or Offeror

fails to appoint an appraiser during the Appointment Period, the appraiser appointed by the non-failing party shall determine the Fair Market Value of the shares. Each party shall bear the cost and expense of the appraiser appointed by such party. All costs and expenses of the tie-breaking appraiser appointed for the Second Appraisal Period shall be borne equally by the Company and Offeror.

4.2 CANCELLATION OF SHARES. If the Offeror refuses to tender shares after Fair Market Value (or other purchase price specified in this Agreement) has been determined, the Company may thereafter cancel Offeror's shares provided, however, that Company first tenders full payment of the purchase price of the shares to Offeror.

4.3 TIME FOR DETERMINATION. In the event of the necessity of appointment of such appraisers, the price per share shall be determined within thirty (30) days of the appointment or such additional time as may be agreed upon between Offeror and the Company.

4.4 PAYMENT WHERE DEATH BENEFIT EXISTS. Upon the valuation of shares of a deceased Shareholder, who at the time of his death was also an employee of the Company (Shareholder- Employee), or Donee of a deceased Shareholder or employee, the purchase price for all shares shall be reduced by $5,000 in the event that the Company is obligated to pay a death benefit in this amount to the beneficiary designated by such Shareholder-Employee.

ARTICLE V
PAYMENT

5. TIME AND MANNER. In the event that the Company shall

exercise its option to purchase shares, payment for the shares shall be made in accordance with whichever of the following options the purchaser shall choose:

5.1 In cash or certified check within the time periods designated for the exercise of options under Sections 2.3, 2.5 or 2.6, which give rise to the option to purchase such shares; or

5.2 On the terms and conditions set forth in the Notice from the offering Shareholder under Section 2.4.

ARTICLE VI
INSURANCE

6.1 INSURANCE POLICIES. In order to fund the payment of the purchase price of the shares to be purchased under this Agreement by Company upon the death of Shareholder, the Company may apply for (but is under no obligation to do so), acquire, and maintain in force policies of life insurance in face amounts sufficient to pay the purchase price of the shares owned by Shareholder. The policies, if any, shall be described on Exhibit A; and any additional policies acquired by Company on the life of Shareholder, or changes in the face amounts of the policies, shall also be listed on Exhibit A. All policies shall belong solely and absolutely to Company and shall be subject to the provisions of this Agreement; Company reserves all the powers and rights of ownership, will name itself as primary beneficiary, and agrees to pay all premiums on the policies as they fall due. Company shall not exercise any of its powers of ownership by cancelling the policies, lowering the face amount of the policies, changing the

name of the beneficiary, electing optional methods of payment, converting the policies, borrowing against them, or in any other way changing their nature, reducing their value or the rights under them without first giving fifteen (15) days written notice of its intention to do so to Shareholder. Any dividends paid upon any of the policies shall be paid to Company. Receipts showing payment of premiums shall be held by the Secretary of Company for inspection by Shareholder.

ARTICLE VII
TRANSFER OF SHARES

7.1 TRANSFERS. Upon the payment in full of the purchase price, Offeror shall deliver to the purchaser a receipt for the payment of the purchase price, together with a stock assignment separate from certificate transferring the shares to the purchaser; and, if applicable, the personal representative shall deliver his receipt for the payment of the purchase price to the Company, together with a court order confirming sale, and any documents necessary for clearance of inheritance tax liens, as well as an appropriate stock or assignment separate from certificate duly transferring the shares to the Company. The stock or assignment shall have the signature or signatures guaranteed by a commercial bank or trust company or savings and loan association or a member firm of the National Association of Security Dealers. Upon the presentation of the foregoing documents, the Company shall cause the shares purchased to be transferred to the purchaser.

ARTICLE VIII
LEGEND ON SHARE CERTIFICATE

8.1 LEGEND. Each share certificate of the Company shall have on its face the following words:

"ANY TRANSFER OR PLEDGE OF THE SHARES REPRESENTED BY THIS CERTIFICATE, OR THE TRANSFER OF ANY INTEREST IN THOSE SHARES IS RESTRICTED BY THE PROVISIONS OF THE COMPANY'S STOCK RESTRICTION AGREEMENT, PRESENTLY EFFECTIVE, A COPY OF WHICH MAY BE INSPECTED AT THE PRINCIPAL OFFICE OF THE COMPANY, AND ALL OF THE PROVISIONS OF WHICH ARE INCORPORATED HEREIN."

An executed copy of this Agreement shall be delivered to the Secretary of the Company and shall be shown by him to any person duly authorized in writing by Shareholder who then holds shares subject to this Agreement.

ARTICLE IX
RESTRICTIONS ON PLEDGE

9.1 RESTRICTION. Shareholder shall not pledge or otherwise encumber any shares or any interest in any shares, unless he shall have first complied with the following requirements.

9.1.1 Shareholder, desiring to pledge any shares as security, or any interest in any shares, shall give notice to the Company, settling forth the proposed pledge, his or its business and residence address, and specifying the number of shares to be pledged, the total obligation secured and the terms of that obligation. A meeting of the Board of Directors of the Company shall be held within fifteen (15) days from the receipt of the notice, for the purpose of reviewing the proposed pledge.

9.1.2 It shall be a condition precedent to the approval of any proposed pledge that Shareholder and the proposed

pledgee enter into a written Consent Agreement with the Company pursuant to which the Company will be given notice of any default by the pledgor, allowed sufficient time to cure the default prior to any execution upon the pledged shares, and granted a security interest in the pledged shares upon curing the default. Upon delivery of such a Consent Agreement satisfactory to the Company, together with other documentation which may, in the sole discretion of the Board of Directors of the Company, be necessary or desirable to effectuate the purpose of this Agreement, the Board of Directors shall act to authorize the pledge of the shares and shall give written notice to Shareholder of this approval.

ARTICLE X
TERMINATION OF AGREEMENT

10.1 TERMINATION. This Agreement shall terminate upon the occurrence of any of the following:

10.1.1 The written agreement of all of the parties to this Agreement;

10.1.2 The dissolution of the Company;

10.1.3 The appointment of a receiver to take possession of all or substantially all of the assets of the Company, a general assignment by the Company for the benefit of creditors, or any action voluntarily taken by the Company under any insolvency or bankruptcy act;

10.1.4 Any action involuntarily suffered by the Company under any insolvency or bankruptcy act, which continues for a period of thirty (30) days; or

10.1.5 When only one Shareholder remains, the

shares of all others having been transferred or repurchased.

10.1.6 When the Company makes a public offering to sell its shares by filing a registration with the Securities and Exchange Commission to register shares for sale to the general public, such registration is made effective by the Securities and Exchange Commission and such registration is properly qualified in those states of the United States where the shares will be sold. The foregoing sentence is applicable whether or not shares subject to this Agreement are made part of the registration with the Securities and Exchange Commission.

ARTICLE XI
LIFE INSURANCE UPON TERMINATION

11.1 DISPOSITION OF LIFE INSURANCE POLICIES UPON TERMINATION. If this Agreement is terminate as provided in Article X, or if a Shareholder dispose of all of the Shares owned, Shareholder shall have an option, exercisable within sixty (60) days after the termination of this Agreement or the sale of shares, to purchase any or all life insurance policies on himself owned by Company listed on Exhibit A by payment of the following amount:

11.1.1 The interpolated terminal reserve of the policy and any paid-up additions as of the date of transfer, plus

11.1.2 Any dividends or dividend accumulations credited to the policy, plus

11.1.3 The unearned portion of the premium paid beyond the date of transfer, less

11.1.4 Any indebtedness against the policy plus any interest accrued as of the date of transfer.

ARTICLE XII
MISCELLANEOUS PROVISIONS

12.1 PRIOR AGREEMENTS. This Agreement supersedes all other agreements in force at the date of this Agreement, and all rights and obligations of the parties under them which are inconsistent with the terms of this Agreement, are terminated.

12.2 NOTICE. Any notice given under the terms of this Agreement shall be given in writing and shall be given by registered or certified mail, postage prepared and return receipt requested, to the Company at its principal office of business, and to Shareholder at the address last provided by Shareholder to the Company. Any address may be changed by giving notice in writing to the Company. The date of receipt by any notice shall be the third business day following the postmark on the registered or certified mail.

12.3 BINDING ON HEIRS. This Agreement shall be binding upon and inure to the benefit of the successors, heirs, personal representatives, and assignees of the parties.

12.4 COORDINATION WITH WILL. Each Shareholder agrees to insert in his will a direction and authorization to his personal representative to comply with the provisions of this Agreement.

12.5 AMENDMENT. This Agreement may be amended at any time by the written agreement of the Company and all of its then Shareholders.

12.6 VALIDITY. In the event that any of the provisions of this Agreement are held invalid under any law, this invalidity shall not affect the remainder of the Agreement.

12.7 ATTORNEY'S FEES. In a suit or proceeding brought or instituted by any of the parties to enforce or interpret any of the provisions of this Agreement or on account of any damages sustained by any party by reason of the violation of another party of any of the terms or provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees in such amount as shall be fixed by the court.

12.8 CALIFORNIA LAW. This Agreement shall be governed by the laws of the State of California.

12.9 GENDER AND NUMBER. As used herein, masculine terms and number shall include the equivalent feminine terms and numbers.

12.10 CAPTION AND PARAGRAPH HEADINGS. Captions and paragraph headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing it.

IN WITNESS WHEREOF, the parties have executed this Agreement at San Diego, California, effective for all purposes on

- -------------------------.

COMPANY	SHAREHOLDER
ViaSat, Inc.	
By: _____	_____

SPOUSE'S CONSENT TO STOCK RESTRICTION AGREEMENT

I acknowledge that I have read the foregoing Stock Restriction Agreement and that I know its contents. I am aware that my community property or other interest, if any, in shares registered in the name of my spouse or in both of our names is subject to the terms of this Agreement including, without limitation, of the following: Section 1.2, rendering my shares subject to the terms of this Agreement; Section 2.3, providing for the mandatory offer of my interest in shares to the Company upon my spouse's death; and Section 2.5, requiring a mandatory offer of my shares to my spouse (or the Company) in the event of the termination of our marital status.

I agree to sell my interest in the Company's shares upon termination of my marital status on the terms and conditions set forth in the Stock Restriction Agreement. I agree to provide notice to the Company, as required by Paragraph 2.5.2, in the event my spouse does not purchase my shares in the Company upon termination of our marital status. I consent to the sale of my interest in the Company's shares upon my spouse's death. I approve of the remaining provisions of the Agreement.

I acknowledge that I have been advised to obtain independent legal advice prior to signing this Consent and have either done so or declined to do so of my own free will and choice.

Dated:_____ Spouse:

_____

EXHIBIT 10.4

INVENTION AND CONFIDENTIAL DISCLOSURE AGREEMENT

THIS INVENTION AND CONFIDENTIAL DISCLOSURE AGREEMENT ("Agreement") is made between ViaSat, Inc., a California corporation ("Company"), and _____ ("Employee").

In consideration of the employment or contractual relationship between the Employee and the Company, the parties hereto agree as follows:

1. Employee is retained by the Company as a research and development engineer to invent, discover, develop and improve methods, formulas, machines and devices relating in any manner to the Company's business or related to the Company's products or to any research, design, experimental or production work carried on by the Company. On inventing, discovering, developing or improving any of the aforesaid methods, formulas, machines and devices, Employee shall immediately make a full disclosure thereof to the Company and shall thereafter keep the Company fully informed at all times of all progress in connection therewith. Such disclosure shall be made in confidence, and the Company shall provide a review process available to Employee, upon request, to determine such issues as may arise with such disclosure.

2. All such inventions, designs, improvements and discoveries, whether or not conceived by Employee alone or with others and whether or not conceived during regular working hours, shall be the exclusive property of the Company, and Employee agrees to assign and hereby assigns his entire right, title and interest in the same to the Company.

3. Employee acknowledges notification under California Labor Code Section 2872 that this Agreement does not apply to any invention which qualifies fully under the provisions of Labor Code Section 2870, which reads in pertinent part as follows:

> Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of his or her rights in an invention to his or her employer shall not apply to an invention for which no equipment, supplies, facility, or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (a) which does not relate (1) to the business of the employer or (2) to the employer's actual or demonstrably anticipated research or development, or (b) which does not result from any work performed by the employee for the employer.

4. Employee shall assist the Company to obtain patents on all such inventions, designs, improvements and discoveries deemed patentable by the Company and shall execute all documents and do all things necessary to obtain letters patent, vest the Company with full and exclusive title thereto and protect the same against infringement, all at the Company's expense, but for no consideration to Employee in excess of Employee's usual wages or contract compensation from the Company. In the event that the Company requires Employee's assistance under this section 4 after termination of Employee's employment or contractual relationship with the Company, Employee shall be compensated for Employee's time actually spent in providing such assistance at an hourly rate equivalent to Employee's salary or wages or contract compensation during the last year of employment or contractual relationship with the Company.

5. All experiments, developments, formulas, patterns, devices, secret inventions and compilations of information, records and specifications regarding the Company's business or related to the Company's products or to any research, design, experimental or production work carried on by Company are trade secrets, which Employee shall not disclose, directly or indirectly, or use in any way, either during the term of Employee's employment by or contractual relationship with the Company or at any time thereafter, except as required by the Company. Employee recognizes and agrees that the foregoing obligation applies not only to technical information, but any business information which the Company treats as confidential. Any information of the Company which is not readily publicly available shall be considered to be a trade secret unless the Company advises Employee otherwise.

6. Employee agrees to return to the Company upon termination of Employee's employment or contractual relationship with the Company, all papers, records, documents, drawings, plans, models and equipment in Employee's possession, relating to the Company's business or related to the Company's products or to any research, design, experimental or production work carried on by the Company, and Employee shall not make or retain any copies thereof.

7. In the event of a breach or threatened breach by Employee of any provision of this Agreement, the Company shall be entitled to an injunction restricting Employee from committing such a breach. Nothing herein shall be construed as prohibiting the Company from pursuing any other remedy available to the Company for such breach or threatened breach, including the recovery of damages from Employee.

8. Should any part of this Agreement be declared invalid for any reason, then such portion shall be invalid only to the extent of the prohibition without invalidating or affecting the remaining provisions of this Agreement, or without invalidating or altering such portion within states or localities where not prohibited by law or court decree.

9. In any action to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to attorneys' fees and costs.

10. This Agreement shall be construed under the laws of the State of California and shall be binding upon the heirs, assigns, administrators and executors of the parties.

DATED:_____	DATED:
	VIASAT, INC., a California Corporation
_____	By:_____
"Employee"	"Company"

EXHIBIT 10.5

VIASAT, INC.

1993 STOCK OPTION PLAN

1. PURPOSE

1.1 VIASAT, INC., a California corporation ("Company") desires to afford certain of its employees and independent contractors whom the Company's Board of Directors specifically finds have substantial business contacts with the Company and who are performing services of special significance to the Company, and non-employee members of the Company's Board of Directors who are responsible for the continued growth of the Company, an opportunity 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 and its affiliates.

1.2 The stock options ["Option(s)"] offered pursuant to this 1993 Stock Option Plan ("Plan") are a matter of separate inducement and are not in lieu of any salary or other compensation for the services of any person.

1.3 The Options granted under the Plan are intended to be either incentive stock options ["Incentive Option(s)"] within the meaning of Section 422A of the Internal Revenue Code of 1986, as it may from time to time be amended ("Code"), or options that do not meet the requirements for Incentive Options ["Non-Qualified Option(s)"].

1.4 Employees of the Company may receive Incentive Options and/or Non-Qualified Options. Persons who are not employees, but who are directors of, or who are independent contractors found to have substantial business contacts with and to be performing significant services for, the Company may also receive Options pursuant to the Plan, provided, however, that such persons may only receive Non-Qualified Options.

1.5 For the purposes of the Plan, the term "employee" shall have the same meaning required by Section 422A of the Code.

2. SHARES SUBJECT TO THE PLAN

2.1 The total number of shares of common stock of the Company issuable under the Plan shall not exceed, in the aggregate, One Million (1,000,000) shares of the authorized common stock, $.01 par value, as of the Effective Date, consisting of Incentive Options and Non-Qualified Options in amounts determined by the Board of

Directors of the Company ("Shares"). The term "Shares" shall include any securities, cash or other property into which Shares may be changed through merger, consolidation, reorganization, recapitalization, stock dividend, stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, issuance of rights to subscribe or change in capital structure.

2.2 Shares which may be acquired under the Plan shall be authorized but unissued Shares. If and to the extent that Options granted under the Plan expire or terminate without having been exercised, new Options may be granted with respect to the Shares covered by such expired or terminated Options, provided that the grant and the terms of such new Options shall in all respects comply with the applicable provisions of the Plan.

3. ADMINISTRATION

3.1 The Company's Board of Directors ("Board") shall designate a committee ("Committee") to administer the Plan. In the absence of a Committee, the Plan shall be administered by the Board. The Committee shall consist of no fewer than three members of the Board. The Board shall have the power to redesignate the composition of the Committee at any time. A majority of the members of the Committee shall constitute a quorum, and the act of a majority of the members of the Committee shall be the act of the Committee. Any member of the Committee may be removed at any time either with or without cause by resolution adopted by the Board, and any vacancy on the Committee may at any time be filled by resolution adopted by the Board.

3.2 Subject to the express provisions of the Plan, the Committee shall have authority, in its discretion, to determine the persons to whom Options shall be granted, the time when such Options shall be granted, the number of Shares which shall be subject to each Option, the purchase price of each Share which shall be subject to each Option, the period(s) during which such Options shall be exercisable (whether in whole or in part), and the other terms and provisions thereof. In determining the persons to whom Options shall be granted and the number of Shares subject to each such grant, the Committee shall consider the length of service, the amount of earnings, the responsibilities and duties of each person, and/or other factors it deems relevant.

3.3 Subject to the express provisions of the Plan, the Committee shall have authority to construe the Plan and any Options granted thereunder, to amend the Plan and any Options granted thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan, to determine the terms and provisions of the Options granted under the Plan and to make all other determinations that the Committee deems necessary or advisable for administering the Plan. The Committee also shall have the authority to require, in its discretion, that the Optionee agree, promptly after the grant of an Option to such person, not to sell or otherwise dispose

of Shares acquired pursuant to the exercise of the Option for a period of time to prevent any undesirable federal and/or state securities law consequences or the volatility of the Company's Shares in connection with a secondary and/or primary offering thereof. The determination of the Committee on matters referred to in this Section 3 shall be conclusive.

3.4 Any or all powers and functions of the Committee may at any time and from time to time be exercised by the Board or an executive committee thereof.

3.5 The Committee may employ such legal counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion received from any such counsel or consultant or agent. Expenses incurred by the Board or the Committee in the engagement of such counsel, consultant or agent shall be paid by the Company. No member or former member of the Committee or of the Board shall be liable for any action or determination made in good faith with respect to the Plan.

4. ELIGIBILITY

4.1 The persons eligible to receive Options under the Plan are identified in Section 1 hereof.

4.2 An Option shall not be granted to any person who, at the time such Option is granted, owns shares of the Company or any subsidiary or parent corporation of the Company which share possess more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or of any subsidiary or parent corporation of the Company, unless (a) the exercise price per share is not less than one hundred ten percent (110%) of the fair market value per share on the date such Option is granted, and (b) in the case of an Incentive Option, the Option by its terms is not exercisable after the expiration of five (5) years from the date such Option is granted. In determining share ownership of a proposed grantee, the rules of Section 425(d) of the Code shall be applied, and the Committee may rely on representations of fact made to it by the proposed grantee.

5. OPTION GRANT PROGRAM

5.1 Each Option granted under the Plan shall be evidenced by a Stock Option Agreement (and all necessary supporting documentation, as determined by the Committee in its discretion) that complies with (or incorporates) each of the applicable terms and conditions of this Plan (as well as the applicable terms and conditions set forth elsewhere in the Plan) and any additional terms which the Committee deems appropriate. Each Stock Option Agreement shall identify such Option as either an Incentive Stock Option that is intended to comply with the requirements of Section 422A of the Internal Revenue Code or as a Non-Qualified Option

that is intended not to be an Incentive Stock Option. The Stock Option Agreement and all supporting documentation shall contain such representations and warranties as the Committee shall require.

6. OPTION PRICE AND PAYMENT

6.1 The price for each Share purchasable under any option granted pursuant hereto shall not be less than one hundred percent (100%) of the fair market value per Share on the date the Option is granted, provided, however, that in the case of an Incentive Option granted to a person who, at the time such Option is granted, owns shares of the Company or any subsidiary or parent corporation which shares possess more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or of any subsidiary or parent corporation, the purchase price for each Share shall be determined in accordance with paragraph 4.2 of the Plan.

6.2 If the Shares are listed on a national securities exchange in the United States on the date any Option is granted, the fair market value per Share shall be deemed to be the closing quotation at which the Shares are sold on such national securities exchange on the date such option is granted. If the Shares are listed on a national securities exchange in the United States on such date but the Shares are not traded on such date, or such national securities exchange is not open for business on such date, the fair market value per Share shall be determined as of the closest preceding date on which such exchange shall have been open for business and the Shares were traded. If the Shares are listed on more than one national securities exchange in the United States on the date any such Option is granted, the Committee shall determine which national securities exchange shall be used for the purpose of determining the fair market value per Share.

6.3 If at the date any Option is granted, a public market exists for the Shares but the Shares are not listed on a national securities exchange in the United States, the fair market value per Share shall be deemed to be the mean between the closing bid and asked quotations on the over-the-counter market for the Shares in the United States on the date such Option is granted. If there are no bid and asked quotations for the Shares on such date, the fair market value per Share shall be deemed to be the mean between the closing bid and asked quotations on the over-the-counter market in the United States for the Shares on the closest date, preceding the date such Option is granted, for which such quotations are available.

6.4 If the Shares are not listed on a National Securities Exchange in the United States, and fair market value per Share cannot be determined pursuant to paragraph 6.3 hereof, then the fair market value of the Shares shall be as determined by the Committee, using the following criteria: (a) the price at which securities of reasonably comparable corporations (if any) in the same industry are being traded, subject to appropriate adjustments

for the dissimilarities between the corporations being compared, or (b) in the absence of any reliable indicator under subsection (a), the earnings history, book value and prospects of the Company in light of market conditions generally.

7. TERM OF OPTIONS AND LIMITATIONS ON THE RIGHT OF EXERCISE

7.1 Subject to the provisions of Section 18, the holder of an Option ("Optionee") may exercise such Option in accordance with a vesting schedule set forth hereafter:

Date	Percentage of Total Options Granted Which May be Exercised
1st anniversary from date of grant	35%
2nd anniversary from date of grant	35%
3rd anniversary from date of grant	30%

The date after which the Option may no longer be exercisable ("Expiration Date") shall be five (5) years after the Grant Date.

7.2 Except as provided in Paragraph 11.1 hereafter, no Option may be exercised unless, at the time of such exercise, the Optionee is in the employ of the Company and shall have been so employed continuously since the date the Option is granted. For purposes of this paragraph, the term "employment" shall include any association with the Company as an independent contractor, director or in any other capacity where such person is granted an Option under the Plan.

7.3 The grant of Options under the Plan shall not effect the right of the Company to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

7.4 To the extent that an Option is not exercised prior to the Expiration Date (or prior to its earlier termination as provided herein or in the Stock Option Agreement), it shall expire as to the then unexercised part. If any Option shall terminate prior to the Termination Date, as defined in Section 18, the Committee shall have the right to use the Shares as to which such Option shall not have been exercised to grant one or more additional Options to any eligible person, but any such grant of an additional Option shall be made prior to the close of business on the Termination Date.

8. $100,000 LIMITATION

8.1 The aggregate fair market value (determined at the time the Option is granted) of the Shares with respect to which Incentive Options granted to an individual are exercisable for the first time by such individual during any one calendar year (under the Plan or another stock option plan of the Company, a Parent or Subsidiary Corporation, or predecessor thereof) shall not exceed $100,000 or such greater amounts as may be permitted under Section 422A of the Code. To the extent that the aggregate fair market value of the Shares with respect to which Incentive Options are exercisable for the first time by any individual during any calendar year (under all plans of the Company and its Parent and Subsidiary Corporations) exceeds $100,000, such Options shall be treated as Non-Qualified Options, by taking Options into account in the order in which they were granted.

9. EXERCISE OF OPTIONS

9.1 Options granted under the Plan shall be exercised by the Optionee as to all or part of the Shares covered thereby by the giving of written notice (in the form acceptable to the Committee) of the exercise thereof to the Corporate Secretary of the Company at the principle business office of the Company, specifying the number of Shares to be purchased and accompanied by payment of the full purchase price (in the form (s) permitted by the Option).

10. NON-TRANSFERABILITY OF OPTIONS

10.1 An Option shall not be transferable other than by will or the laws of descent and distribution, and any Option shall be exercisable, during the lifetime of the holder, only by such holder.

11. TERMINATION OF EMPLOYMENT AND/OR ASSOCIATION

11.1 Upon termination of the association of an Optionee with the Company for any reason other than disability or death, any Option previously granted to the Optionee, to the extent said Option is then exercisable as of said termination date based upon the vesting schedule set forth in Optionee's Stock Option Agreement with the Company, but not theretofore exercised, shall terminate and become null and void thirty (30) days after the termination date ("Association Termination Date"). Upon termination of the association of an Optionee with the Company by reason of said Optionee's disability (as defined in Code Section 22(e)(3) or death, any Option previously granted to the Optionee, to the extent said Option is then exercisable as of said Association Termination Date based upon the vesting schedule set forth in Optionee's Stock Option Agreement with the Company, but not therefore executed, shall terminate and become null and void no sooner than the date

which is six (6) months from the Optionee's Association Termination Date. For purposes of determining the rights of the Optionee under the vesting contained in Paragraph 7.1, the vesting rights shall be calculated to the Association Termination Date.

11.2 If an Option shall be exercised by the legal representative of a deceased Optionee or an Optionee whose relationship with the Company has been terminated, or by a person who acquired an Option by bequest or inheritance or by reason of the death of any Optionee or an Optionee whose relationship with the Company (and/or a parent or subsidiary corporation thereof) has been terminated, written notice of such exercise shall be accompanied by a certified copy of letters testamentary or equivalent proof of the right of such legal representative or other person to exercise such Option.

11.3 The Plan shall not impose any obligation on the Company to continue the employment, and/or other relationship of whatever nature, of any holder of an Option and/or Shares acquired pursuant to an exercise of an Option, nor shall it impose any obligation on the part of any holder of an Option or Shares to remain in the employ of the Company.

12. RESTRICTION ON SHARES

12.1 All shares issued pursuant to the exercise of the Options shall contain the following restrictive legends:

12.1.1 IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OF ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREOF, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES.

12.1.2 THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) COVERED BY AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (B) IN COMPLIANCE WITH RULE 144 UNDER SUCH ACT, OR (C) THE COMPANY HAS BEEN FURNISHED WITH AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY TO THE EFFECT THAT NO REGISTRATION IS LEGALLY REQUIRED BY SUCH TRANSFER.

12.1.3 ANY TRANSFER OR PLEDGE OF THE SHARES REPRESENTED BY THIS CERTIFICATE, OR THE TRANSFER OF ANY INTEREST IN THOSE SHARES, IS RESTRICTED BY THE PROVISIONS OF A STOCK RESTRICTION AGREEMENT, A COPY OF WHICH MAY BE INSPECTED AT THE PRINCIPAL OFFICE OF THE COMPANY, AND ALL PROVISIONS OF WHICH ARE INCORPORATED HEREIN.

13. ISSUANCE OF CERTIFICATES; PAYMENT OF EXPENSES

13.1 Upon any exercise of an Option and payment of the purchase price, a certificate or certificates for the Shares as to which the Option has been exercised shall be issued by the Company in the name of the person exercising the Option and shall be delivered to or upon the order of such person or persons.

13.2 The Company shall pay all issue or transfer taxes with respect to the issuance or transfer of Shares, as well as all fees and expenses necessarily incurred by the Company in connection with such issuance or transfer.

13.3 All Shares issued as provided herein shall be fully paid and non-assessable to the extent permitted by law.

14. WITHHOLDING TAXES

14.1 The Company may require a person exercising a Non- Qualified Option (or making a "disqualifying disposition," as defined in Code Section 421, of an Incentive Option), to reimburse the Company for any taxes required by any government to be withheld or otherwise deducted and paid by the Company. In lieu thereof, the Company shall have the right to withhold the amount of such taxes from any other sums due or to become due from the Company to such person upon such terms and conditions as the Committee shall prescribe or withhold an appropriate number of Shares whose fair market value is equal to taxes required to be withheld.

15. AMENDMENT OF THE PLAN

15.1 The Board may, from time to time, amend the Plan, provided that no amendment shall be made, without the approval of the shareholders of the Company, that will (a) increase the total number of Shares reserved for Options under the Plan (other than an increase merely reflecting a change in capitalization such as a stock dividend or stock split as provided in paragraph 2.1), (b) reduce the exercise price of any Incentive Option granted pursuant hereto below the price required by Section 6, (c) modify the provisions of the Plan relating to eligibility, (d) materially increase the benefits accruing to participants under the Plan, or (e) change the requirements applicable to Options granted to directors. The rights and obligation under any Option granted before amendment of the Plan or any unexercised portion of such Option, shall not be adversely affected by amendment of the Plan or the Option without the consent of the beneficiary thereof.

16. TERMINATION OR SUSPENSION OF THE PLAN

16.1 The Board may at any time suspend or terminate the Plan. The Plan shall terminate at the close of business on the Termina-

tion Date. An Option may not be granted while the Plan is suspended or after it is terminated. The rights and obligations under any Option granted while the Plan is in effect shall not be altered or impaired by suspension or termination of the Plan, except upon the consent of the person to whom the Option or Right was granted.

17. GOVERNING LAW

17.1 The Plan and all related matters shall be governed by, and construed and enforced in accordance with, the laws of the State of California in effect from time to time.

18. EFFECTIVE DATE AND TERMINATION DATE OF THE PLAN

18.1 The Plan shall become effective when, as and if it shall be approved by the Commissioner of Corporations for the State of California ("Effective Date"). The Plan shall terminate ten (10) years from July 9, 1993 (the date the Plan was adopted by the Board) or the date the Plan is approved by the shareholders of the Company, whichever is earlier. ("Termination Date").

19. USE OF PROCEEDS

19.1 The cash proceeds of the sale of Shares pursuant to the exercise of Options granted pursuant to the Plan shall be added to the general funds of the Company and used for its general corporate purposes, as the Board shall determine.

20. INFORMATION TO EMPLOYEES, INDEPENDENT CONTRACTORS AND DIRECTORS

20.1 All persons who receive Options under the Plan shall receive annual financial statements of the Company.

21. SHAREHOLDER APPROVAL AND CALIFORNIA COMMISSIONER OF CORPORATIONS

21.1 This Plan shall be submitted to the shareholders of the Company for approval within twelve (12) months from July 9, 1993 (the date of adoption by the Board). Options may be granted hereunder prior to but conditional upon the obtaining of such approval, and no option may be exercised until such approval has been obtained.

21.2 The adoption of this Plan is conditioned upon the obtaining of a Permit from the California Commissioner of Corporations for the Plan and options to be granted and shares to be issued thereunder.

22. SHARES SUBJECT TO STOCK RESTRICTION AGREEMENT

22.1 Upon the exercise of any Option granted pursuant to the Plan, the Optionee shall be required to sign the Company's then- effective Stock Restriction Agreement. If at the time of exercise of any Option the Optionee has been terminated as an employee and/or associate of the Company, the provisions of the Company's then-effective Stock Restriction Agreement shall be superior to the Plan and shall control Optionee's rights with respect to the disposition of the Shares purchased pursuant to the Plan.

EXHIBIT 10.6

VIASAT STOCK OPTION AGREEMENT
(INCENTIVE OPTION)

This ViaSat Stock Option Agreement ("Agreement) is entered into effective the _____ day of _____, _____ ("Date of Grant"), between ViaSat, Inc., a California corporation ("Company"), and _____ ("Employee").

Company desires, by affording the Employee an opportunity to purchase shares of its common stock ("Common Stock") as hereinafter provided, to carry out the purpose of the ViaSat, Inc., 1993 Stock Option Plan ("Plan").

NOW, THEREFORE, in consideration of the promises and the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto have agreed, and do hereby agree, as follows:

1. Grant. The Company hereby irrevocably grants to the Employee, as a matter of separate agreement and not in lieu of salary or any other compensation for services, the right and option ("Option") to purchase all or any part of an aggregate of _____ (_____) shares of Common Stock on the terms and conditions herein set forth. The Option is intended to be an "incentive stock option" ("Incentive Stock Option"), as authorized by Section 422A of the Internal Revenue Code of 1986, as such may be amended from time to time ("Code").

2. Purchase Price. The purchase price of the shares of Common Stock subject to the Option shall be ($_____) per share.

3. Term and Vesting. The Option shall expire at the close of business on _____, _____ [five years after the Date of Grant], or such shorter period as prescribed in Paragraph 5 hereof. The Option shall be exercisable in installments as follows:

Date	Percentage of Total Options Granted Which May Be Exercised
1st anniversary from date of grant	35%
2nd anniversary from date of grant	35%
3rd anniversary from date of grant	30%

Except as provided in Paragraph 5 hereafter, no Option may be exercised unless, at the time of such exercise, the Optionee is in the employ of the Company and shall have been so employed continuously since the date the Option is granted. For purposes of

this paragraph, the term "employment" shall include any association with the Company as an independent contractor, director or in any other capacity where such person is granted an Option under the Plan.

The right to exercise this Option is conditioned upon the approval of the Plan by the Shareholders of the Company within twelve (12) months after the adoption of the Plan by the Company's Board of Directors. If such approval is not secured on a timely basis, this Option shall be null and void in its entirely.

4. Transferability of Option. The Option shall not be transferable other than by will or the laws of descent and distribution, and the Option may be exercised, during the lifetime of the Employee, only by him. More particularly (but without limiting the generality of the foregoing), the Option may not be assigned, transferred (except as aforesaid), pledged or hypothecated in any way (whether by operation of law or otherwise), and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Option contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Option, shall be null and void and without effect.

5. Termination of Employment. Upon termination of employment of the Employee with the Company, the Option, to the extent the Option is then exercisable as of said termination date based upon the vesting schedule set forth in Section 3 hereof, but not theretofore exercised, shall terminate and become null and void thirty (30) days after the date of such termination ("Employment Termination Date"); except that if the Employee shall die, or become totally and permanently disabled (as described in Section 22(e)(3) of the Code), while in the employ of such corporation, in case of death the legal representative of the Employee (or such person who acquired such Option by reason of the death of the Employee), or in the case of total and permanent disability the Employee, may, not later than six (6) months from the date of death or total and permanent disability, exercise the Option in respect of any or all of the Common Stock subject to the Option.

In no event, however, shall any person be entitled to exercise the Option (i) after the expiration of the period of exercisability of the Option as specified herein, or (ii) with respect to any portion of the Option which is only exercisable after Optionee's date of termination, based upon the vesting schedule set forth in Section 3 hereof. For purposes of determining the rights of the Employee under the vesting schedule set forth in Section 3 hereof, the vesting rights shall be calculated to the Employment Termination Date.

6. Obligation to Continue Employment. Neither the Plan nor the Option shall impose any obligation on the Company to continue the employment of the Employee, nor shall it impose any

obligation on the part of the Employee to remain in the employ of the Company.

7. Recapitalization, Stock Dividends, Etc. If after the date of this Option the shares of the common stock of the Company shall be changed into or exchanged for a different number and/or kind of shares of stock or other securities of the Company or of another Company (whether by reason of merger, consolidation, recapitalization, reclassification, split-up, combination of shares or otherwise), there shall be substituted for each share of common stock of the Company then subject to this Option, the number and kind of shares of stock and/or other securities into which each share of common stock of the Company shall be so changed, or for which each such share shall be exchanged. In the event the Company shall pay any dividend in common shares of the Company upon the common stock of the Company, during the period of any option, the number of shares then subject to such option shall be adjusted by adding to each such share the shares or fractions thereof which would have been distributable as a stock dividend thereon had such share been outstanding at the record date for the payment of the stock dividend. If, after the granting of this Option, a substitution or an adjustment shall be required to be made under the immediately foregoing provisions in the number and/or kind of shares of stock or other securities then subject to such option, the price per unit payable by the Optionee for shares or securities which he may thereafter be entitled to purchase under such option shall be concurrently adjusted so that the aggregate purchase price of all shares or securities not theretofore purchased under such option will be apportioned ratably and equitably to and among the substituted or adjusted number and/or kind of shares of stock or other securities.

8. Exercise. Subject to the terms and conditions hereof, the Option may be exercised by written notice to the Company at its principal executive office, Attention: Corporate Secretary. The written notice shall be in the form attached hereto as Exhibit "A." Such notice shall be accompanied by payment of the full purchase price of said shares. The Company shall issue and deliver a certificate or certificates representing such shares as soon as practicable after the notice is received. The purchase price of shares may be paid in cash (by check payable to the Company). In the event the Option shall be exercised, pursuant to Section 5 hereof, by any person or persons other than the Employee, such notice shall be accompanied by appropriate proof of the right of such person or persons to exercise the Option. All shares that shall be purchased upon the exercise of the Option as provided herein shall be fully paid and nonassessable.

9. Reservation of Shares. The Company shall, at all times during the term of the Option, reserve and keep available, as authorized and unissued shares or as treasury shares, such number of shares of Common Stock as will be sufficient to satisfy the requirements of this Agreement, shall pay all original issue and transfer taxes, if any, with respect to the issue and transfer of

shares pursuant hereto and all other fees and expenses necessarily incurred by the Company in connection therewith, and will from time to time use its best efforts to comply with all laws and regulations which in the option of counsel for the Company shall be applicable thereto.

10. Listing and Registration of Shares. The exercise of this Option is subject to the obtaining of any consent or approval of any governmental or other regulatory body which the Board, in its discretion, deems necessary or desirable.

11. Shareholder Rights. The holder of this Option shall not be entitled to any rights of a shareholder of the Company with respect to any Common Stock subject to this Option until such shares have been paid for in full and issued to him.

12. Restrictions on Shares. All shares issued pursuant to the exercise of this Option shall contain the following restrictive legends:

(a) IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES.

(b) THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) COVERED BY AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (B) IN COMPLIANCE WITH RULE 144 UNDER SUCH ACT, OR (C) THE COMPANY HAS BEEN FURNISHED WITH AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY TO THE EFFECT THAT NO REGISTRATION IS LEGALLY REQUIRED BY SUCH TRANSFER.

(c) ANY TRANSFER OR PLEDGE OF THE SHARES REPRESENTED BY THIS CERTIFICATE, OR THE TRANSFER OF ANY INTEREST IN THOSE SHARES, IS RESTRICTED BY THE PROVISIONS OF A STOCK RESTRICTION AGREEMENT, A COPY OF WHICH MAY BE INSPECTED AT THE PRINCIPAL OFFICE OF THE COMPANY, AND ALL PROVISIONS OF WHICH ARE INCORPORATED HEREIN.

13. Representations. Employee hereby represents and warrants to the Company as follows: (i) Employee acknowledges that this Option has been issued pursuant to an exemption from registration under the Securities Act of 1933, as amended; (ii) Employee has acquired the Option and will acquire any of the stock underlying this Option for his own account, with no view to any distribution thereof; (iii) Employee will not make any distribution thereof other than pursuant to an exemption from registration under the Securities Act and an exemption from qualification under the California Corporate Securities Law of 1968; (iv) Employee has received from the Company such financial, business and other information regarding the Company as he has deemed necessary for an independent evaluation of the business prospects of the Company, the fairness of the

investment and the merits and risks of holding the Option, and Employee has had such opportunity as he has deemed necessary to ask and receive answers to questions from personnel of the Company; and (v) Employee has a pre-existing personal or business relationship with the Company or one or more of its officers or directors of a nature and duration such as would enable a reasonably prudent purchaser to be aware of the character, business acumen and general and financial circumstances of the person or entity with whom such relationship exists.

14. Optional Form of Payment for Shares. Payment for any number of shares of Common Stock of the Company purchased pursuant to the exercise of this Option may, at the option of the Committee appointed by the Board to administer the Plan (or the Board itself in the absence of such a Committee), be made by delivering to the Company a number of shares of the Common Stock of the Company previously acquired and held for not less than one year by the Employee, with a fair market value (as determined by the Board), on the date this Option is exercised, equal to the option exercise price for such shares.

15. Notice of Disqualifying Disposition. Employee agrees that, in the event that he shall dispose of any shares of Common Stock acquired pursuant to the Option prior to the later of two (2) years from the date of this Agreement or one (1) year after the transfer of such shares to him pursuant to the Option, the Employee will notify the Company in writing of such disposition, such notice to be sent to the attention of the Corporate Secretary and state the date of disposition, the nature of the disposition, the number of shares disposed of and the price, if any, received for the Common Stock. Employee agrees that, in the event of a disqualifying disposition by the Employee, the Company may withhold from other compensation then or in the future due to the Employee if the Company and its counsel determine that such action is necessary to secure a deduction by the Company in the amount of income reported by Employee in connection with the disqualifying disposition.

16. Stock Restriction Agreement. Upon the exercise of any Option granted pursuant to the Plan, the Optionee shall be required to sign the Company's then-effective Stock Restriction Agreement. If at the time of exercise of any Option the Optionee has been terminated as an employee and/or associate of the Company, the provisions of the Company's then-effective Stock Restriction Agreement shall be superior to the Plan and shall control Optionee's rights with respect to the disposition of the Shares purchased pursuant to the Plan.

17. The Plan. The Employee's and the Company's respective rights and obligations under this Agreement are also subject to the applicable terms, conditions, requirements and other provisions set forth in the Plan. By executing this Agreement, the Employee acknowledges that he has had the opportunity to review the Plan at the Company's principal executive offices, upon Employee's request, and to seek whatever professional consultation necessary to fully

understand the content thereof. EXCEPT AS MODIFIED OR AMPLIFIED BY THE SPECIFIC TERMS OF THIS AGREEMENT, ALL OF THE TERMS AND PROVISIONS OF THE PLAN ARE HEREBY INCORPORATED BY REFERENCE AS IF SET FORTH AT LENGTH HEREIN.

18. Status of Option. Employee acknowledges and agrees that neither the Company nor any of its stockholders, directors, officers, employees, agents or legal counsel are making any representations and/or warranties regarding the status of the Option as an "incentive stock option" (as that term is defined in Section 422A(b) of the Code). Employee, for himself and his successors and assigns, hereby expressly agrees that he has no claim, now or hereafter, against the Company, its stockholders, directors, officers, employees, agents and/or legal counsel, that has (or may) arise from loss, liability or damage that has been (or may be) incurred by or on behalf of Employee and/or his successors or assigns, if the Internal Revenue Service and/or any state taxing agency takes the position that the Option does not constitute an "incentive stock option" (as defined in Code Section 422A(b)).

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by its officers thereunto duly authorized, and the Employee has executed it, all as of the day and year first above written.

EMPLOYEE:

_____
(signature)

_____
(name printed)

Address:

_____
_____

Social Security Number:

_____

COMPANY:

ViaSat, Inc.
A California Corporation

By:_____
Mark D. Dankberg
President

EXHIBIT 10.7

VIASAT STOCK OPTION AGREEMENT
(NONQUALIFIED OPTION)

This ViaSat Stock Option Agreement ("Agreement) is entered into effective the _____ day of _____, 1993 ("Date of Grant"), between ViaSat, Inc., a California corporation ("Company"), and _____ ("Optionee").

Company desires, by affording the Optionee an opportunity to purchase shares of its common stock ("Common Stock") as hereinafter provided, to carry out the purpose of the ViaSat, Inc., 1993 Stock Option Plan ("Plan").

NOW, THEREFORE, in consideration of the promises and the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto have agreed, and do hereby agree, as follows:

1. Grant. The Company hereby irrevocably grants to the Optionee, as a matter of separate agreement and not in lieu of salary or any other compensation for services, the right and option ("Option") to purchase all or any part of an aggregate of _____ (_____) shares of Common Stock on the terms and conditions herein set forth. This option is not intended to constitute an "incentive stock option" subject to Section 422A of the Internal Revenue Code of 1986, as such may be amended from time to time ("Code").

2. Purchase Price. The purchase price of the shares of Common Stock subject to the Option shall be _____ Dollars ($_____) per share.

3. Term and Vesting. The Option shall expire at the close of business on _____, 19___ [five years after the date of grant], or such shorter period as prescribed in Paragraph 5 hereof. The Option shall be exercisable in installments as follows:

Date	Percentage of Total Options Granted Which May Be Exercised
1st anniversary from date of grant	35%
2nd anniversary from date of grant	35%
3rd anniversary from date of grant	30%

Except as provided in Paragraph 5 hereafter, no Option may be exercised unless, at the time of such exercise, the Optionee

is in the employ of the Company and shall have been so employed continuously since the date the Option is granted. For purposes of this paragraph, the term "employment" shall include any association with the Company as an independent contractor, director or in any other capacity where such person is granted an Option under the Plan.

The right to exercise this Option is conditioned upon the approval of the Plan by the Shareholders of the Company within twelve (12) months after the adoption of the Plan by the Company's Board of Directors. If such approval is not secured on a timely basis, this Option shall be null and void in its entirely.

4. Transferability of Option. The Option shall not be transferable other than by will or the laws of descent and distribution, and the Option may be exercised, during the lifetime of the Optionee, only by him. More particularly (but without limiting the generality of the foregoing), the Option may not be assigned, transferred (except as aforesaid), pledged or hypothecated in any way (whether by operation of law or otherwise), and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Option contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Option, shall be null and void and without effect.

5. Termination of Association. Upon termination of association of the Optionee with the Company, the Option, to the extent the Option is then exercisable as of said termination date based upon the vesting schedule set forth in Section 3 hereof, but not theretofore exercised, shall terminate and become null and void thirty (30) days after the date of such termination ("Association Termination Date"); except that if the Optionee shall die, or become totally and permanently disabled (as described in Section 22(e)(3) of the Code), while associated with the Company, in case of death the legal representative of the Optionee (or such person who acquired such Option by reason of the death of the Optionee), or in the case of total and permanent disability the Optionee, may, not later than six (6) months from the date of death or total and permanent disability, exercise the Option in respect of any or all of the Common Stock subject to the Option.

In no event, however, shall any person be entitled to exercise the Option (i) after the expiration of the period of exercisability of the Option as specified herein, or (ii) with respect to any portion of the Option which is only exercisable after Optionee's date of termination, based upon the vesting schedule set forth in Section 3 hereof. For purposes of determining the rights of the Optionee under the vesting schedule set forth in Section 3 hereof, the vesting rights shall be calculated to the Association Termination Date.

6. Obligation to Continue Association. Neither the Plan nor the Option shall impose any obligation on the Company to

continue the employment of the Optionee and/or continue any other association; nor shall it impose any obligation on the part of the Optionee to remain in the employ of and/or other association with the Company.

7. Recapitalization, Stock Dividends, Etc. If after the date of this Option the shares of the common stock of the Company shall be changed into or exchanged for a different number and/or kind of shares of stock or other securities of the Company or of another Company (whether by reason of merger, consolidation, recapitalization, reclassification, split-up, combination of shares or otherwise), there shall be substituted for each share of common stock of the Company then subject to this Option, the number and kind of shares of stock and/or other securities into which each share of common stock of the Company shall be so changed, or for which each such share shall be exchanged. In the event the Company shall pay any dividend in common shares of the Company upon the common stock of the Company, during the period of any option, the number of shares then subject to such option shall be adjusted by adding to each such share the shares or fractions thereof which would have been distributable as a stock dividend thereon had such share been outstanding at the record date for the payment of the stock dividend. If, after the granting of this Option, a substitution or an adjustment shall be required to be made under the immediately foregoing provisions in the number and/or kind of shares of stock or other securities then subject to such option, the price per unit payable by the Optionee for shares or securities which he may thereafter be entitled to purchase under such option shall be concurrently adjusted so that the aggregate purchase price of all shares or securities not theretofore purchased under such option will be apportioned ratably and equitably to and among the substituted or adjusted number and/or kind of shares of stock or other securities.

8. Exercise. Subject to the terms and conditions hereof, the Option may be exercised by written notice to the Company at its principal executive office, Attention: Corporate Secretary. The written notice shall be in the form attached hereto as Exhibit "A." Such notice shall be accompanied by payment of the full purchase price of said shares. The Company shall issue and deliver a certificate or certificates representing such shares as soon as practicable after the notice is received, subject to the provisions of Paragraph 13 hereof. The purchase price of shares may be paid in cash (by check payable to the Company). In the event the Option shall be exercised, pursuant to Section 5 hereof, by any person or persons other than the Optionee, such notice shall be accompanied by appropriate proof of the right of such person or persons to exercise the Option. All shares that shall be purchased upon the exercise of the Option as provided herein shall be fully paid and nonassessable.

9. Reservation of Shares. The Company shall, at all times during the term of the Option, reserve and keep available, as authorized and unissued shares or as treasury shares, such number of shares of Common Stock as will be sufficient to satisfy the

requirements of this Agreement, shall pay all original issue and transfer taxes, if any, with respect to the issue and transfer of shares pursuant hereto and all other fees and expenses necessarily incurred by the Company in connection therewith, and will from time to time use its best efforts to comply with all laws and regulations which in the option of counsel for the Company shall be applicable thereto.

10. Listing and Registration of Shares. The exercise of this Option is subject to the obtaining of any consent or approval of any governmental or other regulatory body which the Board, in its discretion, deems necessary or desirable.

11. Shareholder Rights. The holder of this Option shall not be entitled to any rights of a shareholder of the Company with respect to any Common Stock subject to this Option until such shares have been paid for in full and issued to him.

12. Restrictions on Shares. All shares issued pursuant to the exercise of this Option shall contain the following restrictive legends:

(a) IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES.

(b) THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) COVERED BY AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (B) IN COMPLIANCE WITH RULE 144 UNDER SUCH ACT, OR (C) THE COMPANY HAS BEEN FURNISHED WITH AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY TO THE EFFECT THAT NO REGISTRATION IS LEGALLY REQUIRED BY SUCH TRANSFER.

(c) ANY TRANSFER OR PLEDGE OF THE SHARES REPRESENTED BY THIS CERTIFICATE, OR THE TRANSFER OF ANY INTEREST IN THOSE SHARES, IS RESTRICTED BY THE PROVISIONS OF A STOCK RESTRICTION AGREEMENT, A COPY OF WHICH MAY BE INSPECTED AT THE PRINCIPAL OFFICE OF THE COMPANY, AND ALL PROVISIONS OF WHICH ARE INCORPORATED HEREIN.

13. Representations. Optionee hereby represents and warrants to the Company as follows: (i) Optionee acknowledges that this Option has been issued pursuant to an exemption from registration under the Securities Act of 1933, as amended; (ii) Optionee has acquired the Option and will acquire any of the stock underlying this Option for his or her own account, with no view to any distribution thereof; (iii) Optionee will not make any distribution thereof other than pursuant to an exemption from registration under the Securities Act and an exemption from qualification under the California Corporate Securities Law of 1968; (iv) Optionee has received from the Company such financial, business and other information regarding the Company

as he has deemed necessary for an independent evaluation of the business prospects of the Company, the fairness of the investment and the merits and risks of holding the Option, and Optionee has had such opportunity as he has deemed necessary to ask and receive answers to questions from personnel of the Company; and (v) Optionee has a pre-existing personal or business relationship with the Company or one or more of its officers or directors of a nature and duration such as would enable a reasonably prudent purchaser to be aware of the character, business acumen and general and financial circumstances of the person or entity with whom such relationship exists.

14. Optional Form of Payment for Shares. Payment for any number of shares of Common Stock of the Company purchased pursuant to the exercise of this Option may, at the option of the Committee appointed by the Board to administer the Plan (or the Board itself in the absence of such a Committee), be made by delivering to the Company a number of shares of the Common Stock of the Company previously acquired and held for not less than one year by the Optionee, with a fair market value (as determined by the Board), on the date this Option is exercised, equal to the option exercise price for such shares.

15. Withholding. Optionee agrees that the Company may withhold such number of shares of Common Stock upon each exercise of the Option (or otherwise charge the Optionee) as may be required by the Code with respect to federal income tax and/or social security tax withholding and, additionally, any applicable state income and/or employment tax laws.

16. Stock Restriction Agreement. Upon the exercise of any Option granted pursuant to the Plan, the Optionee shall be required to sign the Company's then-effective Stock Restriction Agreement. If at the time of exercise of any Option the Optionee has been terminated as an employee and/or associate of the Company, the provisions of the Company's then-effective Stock Restriction Agreement shall be superior to the Plan and shall control Optionee's rights with respect to the disposition of the Shares purchased pursuant to the Plan.

17. The Plan. The Optionee's and the Company's respective rights and obligations under this Agreement are also subject to the applicable terms, conditions, requirements and other provisions set forth in the Plan. By executing this Agreement, the Optionee acknowledges that he has had the opportunity to review the Plan at the Company's principal executive offices, upon Optionee's request, and to seek whatever professional consultation necessary to fully understand the content thereof. EXCEPT AS MODIFIED OR AMPLIFIED BY THE SPECIFIC TERMS OF THIS AGREEMENT, ALL OF THE TERMS AND PROVISIONS OF THE PLAN ARE HEREBY INCORPORATED BY REFERENCE AS IF SET FORTH AT LENGTH HEREIN.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by its officers thereunto duly authorized, and the

Optionee has executed it, all as of the day and year first above written.

OPTIONEE:

_____
(signature)

_____
(name printed)

Address:

_____
_____

Social Security Number:

_____

COMPANY:

ViaSat, Inc.
A California Corporation

By:_____
Mark D. Dankberg
President

EXHIBIT 10.12

VIASAT, INC.
401(K) PROFIT SHARING PLAN

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VIASAT, INC.
401(K) PROFIT SHARING PLAN

SUMMARY PLAN DESCRIPTION

I
INTRODUCTION TO YOUR PLAN

VIASAT, INC. wishes to recognize the efforts its employees have made to its success and to reward them by adopting a 401(k) Profit Sharing Plan and Trust. This 401(k) Profit Sharing Plan and Trust will be for the exclusive benefit of eligible employees and their beneficiaries.

Your Plan is a "salary reduction plan." It is also called a "401(k) plan." Under this type of plan, you may choose to reduce your compensation and have these amounts contributed to this Plan on your behalf.

The purpose of this Plan is to reward eligible employees for long and loyal service by providing them with retirement benefits.

Between now and your retirement, your Employer intends to make contributions for you and other eligible employees. When you retire, you will be eligible to receive the value of the amounts which have accumulated in your account.

Your Employer has the right to submit this Plan to the Internal Revenue Service for approval. The Internal Revenue Service will issue a "determination letter" to your Employer approving this Plan as a "qualified" retirement plan, if this Plan meets specific legal requirements.

This Summary Plan Description is a brief description of your Plan and your rights, obligations , and benefits under that Plan. Some of the statements made in this Summary Plan Description are dependent upon this Plan being "qualified" under the provisions of the Internal Revenue Code. This Summary Plan Description is not meant to interpret, extend, or change the provisions of your Plan in any way. The provisions of your Plan may only be determined accurately by reading the actual Plan document, including the Adoption Agreement.

A copy of your Plan and the Adoption Agreement are on file at your Employer's office and may be read by you, your beneficiaries, or your legal representatives at any reasonable time. If you have any questions regarding either your Plan, the Adoption Agreement or this Summary Plan Description, you should ask your Plan's Administrator. In the event of any discrepancy between this Summary Plan Description and the actual provisions of the Plan, the Plan will govern.

II

GENERAL INFORMATION ABOUT YOUR PLAN

There is certain general information which you may need to know about your Plan. This information has been summarized for you in this Section.

1. General Plan Information

VIASAT, INC. 401(k) Profit Sharing Plan is the name of your Plan.

Your Employer has assigned Plan Number 001 to your Plan.

The provisions of your Plan become effective on January 1, 1990, which is called the Effective Date of the Plan.

Your Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on January 1st and ends on December 31st.

Certain valuations and distributions are made on the Anniversary Date of your Plan. This date is December 31st.

The contributions made to your Plan will be held and invested by the Trustee of your Plan.

Your Plan and Trust will be governed by the laws of the State of California.

2. Employer Information

Your Employer's name, address and identification number are:

VIASAT, INC.
2290 Cosmos Court
Carlsbad, California 92009-1585
33-0174996

Your Plan allows other employers to adopt its provisions. You or your beneficiaries may examine or obtain a complete list of employers, if any, who have adopted your Plan by making a written request to the Administrator.

3. Plan Administrator Information

The name, address and business telephone number of your Plan's Administrator are:

VIASAT, INC.
2290 Cosmos Court
Carlsbad California 92009-1585
(619) 438-8099

Your Plan's Administrator keeps the records for the Plan and is responsible for the administration of the Plan. The Administrator has discretionary authority to construe the terms of the Plan and make determinations on questions which may affect your eligibility for benefits. Your Plan's Administrator will also answer any questions you may have about your Plan.

4. Plan Trustee Information

The name of your Plan's Trustee is:

First Interstate Bank

The principal place of business of your Plan's Trustee is:

P.O. Box 129113
San Diego, California 92112-9113

Your Plan's Trustee has been designated to hold and invest Plan assets for the benefit of you and other Plan participants. The trust fund established by the Plan's Trustee will be the funding medium used for the accumulation of assets from which benefits will be distributed.

5. Service of Legal Process

The name and address of your Plan's agent for service of legal process are:

VIASAT, INC.
2290 Cosmos Court
Carlsbad, California 92009-1585

Service of legal process may also be made upon the Trustee or Administrator.

III
PARTICIPATION IN YOUR PLAN

Before you become a member or a "participant" in the Plan, there are certain eligibility and participation rules which you must meet. These rules are explained in this Section.

1. Eligibility Requirements

You will participate in the Plan as of the Effective Date of the Plan which is January 1, 1990 if you were employed on such date. Otherwise, you will be eligible to participate in the Plan if you have completed 90 days and have attained age 21.

You should review the Article in this Summary entitled "YEAR OF SERVICE RULES" for a further explanation of these eligibility requirements.

2. Participation Requirements

Once you have satisfied your Plan's eligibility requirements, your next step will be to actually become a member or a "participant" in the Plan. You will become a participant on a specified day of the Plan Year. This day is called the Effective Date of Participation.

You will become a participant on the first day of the month coinciding with or next following the date you satisfy the eligibility requirements.

3. Excluded Employees

There are certain employees who will not be eligible to participate in your Plan. Those employees are:

(a) employees whose employment is governed by a collective bargaining agreement under which retirement benefits were the subject of good faith bargaining, unless such agreement expressly provides for participation in this Plan.

(b) certain non-resident aliens who have no earned income from sources within the United States.

IV
CONTRIBUTIONS TO YOUR PLAN

1. Employer Contributions to the Plan

Each year, your Employer will contribute to your Plan the following amounts:

(a) The total amount of the salary reduction you elected to defer. (See the Section in this Article entitled "Participant Salary Reduction Election.")

(b) A discretionary matching contribution equal to a percentage of the amount of the salary reduction you elected to defer, which percentage will be determined each year by the Employer.

For a participant to qualify for a matching contribution, the following conditions apply:

-If you are actively employed on the last day of the Plan Year, you will share regardless of the number of Hours of Service credited during the Plan Year.

-You will share in the matching contribution for the year regardless of the number of Hours of Service credited in the year of your death, disability or retirement.

(c) A discretionary amount determined each year by your Employer.

For a participant to qualify for the discretionary contribution, the following conditions apply:

- If you are actively employed on the last day of the Plan Year, you will share regardless of the number of Hours of Service credited during the Plan Year.

- If you terminate employment (not actively employed on the last day of the Plan Year), you must be credited with more than 500 Hours of Service.

- You will share for the year regardless of the number of Hours of Service credited in the year of your death, disability or retirement.

2. Participant Salary Reduction Election

Effective July 1, 1994, you may elect to defer not less than 1% nor more than 15% of your compensation each year instead of receiving that amount in cash. However, your total deferrals in any taxable year may not exceed a dollar limit which is set by law. The limit for 1994 is $9,240. This limit will be increased in future years for cost of living changes.

You may elect to defer your salary as of the first day of each month. Such election will become effective as soon as administratively feasible. Your election will remain in effect until you modify or terminate it. You may modify your election as of January 1st and July 1st of any year. The modification will become effective as soon as administratively feasible..

The amount you elect to defer, and any earnings on that amount, will not be subject to income tax until it is actually distributed to you. This money will, however, be subject to Social Security taxes at all times.

You should also be aware that the annual dollar limit is an aggregate limit which applies to all deferrals you may make under this plan or other cash or deferred arrangements (including tax-sheltered 403(b) annuity contracts, simplified employee pensions or other 401(k) plans in which you may be participating). Generally, if your total deferrals under all cash or deferred arrangements for a calendar year exceed the annual dollar limit, the excess must be included in your income for the year. For this reason, it is desirable to request in writing that these excess deferrals be returned to you. If you fail to request such a return, you may be taxed a second time when the excess deferral is ultimately distributed from the Plan.

You must decide which plan or arrangement you would like to have return the excess. If you decide that the excess should be

distributed from this Plan, you should communicate this in writing to the Administrator no later than the March 1st following the close of the calendar year in which such excess deferrals were made. The Administrator may then return the excess deferral and any earnings to you by April 15th.

In the event you receive a hardship distribution from your deferrals to this Plan or any other plan maintained by your Employer, you will not be allowed to make additional salary reductions for a period of twelve (12) months after you receive the distribution. Furthermore, the dollar limitation set by law with respect to your taxable year following the year in which you received the distribution, will be reduced by your salary reductions, if any, for the taxable year of the distribution.

You will always be 100% vested in the amount you deferred. This means that you will always be entitled to all of the deferred amount. This money will, however, be affected by any investment gains or losses. If the Trustee invested this money and there was a gain, the balance in your account would increase. Of course, if there was a loss, the balance in your account would decrease.

Distributions from your deferred account are not permitted before age 59 1/2 EXCEPT in the event of death, disability, termination of employment or financial hardship (See Section in Article V entitled Hardship Distribution of Benefits).

In addition, if you are a highly compensated employee (generally owners, officers or individuals receiving wages in excess of certain amounts established by law), a distribution from your deferred account of certain excess contributions may be required to comply with the law. The Administrator will notify you when a distribution is required.

3. Your Share of Employer Contributions

Your Employer will allocate the amount you elect to defer to an account maintained on your behalf.

If you are eligible, your Employer will also allocate the matching contribution made to the Plan on your behalf. (See the Section in this Article entitled "Employer Contributions to the Plan.")

Your Employer's discretionary contribution will be "allocated" or divided among participants eligible to share in the contribution for the Plan Year. Your share of the contribution will depend upon how much compensation you received during the year and the compensation received by other eligble participants.

Your share of your Employer's discretionary contribution is determined by the following fraction:

$$\text{Employer's Discretionary Contribution} \times \frac{\text{Your Compensation}}{\text{Total Compensation of All Participants Eligible to Share}}$$

For example:

Suppose the Employer's discretionary contribution for the Plan Year is $20,000. Employee A's compensation for the Plan Year is $25,000. The total compensation of all participants eligible to share, including Employee A, is $250,000. Employee A's share will be:

$$\$20{,}000 \times \frac{\$25{,}000}{\$250{,}000} \text{ or } \$2{,}000$$

In addition to the Employer's contributions made to your account, your account will be credited annually with a share of the investment earnings or losses of the trust fund.

You should also be aware that the law imposes certain limits on how much money may be allocated to your account for a year. These limits are extremely complex, but generally no more than the lesser of $30,000 or 25% of your compensation may be allocated to you (excluding earnings) in any year. The Administrator will inform you if these limits have affected you.

4. Compensation

Your Compensation during the Calendar Year coinciding with or ending within the Plan Year determines your share of the Employer contribution for that Plan Year. Compensation is defined as follows:

Total compensation actually paid that is subject to income tax and is reflected on your W-2 Form for such year.

In addition, salary reduction contributions to any cafeteria plan, tax sheltered annuity, SEP or 401(k) Plan will not be included as compensation for Plan purposes.

Your compensation will be recognized for benefit purposes from your date of entry into the Plan.

The Plan, by law, cannot recognize compensation in excess of $150,000. This amount will be adjusted in future years for cost of living increases. It will also be applied to certain highly compensated employees and their family members as if they were a single participant. If you or a member of your family may be

affected by this rule, ask your Administrator for further details.

5. Forfeitures

Forfeitures are created when participants terminate employment before becoming entitled to their full benefits under the Plan. Your account may grow from the forfeitures of other participants. Forfeitures will be "allocated" or divided among participants eligible to share for a Plan Year.

6. Transfers From Qualified Plans (Rollovers)

At the discretion of the Administrator, you may be permitted to deposit into your Plan distributions you have received from other plans. Such a deposit is called a "rollover" and may result in tax savings to you. You should consult qualified counsel to determine if a rollover is in your best interest.

Your rollover will be placed in a separate account called a "participant's rollover account." The Administrator may establish rules for investment.

You will always be 100% vested in your "rollover account." This means that you will always be entitled to all of your rollover contributions. Rollover contributions will be affected by any investment gains or losses. If the Trustee invested this money and there was a gain, the balance in your account would increase. Of course, if there was a loss from an investment, the balance in your account would decrease.

7. Directed Investments

The Administrator may establish rules for investment of your account balance. If the Administrator approves, you may direct the investment of your account balance.

V
BENEFITS UNDER YOUR PLAN

1. Distribution of Benefits Upon Normal Retirement

Your Normal Retirement Date is the date of your 65th birthday or your 5th anniversary of joining the Plan, if later (Normal Retirement Age).

At your Normal Retirement Age, you will be entitled to 100% of your account balance. Payment of your benefits will begin as soon as practicable following your Normal Retirement Date.

2. Distribution of Benefits Upon Early Retirement

Your Early Retirement Date is the date on which you have reached your 55th birthday and completed 10 Years of Service with your Employer. You will have completed a Year of Service if you are credited with 1000 Hours of Service during a Plan Year, even if you were not employed on the first or last day of the Plan Year. You may elect to retire when you reach your Early Retirement Date.

On your Early Retirement Date, you will be entitled to 100% of your account balance. Payment of your Early Retirement benefits will begin, at your election, as soon as practicable following your Early Retirement Date.

3. Distribution of Benefits Upon Late Retirement

You may remain employed past your Plan's Normal Retirement Date and retire instead on your Late Retirement Date. Your Late Retirement Date is any date you choose to retire, after first having reached your Normal Retirement Date. On your Late Retirement Date, you will be entitled to 100% of your account balance. Actual benefit payments will begin as soon as practicable following your Late Retirement Date.

4. Distribution of Benefits Upon Death

Your beneficiary will be entitled to 100% of your account balance upon your death and 50% of such account balance is the "spouses death benefit."

If you are married at the time of your death, your spouse will be the beneficiary of the "spouse's death benefit," which will be equal in value to 50% of your account balance as of your date of death. You may elect in writing, on a form to be furnished to you by the Administrator, a beneficiary for the "spouse's death benefit" other than your spouse. IF YOU WISH TO DESIGNATE A BENEFICIARY OTHER THAN YOUR SPOUSE, YOUR SPOUSE MUST IRREVOCABLY CONSENT TO WAIVE ANY RIGHT TO THE "SPOUSE'S DEATH BENEFIT." YOUR SPOUSE'S CONSENT MUST BE IN WRITING, BE WITNESSED BY A NOTARY OR A PLAN REPRESENTATIVE AND ACKNOWLEDGE THE SPECIFIC NONSPOUSE BENEFICIARY.

If no valid waiver is in effect, the "spouse's death benefit" payable to your spouse will be in the form of a survivor annuity, that is, periodic payments over the life of your spouse. Your spouse may direct that payments begin within a reasonable period of time after your death. The size of the monthly payments will depend on the value of your account at the time of your death. The death benefit may also be distributed in a single 1ump sum, provided your spouse consents in writing to this alternative form.

Generally, the period during which you and your spouse may waive this survivor annuity begins as of the first day of the Plan Year in which you reach age 35 and ends when you die. The Administrator must provide you with a detailed explanation of the survivor annuity. This explanation must be given to you during the period of time beginning on the first day of the Plan Year in which you reach age 32 and ending on the first day of the Plan Year in which you reach age 35.

It is, therefore, important that you inform the Administrator when you turn age 32 so that you may receive this information.

If, however,

(a) your spouse has validly waived any right to the death benefit in the manner outlined above,

(b) your spouse cannot be located; or

(c) you are not married at the time of your death,

then the "spouse's death benefit" will be paid to the beneficiary of your own choosing in a single lump sum. You may designate the beneficiary on a form to be supplied to you by the Administrator. If you change your designation, your spouse must again consent to the change. Also, since the death benefit upon your death is your entire account balance, you may, at all times designate the beneficiary for amounts in excess of the "spouse's death benefit" without your spouse's consent.

Under a special rule, you and your spouse may waive the survivor annuity form of payment any time before you turn age 35. However, any waiver will become invalid at the beginning of the Plan Year in which you turn age 35, and you and your spouse will be required to make another waiver.

Regardless of the method of distribution selected, your entire death benefit must generally be paid to your beneficiaries within five years after your death (the "5-year rule"). However, if your designated beneficiary is a person (instead of your estate or most trusts), then you or your beneficiary may elect to have minimum distributions begin within one year of your death and it may be paid over the designated beneficiary's life expectancy (the "1-year rule"). If your spouse is the beneficiary, then under the "1-year rule" the start of payments may be delayed until the year in which you would have attained age 70 1/2. The election to have death benefits distributed under the "1-year rule" instead of the "5 year rule" must be made no later than the time at which minimum distributions must commence under the "1-year rule" (or, in the case of a surviving spouse, the "5-year rule," if earlier).

Since your spouse participates in these elections and has certain rights in the death benefit, you should immediately report any change in your marital status to the Administrator.

5. Distribution of Benefits Upon Disability

Under your Plan, disability is defined as a physical or mental condition resulting from bodily injury, disease, or mental disorder which renders you incapable of continuing any gainful occupation with your Employer. Your disability will be determined by a licensed physician chosen by the Administrator. However, if your condition constitutes total disability under the federal Social Security Act, then the Administrator may deem that you are disabled for purposes of the Plan.

If you become disabled while a participant, you will be entitled to 100% of your account balance. Payment of your disability benefits will be made to you as if you had retired. (See the Section in this Article entitled "Benefit Payment Options.")

6. Distribution of Benefits Upon Termination of Employment

Your Plan is designed to encourage you to stay with your Employer until retirement. Payment of your account balance under your Plan is generally only available upon your death, disability or retirement.

If your employment terminates for reasons other than those listed above, you will be entitled to receive only your "vested percentage" of your account balance and the remainder of your account will be forfeited. Only contributions made by your Employer are subject to forfeiture. (See the Section in this Article entitled "Vesting in Your Plan.")

If you so elect, the Administrator will direct the Trustee to distribute your vested benefit to you before the date it would normally be distributed (upon your death, disability or retirement). If your vested benefit under the Plan at the time of any prior distribution exceeded $3,500 or currently exceeds $3,500, you (and your spouse, if you are married) must give written consent before the distribution may be made. Also, if you want the distribution to be in a form other than an annuity payment, you and your spouse must first waive the annuity form of payment. Amounts of $3,500 or less will be distributed without the need for consent. (See the Section in this Article entitled "Benefit Payment Options" for a further explanation of how benefits are paid from the Plan.)

Under the Plan's administrative procedures, if the value of your vested account is zero, any non-vested account balance will be forfeited immediately.

7. Vesting in Your Plan

Your "vested percentage" in your account is determined under the following schedule and is based on vesting Years of Service. You will always, however, be 100% vested upon your Early or Normal Retirement Age. (See the Section in this Article entitled "Distribution of Benefits Upon Normal Retirement.")

Vesting Schedule

Years of Service	Percentage
2	20%
3	40%
4	60%
5	80%
6	100%

Regardless of this vesting schedule, you are always 100% vested in your salary reduction amounts contributed to the Plan.

8. Benefit Payment Options

There are various methods by which benefits may be distributed to you from your Plan. The method depends on your marital status, as well as the elections you and your spouse make. All methods of distribution, however, have equivalent values. The rules under this Section apply to all distributions you will receive from the Plan, whether by reason of retirement, termination, or any other event which may result in a distribution of benefits.

If you are married on the date your benefits are to begin, you will automatically receive a joint and 50% survivor annuity, unless you otherwise elect. This means that if you die and are survived by a spouse, your spouse will receive a monthly benefit for the remainder of his life equal to 50% of the benefit you were receiving at the time of your death. You may elect a joint and 75% or 100% survivor annuity instead of the standard joint and 50% survivor annuity. It should be noted that a joint and survivor annuity may provide a lower monthly benefit than other forms of payment. You should consult qualified tax counsel before making such election.

If you are not married on the date your benefits are to begin, you will automatically receive a life annuity, which means you will receive payments for as long as you live.

You may, however, elect to waive these forms of payment, subject to the following rules.

When you are about to receive any distribution, the Administrator will explain the joint and survivor annuity or the life annuity to you in greater detail. You will be given the option of waiving the joint and survivor annuity or the life

annuity form of payment during the 90-day period before the annuity is to begin. IF YOU ARE MARRIED, YOUR SPOUSE MUST IRREVOCABLY CONSENT IN WRITING TO THE WAIVER IN THE PRESENCE OF A NOTARY OR A PLAN REPRESENTATIVE. You may revoke any waiver. The Administrator will provide you with forms to make these elections. Since your spouse participates in these elections, you must immediately inform the Administrator of any change in your marital status.

If you and your spouse elect not to take a joint and survivor annuity, or if you are not married when your benefits are scheduled to begin and have elected not to take a life annuity, you may elect to receive your benefits in one lump-sum payment in cash or in property.

Regardless of the form of payment you receive, its value to you will be the same value as each alternative form of payment.

GENERALLY, WHENEVER A DISTRIBUTION IS TO BE MADE TO YOU ON OR BEFORE AN ANNIVERSARY DATE, IT MAY BE POSTPONED BY THE PLAN FOR A PERIOD OF UP TO 180 DAYS, FOR ADMINISTRATIVE CONVENIENCE. HOWEVER, UNLESS YOU ELECT IN WRITING TO DEFER THE RECEIPT OF BENEFITS, NO DISTRIBUTION MAY BEGIN LATER THAN THE 60TH DAY AFTER THE CLOSE OF THE PLAN YEAR IN WHICH THE LATEST OF THE FOLLOWING EVENTS OCCURS:

(a) the date on which you reach the age of 65 or your Normal Retirement Age;

(b) the 10th anniversary of the year in which you become a participant in the Plan;

(c) the date you terminated employment with your Employer.

Regardless of whether you elect to delay the receipt of benefits, there are other rules which generally require minimum payments to begin no later than the April 1st following the year in which you reach age 70 1/2. You should see the Administrator if you feel you may be affected by this rule.

9. Hardship Distribution of Benefits

The Administrator may direct the Trustee to distribute up to 100% of your account balance attributable to your salary reduction election in the event of immediate and heavy financial need. This hardship distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive at normal retirement.

Withdrawal will be authorized only if the distribution is to be used for one of the following purposes:

(a) The payment of medical expenses (described in Section 213(d) of the Internal Revenue Code) previously incurred by you or your dependent or necessary for you or your dependent to obtain medical care;

(b) The costs directly related to the purchase Of your principal residence (excluding mortgage payments);

(c) The payment of tuition and related educational fees for the next twelve (12) months of post-secondary education for yourself, your spouse or dependent;

(d) The payment necessary to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence.

There are restrictions placed on hardship distributions which are made from certain accounts. These accounts are generally the accounts which receive your salary reduction contributions and other Employer contributions which are used to satisfy special rules that apply to 401(k) plans. Any hardship distribution from these accounts will be limited to your salary reduction contributions. Ask your Administrator if you need further details.

In addition, a distribution will be made from these accounts only if you certify and agree that all of the following conditions are satisfied:

(a) The distribution is not in excess of the amount of your immediate and heavy financial need;

(b) You have obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under all plans maintained by your Employer;

(c) That your elective contributions and employee contributions will be suspended for at least twelve (12) months after your receipt of the hardship distribution; and

(d) That you will not make elective contributions for your taxable year immediately following the taxable year of the hardship distribution, except to the extent permitted by the Plan.

10. Treatment of Distributions From Your Plan

Whenever you receive a distribution from your Plan, it will normally be subject to income taxes. You may, however, reduce, or defer entirely, the tax due on your distribution through use of one of the following methods:

(a) The rollover of all or a portion of the distribution to an Individual Retirement Account (IRA) or another qualified employer plan. This will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, MUST be made within strict time frames (normally, within 60 days after you receive your distribution). Under certain circumstances all or a portion of a distribution may not qualify for this rollover treatment. In addition, most distributions made after December 31, 1992 will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to rollover all or a portion of your distribution amount, the direct transfer option described in paragraph (b) below would be the better choice.

(b) You may request for most distributions made after December 31, 1992, that a direct transfer of all or a portion of your distribution amount be made to either an Individual Retirement Account (IRA) or another qualified employer plan willing to accept the transfer. A direct transfer will result in no tax being due until you withdraw funds from the IRA or other qualified employer plan. Like the rollover, under certain circumstances all or a portion of the amount to be distributed may not qualify for this direct transfer. If you elect to actually receive the distribution rather than request a direct transfer, then in most cases 20% of the distribution amount will be withheld for federal income tax purposes. If you decide to directly transfer all or a portion of your distribution amount, you (and your spouse, if you are married) must first waive the annuity form of payment. (See the Section in this Article entitled "Benefit Payment Options" for a further explanation of this waiver requirement.)

(c) The election of favorable income tax treatment under "10-year forward averaging," "5-year forward averaging" or, if you qualify, "capital gains" method of taxation.

WHENEVER YOU RECEIVE A DISTRIBUTION, THE ADMINISTRATOR WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.

11. Domestic Relations Order

As a general rule, your interest in your account, including your "vested interest," may not be alienated. This means that your interest may not be sold, used as collateral for a loan, given away or otherwise transferred. In addition, your creditors may not attach, garnish or otherwise interfere with your account.

There is an exception, however, to this general rule. The Administrator may be required by law to recognize obligations you incur as a result of court ordered child support or alimony payments. The Administrator must honor a "qualified domestic relations order." A "qualified domestic relations order" is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, child or other dependent. If a qualified domestic relations order is received by the Administrator, all or a portion of your benefits may be used to satisfy the obligation. The Administrator will determine the validity of any domestic relations order received.

12. Pension Benefit Guaranty Corporation

Benefits provided by your Plan are NOT insured by the Pension Benefit Guaranty Corporation (PBGC) under Title IV of the Employee Retirement Income Security Act of 1974 because the insurance provisions under ERISA are not applicable to your Plan.

VI
YEAR OF SERVICE RULES

1. Year of Service and Hour of Service

The term "Year of Service" is used throughout this Summary Plan Description and throughout your Plan. A Year of Service for eligibility purposes is defined as follows:

You will have completed a Year of Service if, at the end of your first twelve consecutive months of employment with your Employer, you have been credited with 1000 Hours of Service.

You will have completed a Year of Service for vesting purposes if you are credited with 1000 Hours of Service during a Plan Year, even if you were not employed on the first or last day of the Plan Year.

An "Hour of Service" has a special meaning for Plan purposes. You will be credited with an Hour of Service for:

(a) each hour for which you are directly or indirectly compensated by your Employer for the performance of duties during the Plan Year;

(b) each hour for which you are directly or indirectly compensated by your Employer for reasons other than performance of duties (such as vacation, holidays, sickness, disability, lay-off, military duty, jury duty or leave of absence during the Plan Year); and

(c) each hour for back pay awarded or agreed to by your Employer.

You will not be credited for the same Hours of Service both under (a) or (b), A the case may be, and under (c).

2. 1-Year Break in Service

A 1-Year Break in Service is a computation period during which you have not completed more than 500 Hours of Service with your Employer.

A 1-Year Break in Service does NOT occur, however, in the computation period in which you enter or leave the Plan for reasons of:

(a) an authorized leave of absence;

(b) certain maternity or paternity absences.

The Administrator will be required to credit you with Hours of Service for a maternity or paternity absence. These are absences taken on account of pregnancy, birth, or adoption of your child. No more than 501 Hours of Service will be credited for this purpose and these Hours of Service will be credited solely to avoid your incurring a 1-Year Break in Service. The Administrator may require you to furnish proof that your absence qualifies as a maternity or paternity absence.

These break in service rules may be illustrated by the following examples:

Employee A works 300 hours in a Plan Year. At the end of the Plan Year, Employee A will have a 1-Year Break in Service because she has worked less than 501 hours in a Plan Year. Employee B works 300 hours in a Plan Year and takes an authorized leave of absence for which he is credited with an additional 250 hours. Employee B will NOT have a 1-Year Break in Service because he is credited with more than 500 hours in a Plan Year.

If you are reemployed after a 1-Year Break in Service and were vested in any portion of your account derived from Employer contributions, you will receive credit for all Years of Service credited to you before your 1-Year Break in Service.

If you do not have a "vested interest" in the Employer contributions allocated to your account when you terminate your employment, you will lose credit for your pre-break Years of Service when your consecutive 1-Year Breaks in Service equal or exceed the greater of 5 years, or your pre-break Years of Service. For example:

Employee B terminated employment on January 1, 2000 with 2 Years of Service. Employee B was not vested at the time of his termination of employment. Employee B returns to work on January 1, 2003. Employee B will be credited with his 2

pre-break Years of Service because his period of termination (3 years) did not exceed 5 years.

VII
YOUR PLAN'S "TOP HEAVY RULES"

1. Explanation of "Top Heavy Rules"

A 401(k) Profit Sharing Plan that primarily benefits "key employees" is called a "top heavy plan." Key employees are certain owners or officers of your Employer. A Plan is a "top heavy plan" when more than 60% of the contributions or benefits have been allocated to key employees.

Each year, the Administrator is responsible for determining whether your Plan is a "top heavy plan."

If your Plan becomes top heavy in any Plan Year, then non-key employees will be entitled to certain "top heavy minimum benefits," and other special rules will apply. Among these top heavy rules are the following:

(a) Your Employer may be required to make a contribution equal to 3% of your compensation to your account;

(b) If you are a participant in more than one Plan, you may not be entitled to minimum benefits under both Plans.

VIII
LOANS

You may apply to the Administrator for a loan from the Plan. Your application must be in writing on forms which the Administrator will provide to you. The Administrator may also request that you provide additional information, such as financial statements, tax returns and credit reports. After considering your application, the Administrator may, in its discretion, determine that you qualify for the loan. The Administrator will inform the Trustee that you qualify. The Trustee may then review the Administrator's determination and make a loan to you if it is a prudent investment for the Plan.

1. Loan Requirements

There are various rules and requirements that apply for any loan. These rules are outlined in this Section. In addition, your Employer has established a written loan program which explains these requirements in more detail. You can request a copy of the loan program from the Administrator. Generally, the rules for loans include the following:

(a) Loans must be made available to all participants and their beneficiaries on a uniform and non-discriminatory basis.

(b) All loans must be adequately secured. You may use up to one-half (1/2) of your vested account balance under the Plan as security for the loan. If more security is required, your principal residence may be used, if permitted by State law. The Plan may also require that repayments on the loan obligation be by payroll deduction.

(c) All loans must bear a reasonable rate of interest. The interest rate must be one a bank or other professional lender would charge for making a loan in a similar circumstance.

(d) All loans must have a definite repayment period which provides for payments to be made not less frequently than quarterly, and for the loan to be amortized on a level basis over a reasonable period of time, not to exceed five (5) years. However, if you use the loan to acquire your principal residence, you may repay the loan over a reasonable period of time that may be longer than five (5) years.

(e) All loans will be considered a directed investment from your account under the Plan. All payments of principal and interest by you on a loan will be credited to your account.

(f) The amount the Plan may loan to you is limited by rules under the Internal Revenue Code. All loans, when added to the outstanding balance of all other loans from the Plan, will be limited to the lesser of:

(1) $50,000 reduced by the excess, if any, of your highest outstanding balance of loans from the Plan during the one-year period prior to the date of the loan over your current outstanding balance of loans; or

(2) 1/2 of your vested account balance.

(g) Your spouse must consent to any loan before it can be made if you use your vested interest as security for the loan. This rule only applies if the vested interest used as security exceeds $3,500.

(h) If you fail to make payments when they are due under the loan, you will be considered to be "in default". The Trustee would then have authority to take all reasonable actions to collect the balance owing on the loan. This could include filing a lawsuit or foreclosing on the security for the loan. Under certain circumstances, a loan that is in default may be considered a distribution from the Plan, and could result in taxable income to you. In any event, your

failure to repay a loan will reduce the benefit you would otherwise be entitled to from the Plan.

IX
CLAIMS BY PARTICIPANTS AND BENEFICIARIES

Benefits will be paid to participants and their beneficiaries without the necessity of formal claims. You or your beneficiaries, however, may make a request for any Plan benefits to which you may be entitled. Any such request must be made in writing, and it should be made to the Administrator. (See the Article in this Summary entitled "GENERAL INFORMATION ABOUT YOUR PLAN.")

Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Administrator will furnish you with a written notice of this denial. This written notice must be provided to you within a reasonable period of time (generally 90 days) after the receipt of your claim by the Administrator. The written notice must contain the following information:

(a) the specific reason or reasons for the denial;

(b) specific reference to those Plan provisions on which the denial is based;

(c) a description of any additional information or material necessary to correct your claim and an explanation of why such material or information is necessary; and

(d) appropriate information as to the steps to be taken if you or your beneficiary wishes to submit your claim for review.

If notice of the denial of a claim is not furnished to you in accordance with the above within a reasonable period of time, your claim will be deemed denied. You will then be permitted to proceed to the review stage described in the following paragraphs.

If your claim has been denied, and you wish to submit your claim for review, you must follow the Claims Review Procedure.

1. The Claims Review Procedure

(a) Upon the denial of your claim for benefits, you may file your claim for review, in writing, with the Administrator.

(b) YOU MUST FILE THE CLAIM FOR REVIEW NO LATER THAN 60 DAYS AFTER YOU HAVE RECEIVED WRITTEN NOTIFICATION OF THE DENIAL OF YOUR CLAIM FOR BENEFITS OR, IF NO WRITTEN DENIAL OF

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YOUR CLAIM WAS PROVIDED, NO LATER THAN 60 DAYS AFTER THE DEEMED DENIAL OF YOUR CLAIM.

(c) You may review all pertinent documents relating to the denial of your claim and submit any issues and comments, in writing, to the Administrator.

(d) Your claim for review must be given a full and fair review. If your claim is denied, the Administrator must provide you with written notice of this denial within 60 days after the Administrator's receipt of your written claim for review. There may be times when this 60-day period may be extended. This extension may only be made, however, where there are special circumstances which are communicated to you in writing within the 60-day period. If there is an extension, a decision will be made as soon as possible, but not later than 120 days after receipt by the Administrator of your claim for review.

(e) The Administrator's decision on your claim for review will be communicated to you in writing and will include specific references to the pertinent Plan provisions on which the decision was based.

(f) If the Administrator's decision on review is not furnished to you within the time limitations described above, your claim will be deemed denied on review.

(g) If benefits are provided or administered by an insurance company, insurance service, or other similar organization which is subject to regulation under the insurance laws, the claims procedure relating to these benefits may provide for review. If so, that company, service, or organization will be the entity to which claims are addressed. If you have any questions regarding the proper person or entity to address claims, you should ask the Administrator.

X
STATEMENT OF ERISA RIGHTS

1. Explanation of Your ERISA Rights

As a participant in this Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, also called ERISA. ERISA provides that all Plan participants are entitled to:

(a) examine without charge, all Plan documents, including:

(1) insurance contracts;

(2) collective bargaining agreements; and

(3) copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions.

This examination may take place at the Administrator's office and at other specified employment locations of the Employer. (See the Article in this Summary entitled "GENERAL INFORMATION ABOUT YOUR PLAN");

(b) obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies;

(c) receive a summary of the Plan's annual financial report. The Administrator is required by law to furnish each participant with a copy of this summary annual report;

(d) obtain a statement telling you whether you have a right to receive a retirement benefit at Normal Retirement Age and, if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a retirement benefit, the statement will tell you how many years you have to work to get a right to a retirement benefit. THIS STATEMENT MUST BE REQUESTED IN WRITING AND IS NOT REQUIRED TO BE GIVEN MORE THAN ONCE A YEAR. The Plan must provide the statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

If your claim for a retirement benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Administrator review and reconsider your claim. (See the Article in this Summary entitled "CLAIMS BY PARTICIPANTS AND BENEFICIARIES.")

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Administrator to provide the materials and pay you up to $100.00 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court.

If the Plan's fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

If you have any questions about this statement, or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor.

XI
AMENDMENT AND TERMINATION OF YOUR PLAN

1. Amendment

Your Employer has the right to amend your Plan at any time. Any such amendment shall be adopted by formal action of the Employer's board of directors and executed by an officer authorized to act on behalf of the Employer. In no event, however, will any amendment:

(a) authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of participants or their beneficiaries; or

(b) cause any reduction in the amount credited to your account; or

(c) cause any part of your Plan assets to revert to the Employer.

2. Termination

Your Employer has the right to terminate the Plan at any time. Upon termination, all amounts credited to your accounts will become 100% vested.

EXHIBIT 10.13

LOAN AGREEMENT

THIS LOAN AGREEMENT ("Agreement") is made and entered into as of 9/15, 1995 by and between ViaSat, Inc., a California corporation ("Borrower") and Union Bank, a California banking corporation ("Bank").

SECTION 1. THE LOAN

1.1.1 THE REVOLVING LOAN. Bank will loan to Borrower an amount not to exceed Four Million Dollars ($4,000,000) outstanding in the aggregate at any one time (the "Revolving Loan"). Borrower may borrow, repay and reborrow all or part of the Revolving Loan in amounts of not less than Ten Thousand Dollars ($10,000) in accordance with the terms of the Revolving Note. All borrowings of the Revolving Loan must be made before September 15, 1997 at which time all unpaid principal and interest of the Revolving Loan shall be due and payable. The Revolving Loan shall be evidenced by a promissory note (the "Revolving Note") on the standard form used by Bank for commercial loans as modified by the Addendum attached thereto. Bank shall enter each amount borrowed and repaid in Bank's records and such entries shall be deemed to be the amount of the Revolving Loan outstanding. Omission of Bank to make any such entries shall not discharge Borrower of its obligation to repay in full with interest all amounts borrowed.

1.1.2 THE EQUIPMENT LOAN I. Bank will loan to Borrower an amount not to exceed Two Million Dollars ($2,000,000) outstanding in the aggregate at any one time ("Equipment Loan I"). Borrower may borrow all or part of Equipment Loan I in amounts of not less than Ten Thousand Dollars ($10,000) in accordance with the terms of Equipment Note I. All borrowings will be limited to an Eighty percent (80%) advance against the purchase price, net of sales tax, delivery, and insurance. All borrowings of Equipment Loan I must be made before September 15, 1996, at which time all unpaid principal under Equipment Loan I shall be converted to a fully amortizing loan for a period of Thirty-six (36) months with a maturity date of September 15, 1999. In the event of a prepayment of principal after such conversion and payment of any resulting fees, any prepaid amounts shall be applied to the scheduled principal payments in the reverse order of their maturity. Equipment Loan I shall be evidenced by a promissory note ("Equipment Note I") on the standard form used by Bank for commercial loans as modified by the Addendum attached thereto. Bank shall enter each amount borrowed and repaid in Bank's records and such entries shall be deemed to be the amount of Equipment Loan I outstanding. Omission of Bank to make any such entries shall not discharge Borrower of its obligation to repay in full with interest all amounts borrowed.

1.1.3 THE EQUIPMENT LOAN II. Beginning September 16, 1996 Bank will loan to Borrower an amount not to exceed Two Million Dollars ($2,000,000) outstanding in the aggregate

at any one time ("Equipment Loan II"). Borrower may borrow all or part of Equipment Loan II in amounts of not less than Ten Thousand Dollars ($10,000) in accordance with the terms of Equipment Note II. All borrowings will be limited to an Eighty percent (80%) advance against the purchase price, net of sales tax, delivery, and insurance. All borrowings of Equipment Loan II must be made before September 15, 1997, at which time all unpaid principal under Equipment Loan II shall be converted to a fully amortizing loan for a period of Thirty-six (36) months with a maturity date of September 15, 2000. In the event of a prepayment of principal after such conversion and payment of any resulting fees, any prepaid amounts shall be applied to the scheduled principal payments in the reverse order of their maturity. Equipment Loan II shall be evidenced by a promissory note ("Equipment Note II") on the standard form used by Bank for commercial loans attached hereto as Exhibit "A". Bank shall enter each amount borrowed and repaid in Bank's records and such entries shall be deemed to be the amount of Equipment Loan II outstanding. Omission of Bank to make any such entries shall not discharge Borrower of its obligation to repay in full with interest all amounts borrowed.

1.2 TERMINOLOGY.

As used herein the word "Loan" shall mean, collectively, all the credit facilities described above.

As used herein the word "Note" shall mean, collectively, all the promissory notes described above.

As used herein, the words "Loan Documents" shall mean all documents executed in connection with this Agreement.

1.3 BORROWING BASE. Notwithstanding any other provision of this Agreement, Bank shall not be obligated to advance funds under the Revolving Loan, at any time when both (i) the aggregate of Borrower's obligations thereunder is greater than One Million Dollars ($ 1,000,000) and (ii) the aggregate of said obligation exceeds the sum of Eighty percent (80%) of Borrower's Eligible Billed Accounts plus Fifty (50%) of Borrower's Eligible Inventory. In no event, however, shall the aggregate amount of advances based on Eligible Inventory exceed, at any one time, the sum of Five Hundred Thousand Dollars ($500,000). If at any time Borrower's obligations to Bank under the above facilities exceed the sum so permitted, Borrower shall immediately repay to Bank such excess.

1.3.1 ELIGIBLE BILLED ACCOUNTS. The term "Billed Accounts" means all presently existing and hereafter arising accounts receivable, contract rights, chattel paper, and all other forms of obligations owing to Borrower, payable in United States Dollars, arising out of the sale or lease of goods, or the rendition of services by Borrower, whether or not earned by performance, and any and all credit insurance, guaranties and other security therefor, as well as all merchandise returned to or reclaimed by Borrower and Borrower's books and records relating to any of the foregoing.

The term "Eligible Billed Accounts" means those Billed Accounts, net of finance charges, which are due and payable within Ninety (90) days, or less, from the date of the invoice, have been

validly assigned to Bank and strictly comply with all of Borrower's warranties and representations to Bank, but Eligible Billed Accounts shall not include the following:

(a) Any Billed Account with respect to which the account debtor is an officer, shareholder, director, employee or agent of Borrower;

(b) Any Billed Account with respect to which the account debtor is a subsidiary of, related to, or affiliated or has common officers or directors with Borrower;

(c) Any Billed Account relating to goods placed on consignment, guaranteed sale or other terms by reason of which the payment by the account debtor may be conditional;

(d) Any Billed Account with respect to which the account debtor is not a resident of the United States or Canada;

(e) Intentionally deleted;

(f) Any Billed Account with respect to which Borrower is or may become liable to the account debtor for goods sold or services rendered by the account debtor to Borrower;

(g) Any Billed Account with respect to which there is asserted a defense, counterclaim, discount or setoff, whether well-founded or otherwise, except for those discounts, allowances and returns arising in the ordinary course of Borrower's business;

(h) Any Billed Account with respect to which the account debtor becomes insolvent, fails to pay its debts as they mature or goes out of business or is owed by an account debtor which has become the subject of a proceeding under any provision of the United States Bankruptcy Code, as amended, or under any other bankruptcy or insolvency law, including, but not limited to, assignments for the benefit of creditors, formal or informal moratoriums, compositions or extensions with all or substantially all of its creditors;

(i) Intentionally deleted;

(j) Any Billed Account that is not paid by the account debtor within ninety (90) days of date of invoice;

(k) Intentionally deleted; and

(l) Intentionally deleted.

1.3.2 ELIGIBLE INVENTORY. The term "Eligible Inventory" means that portion of Borrower's inventory of raw materials and finished goods consisting of Borrower's main lines of business products, which is (a) owned by Borrower, free and clear of all liens or encumbrances except those in favor of Bank, (b) held for sale or lease by Borrower and normally and currently saleable in

the ordinary course of Borrower's business, (c) of good and merchantable quality, free from defects, (d) located only at locations of which Bank is notified in writing, and (e) as to which Bank has been able to perfect and maintain perfected a first priority security interest. Eligible Inventory does not include any of the following: work in process, spare parts, returned items, damaged, defective or recalled items, items unfit for further processing, obsolete or unmerchantable items, items used as salesperson's samples or demonstrators, inventory held in stock more than twelve (12) months.

1.4 PURPOSE OF LOAN. The proceeds of the Revolving Loan shall be used for general working capital purposes and the proceeds of the Equipment Loan shall be used only for purchases of equipment, machinery, and software directly related to Borrower's main lines of business.

1.5.1 REVOLVING LOAN INTEREST. The unpaid principal balance of the Revolving Loan shall bear interest at the Reference Rate as more specifically provided in the Revolving Note.

1.5.2 EQUIPMENT LOANS INTEREST. The unpaid principal balance of Equipment Loans I & II shall bear interest at the rate of Thirty-five hundredths percent (.35%) per annum in excess of the Reference Rate as more specifically provided in Equipment Notes I & II.

1.6 UNUSED COMMITMENT FEE. On the last calendar day of the third month following the execution of this Agreement and on the last calendar day of each three-month period thereafter until September 15, 1997, or the earlier termination of the Loan, Borrower shall pay to Bank a fee of Twenty-five hundredths percent (.25%) per year on the average unused portion of the Revolving Loan for the preceding quarter computed on the basis of actual days elapsed of a year of 360 days.

1.7 EQUIPMENT LOANS COMMITMENT FEE. Borrower shall pay in advance a commitment fee of Three Thousand Five Hundred Dollars ($3,500) on or before the date of execution of this Agreement and a commitment fee of Two Thousand Dollars ($2,000) on September 15 of each year thereafter for so long as any portion of either Equipment Loan I or Equipment Loan II is outstanding. No portion of this fee shall be reimbursable.

1.8 BALANCES. Borrower shall maintain its major depository accounts with Bank until the Note and all sums payable pursuant to this Agreement have been paid in full.

1.9 DISBURSEMENT. Upon execution hereof, Bank shall disburse the proceeds of the Loan as provided in Bank's standard form Authorization executed by Borrower.

1.10 SECURITY. Prior to any disbursement of the Loan, Borrower shall have executed a security agreement, on Bank's standard form, and a financing statement, suitable for filing in the office of the Secretary of State of the State of California and any other state designated by Bank, granting to Bank a first priority security interest in such of Borrower's property as is described in said security agreement. Exceptions to Bank's first priority, if any, are permitted only as otherwise

provided in this Agreement. At Bank's request, Borrower will also obtain executed landlord's and mortgagee's waivers on Bank's form covering all of Borrower's property located on leased or encumbered real property.

1.11 CONTROLLING DOCUMENT. In the event of any inconsistency between the terms of this Agreement and any Note or any of the other Loan Documents, the terms of such Note or other Loan Document will prevail over the terms of this Agreement.

SECTION 2. CONDITIONS PRECEDENT

Bank shall not be obligated to disburse all or any portion of the proceeds of the Loan unless at or prior to the time for the making of such disbursement, the following conditions have been fulfilled to Bank's reasonable satisfaction:

2.1 COMPLIANCE. Borrower shall have performed and complied with all terms and conditions required by this Agreement to be performed or complied with by it prior to or at the date of the making of such disbursement and shall have executed and delivered to Bank the Note and other documents deemed necessary by Bank.

2.2 BORROWING RESOLUTION. Borrower shall have provided Bank with certified copies of resolutions duly adopted by the Board of Directors of Borrower, authorizing this Agreement and the Loan Documents. Such resolutions shall also designate the persons who are authorized to act on Borrower's behalf in connection with this Agreement and to do the things required of Borrower pursuant to this Agreement.

2.3 TERMINATION STATEMENTS. Borrower shall have provided Bank with UCC-2 termination statements executed by such secured creditors as may be required by Bank suitable for filing with the Secretary of State in each state designated by Bank.

2.4 CONTINUING COMPLIANCE. At the time any disbursement is to be made, there shall not exist any event, condition or act which constitutes an event of default under Section 6 hereof or any event, condition or act which with notice, lapse of time or both would constitute such event of default; nor shall there be any such event, condition, or act immediately after the disbursement were it to be made.

2.5 FINANCIAL STATEMENTS. Borrower shall have provided its audited fiscal year ending March 31, 1995 financial statements to Bank including both a balance sheet at March 31, 1995, together with supporting schedules, and an income statement for the Twelve (12) months ended March 31, 1995. Borrower shall have provided, if appropriate, a management letter from the certified public accountant which prepared its audited financial statements for the fiscal year ending March 31, 1995. Borrower shall have provided its unaudited financial statements to Bank for the fiscal quarter ending June 30, 1995 including both a balance sheet at June 30, 1995 and an income

and expense statement with supportive schedules and statement of retained earnings for that fiscal quarter, prepared in accordance with generally accepted accounting principles;

2.6 ACCOUNTS RECEIVABLE AND INVENTORY CERTIFICATION. Prior to any advance under the Revolving Loan which would cause the total amount of the Revolving Loan to exceed One Million Dollars ($ 1,000,000), the Borrower shall have delivered to the Bank its monthly accounts receivable aging schedule along with a Compliance Certificate and Borrowing Base Certificate in the form of Exhibits D and E, respectively, executed by Borrower's chief financial officer or other duly authorized officer of the Borrower. The Borrowing Base Certificate shall accurately report Borrower's accounts receivable, Eligible Billed Accounts, inventory and Eligible Inventory as of the end of the calendar month preceding the month most recently ended.

SECTION 3. REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants that:

3.1 BUSINESS ACTIVITY. The principal business of Borrower is the design and development of digital satellite and terrestrial communications equipment.

3.2 AFFILIATES AND SUBSIDIARIES. Borrower's affiliates and subsidiaries (those entities in which Borrower has either a controlling interest or at least a 25% ownership interest), if applicable, and their addresses, and the names of Borrower's shareholders holding at least 15% of the issued and outstanding common stock of Borrower, are as provided on Exhibit B attached hereto.

3.3 AUTHORITY TO BORROW. The execution, delivery and performance of this Agreement, the Note and all other agreements and instruments required by Bank in connection with the Loan are not in contravention of any of the terms of any indenture, agreement or undertaking to which Borrower is a party or by which it or any of its property is bound or affected.

3.4 FINANCIAL STATEMENTS. The audited financial statements of Borrower, including both a balance sheet at March 31, 1995, together with supporting schedules, and an income statement for the Twelve (12) months ended March 31, 1995, as well as its unaudited balance sheet at June 30, 1995, together with supporting schedules, and an income statement for the Three (3) months ended June 30, 1995 have heretofore been furnished to Bank, and are true and complete and fairly represent the financial condition of Borrower during the period covered thereby. Since June 30, 1995, there has been no material adverse change in the financial condition or operations of Borrower.

3.5 TITLE. Except for assets which may have been disposed of in the ordinary course of business, Borrower has good and marketable title to all of the property reflected in its financial statements delivered to Bank and to all property acquired by Borrower since the date of said

financial statements, free and clear of all liens, encumbrances, security interests and adverse claims except those specifically referred to in Section 5, paragraph 5.1 of this Agreement.

3.6 LITIGATION. Except as set forth (with estimates of the dollar amounts involved) on Exhibit C attached hereto, there is no litigation or proceeding pending or threatened against Borrower or any of its property which is reasonably likely to affect the financial condition, property or business of Borrower in a materially adverse manner.

3.7 DEFAULT. Borrower is not now in default in the payment of any of its material obligations, and there exists no event, condition or act which constitutes an event of default under Section 6 hereof and no condition, event or act which with notice or lapse of time, or both, would constitute an event of default.

3.8 ORGANIZATION. Borrower is duly organized and existing under the laws of the state of its organization, and has the power and authority to carry on the business in which it is engaged and/or proposes to engage.

3.9 POWER. Borrower has the power and authority to enter into this Agreement and to execute and deliver the Note and all of the other Loan Documents.

3.10 AUTHORIZATION. This Agreement and all things required by this Agreement have been duly authorized by all requisite action of Borrower.

3.11 QUALIFICATION. Borrower is duly qualified and in good standing in any jurisdiction where such qualification is required.

3.12 COMPLIANCE WITH LAWS. Borrower is not in violation with respect to any applicable laws, rules, ordinances or regulations which materially affect the operations or financial condition of Borrower.

3.13 ERISA. Any defined benefit pension plans as defined in the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), of Borrower meet, as of the date hereof, the minimum funding standards of Section 302 of ERISA, and no Reportable Event or Prohibited Transaction as defined in ERISA has occurred with respect to any such plan.

3.14 REGULATION U. No action has been taken or is currently planned by Borrower, or any agent acting on its behalf, which would cause this Agreement or the Note to violate Regulation U or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities and Exchange Act of 1934, in each case as in effect now or as the same may hereafter be in effect. Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock as one of its important activities and none of the proceeds of the Loan will be used directly or indirectly for such purpose.

3.15 CONTINUING REPRESENTATIONS. These representations shall be considered to have been made again at and as of the date of each disbursement of the Loan and shall be true and correct as of such date or dates.

SECTION 4. AFFIRMATIVE COVENANTS

Until the Note and all sums payable pursuant to this Agreement or any other of the Loan Documents have been paid in full, unless Bank waives compliance in writing, Borrower agrees that:

4.1 USE OF PROCEEDS. Borrower will use the proceeds of the Loan only as provided in subsection 1.4 above.

4.2 PAYMENT OF OBLIGATIONS. Borrower will pay and discharge promptly all taxes, assessments and other governmental charges and claims levied or imposed upon it or its property, or any part thereof, provided, however, that Borrower shall have the right in good faith to contest any such taxes, assessments, charges or claims and, pending the outcome of such contest, to delay or refuse payment thereof provided that adequately funded reserves are established by it to pay and discharge any such taxes, assessments, charges and claims.

4.3 MAINTENANCE OF EXISTENCE. Borrower will maintain and preserve its existence and assets and all rights, franchises, licenses and other authority necessary for the conduct of its business and will maintain and preserve its property, equipment and facilities in good order, condition and repair. Bank may, at reasonable times and upon reasonable notice to Borrower, visit and inspect any of the properties of Borrower.

4.4 RECORDS. Borrower will keep and maintain full and accurate accounts and records of its operations according to generally accepted accounting principles and will permit Bank to have access thereto, to make examination and photocopies thereof, and to make audits during regular business hours. Costs for such audits shall be paid by Borrower.

4.5 INFORMATION FURNISHED. Borrower will furnish to Bank:

(a) Within Thirty (30) days after the close of each calendar month its unaudited balance sheet as of the close of such calendar month, its unaudited income and expense statement with supportive schedules and statement of retained earnings for that calendar month, prepared in accordance with generally accepted accounting principles;

(b) Within Forty-five (45) days after the close of each fiscal quarter, except for the final quarter of each fiscal year, its unaudited balance sheet as of the close of such fiscal quarter, its unaudited income and expense statement with supportive schedules and statement of retained earnings for that fiscal quarter, prepared in accordance with generally accepted accounting principles;

(c) Within One Hundred Twenty (120) days after the close of each fiscal year, a copy of its statement of financial condition including at least its balance sheet as of the close of such fiscal year, its income and expense statement and retained earnings statement for such fiscal year, examined and prepared on an audited basis by independent certified public accountants selected by Borrower and reasonably satisfactory to Bank, in accordance with generally accepted accounting principles applied on a basis consistent with that of the previous year;

(d) Upon request of Bank, copies of such financial statements and reports as Borrower may file with any state or federal agency;

(e) Such other financial statements and information as Bank may reasonably request from time to time,

(f) Intentionally deleted;

(g) In connection with each fiscal year-end statement required hereunder, any management letter of Borrower's certified public accountants,

(h) Within Forty-five (45) days after each fiscal quarter, a certification of compliance with all covenants under this Agreement, executed by Borrower's chief financial officer or other duly authorized officer of Borrower, in the form of Exhibit D;

(i) As soon as possible, and in no event later than five (5) days after the occurrence of an event of default under Section 6 hereof or the occurrence of an event, condition or act which with notice, lapse of time or both would constitute such an event of default, a statement of the chief executive officer, the president or the chief financial officer of Borrower setting forth the details thereof and the action which Borrower has taken, is taking or proposes to take with respect thereto;

(j) Prompt written notice to Bank of all events of any litigation which, if decided adversely to Borrower, would have a material adverse effect on Borrower's financial condition; and of any other matter which has resulted in, or is likely to result in, a material adverse change in its financial condition or operations;

(k) Nor written notice to Bank of any changes in Borrower's officers (to the extent that prior knowledge exists), Borrower's name, the location of Borrower's assets, or Borrower's principal place of business or chief executive office.

(l) Within Thirty (30) days after each calendar month end, but only if a Revolving Loan is then outstanding in an aggregate amount greater than One Million Dollars ($1,000,000), a copy of Borrower's monthly accounts receivable aging and a certification of compliance with the Borrowing Base described above, executed by Borrower's chief financial officer or other duly authorized officer of Borrower, in the form of Exhibit E, which certificate shall accurately report Borrower's accounts receivable, Eligible Billed Accounts, inventory and Eligible

Inventory. Borrower will permit Bank to audit Bank's collateral upon reasonable notice and during regular business hours.

4.6 TANGIBLE NET WORTH. Beginning with fiscal year ending March 31, 1995, Borrower will at all times maintain Tangible Net Worth of not less than Two Million Nine Hundred Thousand Dollars ($2,900,000). Thereafter, Borrower will at all times maintain a minimum Tangible Net Worth that increases from said amount as of the end of each of Borrower's fiscal quarter by Ninety percent (90%) of Borrower's net profit after taxes. "Tangible Net Worth" shall mean net worth increased by indebtedness of Borrower subordinated to Bank and decreased by patents, licenses, trademarks, trade names, goodwill and other similar intangible assets, organizational expenses, and monies due from affiliates (including officers, shareholders and directors).

4.7 DEBT TO TANGIBLE NET WORTH. Borrower will at all times maintain a ratio of Total Debt ("Total Debt" shall mean all of Borrower's liabilities with the exception of cash advances from customers) to Tangible Net Worth of not greater than 3.0: 1.O.

4.8 PROFITABILITY. Borrower will maintain a net profit, before provision for income taxes, of a positive amount as reported at its fiscal year end.

4.9 CASH FLOW. Borrower will maintain a ratio of Cash Flow to Debt Service of not less than 1.5: 1.O. Compliance with this subsection shall be measured as of the end of each fiscal quarter. "Cash Flow" shall mean net profit after taxes to which depreciation, amortization, other non cash expenses, and interest expense are added for the twelve (12) month period immediately preceding the date of calculation. "Debt Service" shall mean the sum of that portion of long-term liabilities and capital leases coming due within twelve (12) months of the date of calculation plus interest expense and dividends for the twelve (12) month period immediately preceding the date of calculation.

4.10 INSURANCE. Borrower will keep all of its insurable property, real, personal or mixed, insured by companies and in amounts approved by Bank, which approval shall not be unreasonably withheld, against fire and such other risks, and such amounts, as is customarily obtained by companies conducting similar business with respect to like properties. Borrower will furnish to Bank statements of its insurance coverage, will promptly furnish other or additional insurance deemed necessary by and upon request of Bank to the extent that such insurance may be available and hereby assigns to Bank, as Security for Borrower's obligations to Bank, the proceeds of any such insurance. Prior to any disbursement of the Loan, Bank will be named loss payee on all policies insuring collateral. Borrower will maintain adequate worker's compensation insurance and adequate insurance against liability for damage to persons or property. All policies shall require at least ten (10) days' written notice to Bank before any policy may be altered or cancelled.

4.11 ADDITIONAL REQUIREMENTS. Borrower will promptly, upon demand by Bank, take such further action and execute all such additional documents and instruments in connection with this Agreement as Banking its reasonable discretion deems necessary in order to consummate the

transactions contemplated hereby or of any future amendments, modifications, or supplements to this Agreement or the other Loan Documents, and promptly supply Bank with such other information concerning its affairs as Bank may reasonably request from time to time.

4.12 LITIGATION AND ATTORNEYS' FEES. Borrower will pay promptly to Bank upon demand, reasonable attorneys' fees (including but not limited to the reasonable estimate of the allocated costs and expenses of in-house legal counsel and legal staff) and all costs and other expenses paid or incurred by Bank in collecting, modifying or compromising the Loan or in enforcing or exercising its rights or remedies created by, connected with or provided for in this Agreement or any of the Loan Documents, whether or not an arbitration, judicial action or other proceeding is commenced. If such proceeding is commenced, only the prevailing party shall be entitled to attorneys' fees and court costs.

4.13 BANK EXPENSES. Borrower will pay or reimburse Bank for all costs, expenses and fees incurred by Bank in preparing and documenting all amendments and modifications to this Agreement and the Loan, including but not limited to all filing and recording fees, costs of appraisals, insurance and reasonable attorneys' fees, including the reasonable estimate of the allocated costs and expenses of in-house legal counsel and legal staff.

4.14 REPORTS UNDER PENSION PLANS. Borrower will furnish to Bank, as soon as possible and in any event within 15 days after Borrower knows or has reason to know that any event or condition with respect to any defined benefit pension plans of Borrower described in Section 3 above has occurred, a statement of an authorized officer of Borrower describing such event or condition and the action, if any, which Borrower proposes to take with respect thereto.

SECTION 5. NEGATIVE COVENANTS

Until the Note and all other sums payable pursuant to this Agreement or any other of the Loan Documents have been paid in full, unless Bank waives compliance in writing, Borrower agrees that:

5.1 ENCUMBRANCES AND LIENS. Borrower will not create, assume or suffer to exist any mortgage, pledge, security interest, encumbrance, or lien (other than for taxes not delinquent and for taxes and other items being contested in good faith) on property of any kind, whether real, personal or mixed, now owned or hereafter acquired, or upon the income or profits thereof, except to Bank and except for; (a) minor encumbrances and easements on real property which do not materially affect its market value; (b) existing liens on Borrower's personal property; described in Borrower's most recent financial statement delivered to Bank or otherwise described in a schedule heretofore delivered by Borrower to Bank; (c) future purchase money security interests encumbering only the personal property purchased; (d) statutory liens of bankers, carriers, warehousemen, mechanics, materialmen, and other similar liens imposed by law, which are incurred in the ordinary course of business for sums not delinquent or which are being contested in good faith by appropriate proceedings; (e) deposits made in the ordinary course of business to secure liability to insurance carriers; (f) attachment and judgement liens securing claims less than $250,000 in the

aggregate (excluding for purposes of said calculation any such liens for which payment is covered in full by insurance, or the Borrower is prosecuting an appeal in good faith by appropriate proceedings, a stay of execution pending appeal having been secured): and (g) monetary obligations of the Borrower under any leasing or similar arrangement which, in accordance with generally accepted accounting principles is classified as a capital lease. All of such permitted personal property liens, excluding liens in favor of Bank, shall not exceed, in the aggregate, Three Million Dollars ($3,000,000) at any time.

5.2 BORROWINGS. Borrower will not sell, discount or otherwise transfer any account receivable or any note, draft or other evidence of indebtedness, except to Bank or except to a financial institution at face value for deposit or collection purposes only and without any fee other than fees normally charged by the financial institution for deposit or collection services. Borrower will not borrow any money, become contingently liable to borrow money, nor enter any agreement to directly or indirectly obtain borrowed money, except, (a) pursuant to agreements made with Bank, (b) trade debt incurred in the ordinary course of business, and (c) debt secured by liens permitted pursuant to Section 5.1 above.

5.3 SALE OF ASSETS, LIQUIDATION OR MERGER. Borrower will neither liquidate nor dissolve nor enter into any consolidation, merger, partnership or other combination, nor convey, nor sell, nor lease all or the greater part of its assets or business, nor purchase or lease all or the greater part of the assets or business of another, nor acquire the stock or assets of another business or corporation.

5.4 LOANS, ADVANCES AND GUARANTIES. Borrower will not, except in the ordinary course of business as currently conducted, make any loans or advances, become a guarantor or surety, pledge its credit or properties in any manner except as set forth herein, or extend credit.

5.5 INVESTMENTS. Borrower shall not purchase any debt of another person except for:

(a) certificates of deposit, time deposits, Eurodollar time deposits, repurchase agreements, reverse repurchase agreements, or bankers' acceptances, having in each case a maturity date of not more than twelve months from the date of acquisitions by Borrower issued by the Bank or any U.S. commercial bank or any branch or agency of a non-U.S. bank licensed to conduct business in the U.S. having combined capital and surplus or not less than $50,000,000 whose short term securities are rated at least "A" by Standard & Poor's Corporation (or the equivalent rating provided by any of Moody's Investors Service, Inc., Duff & Phelps Credit Rating Co. or Fitch Investors Services, Inc.),

(b) interest bearing or discounted obligations of the United States Government, any agency thereof (including without limitation the Federal Home Loan Mortgage Corporations, the Government National Mortgage Association, the Federal National Mortgage Association and the Federal Farm Credit System) or any entities or pools of mortgages or other instruments formed by the United States Government or any such agencies, and in any case only if such obligation has a maturity date not more than twelve months from the date of acquisition by Borrower;

(c) obligations issued by states and local governments or their agencies, instrumentalities, authorities or subdivisions, is such issuer has received a rating of at least "A" by Standard & Poor's Corporation (or the equivalent rating provided by any of Moody's Investors Service, Inc., Duff & Phelps Credit Rating Co. or Fitch Investors Services, Inc., and in any case only if such obligation has a maturity date of not more than twelve months from the date of acquisition by Borrower;

(d) commercial paper of an issuer rated at least "A" by Standard & Poor's Corporation (or the equivalent rating provided by any of Moody's Investors Service, Inc., Duff & Phelps Credit Rating Co. or Fitch Investors Services, Inc., and in any case only if such obligation has a maturity date of not more than twelve months from the date of acquisition by Borrower; or

(e) investments in money market funds including short-term adjustable rate money market funds.

5.6 PAYMENT OF DIVIDENDS. Intentionally deleted.

5.7 RETIREMENT OF STOCK. Borrower will not acquire or retire any share of its capital stock for value in excess of Five percent (5%) of market value in any fiscal year.

5.8 CAPITAL EXPENDITURES. Borrower will not make capital expenditures in excess of Four Million Dollars ($4,000,000) in any fiscal year; and shall only make such expenditures as are necessary for Borrower in the conduct of its ordinary course of business. Each said expenditure shall be needed by Borrower in the ordinary course of its business. Expenditures as used in this subsection shall include without limitation, expenditures under Capital Leases.

5.9 LEASE OBLIGATIONS. Intentionally deleted.

SECTION 6. EVENTS OF DEFAULT

The occurrence of any of the following events ("Events of Default") shall terminate any obligation on the part of Bank to make or continue the Loan and automatically, unless otherwise provided under the Note, shall make all sums of interest and principal and any other amounts owing under the Loan immediately due and payable, without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or any other notices or demands:

6.1 Borrower shall fail to pay within three (3) days of the date when due any principal, interest or other payment required under the terms of the Note, this Agreement or any of the other Loan Documents (as each of the same may be amended, modified, extended, supplemented or replaced from time to time); or

6.2 Any default shall occur under the Note; or

6.3 Any guaranty or subordination agreement required hereunder is breached or becomes ineffective, or any Guarantor or subordinating creditor dies, disavows or attempts to revoke or terminate such guaranty or subordination agreement; or

6.4 There is a change in ownership or control of ten percent (10%) or more of the issued and outstanding capital stock of Borrower or any Guarantor.

SECTION 7. MISCELLANEOUS PROVISIONS

7.1 ADDITIONAL REMEDIES. The rights, powers and remedies given to Bank hereunder shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Bank by law against Borrower or any other person, including but not limited to Bank's rights of setoff or banker's lien.

7.2 NONWAIVER. Any forbearance or failure or delay by Bank in exercising any right, power or remedy hereunder shall not be deemed a waiver thereof and any single or partial exercise of any right, power or remedy shall not preclude the further exercise thereof No waiver shall be effective unless it is in writing and signed by an officer of Bank.

7.3 INUREMENT. The benefits of this Agreement shall inure to the successors and assigns of Bank and the permitted successors and assignees of Borrower, and any assignment of Borrower without Bank's consent shall be null and void.

7.4 APPLICABLE LAW. This Agreement and all other agreements and instruments required by Bank in connection therewith shall be governed by and construed according to the laws of the State of California.

7.5 SEVERABILITY. Should any one or more provisions of this Agreement be determined to be illegal or unenforceable, all other provisions nevertheless shall be effective.

7.6 INTEGRATION CLAUSE. Except for documents and instruments specifically referenced herein, this Agreement constitutes the entire agreement between Bank and Borrower regarding the Loan and all prior communications verbal or written between Borrower and Bank shall be of no further effect or evidentiary value.

7.7 CONSTRUCTION. The section and subsection headings herein are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

7.8 AMENDMENTS. This Agreement may be amended only in writing signed by all parties hereto.

7.9 COUNTERPARTS. Borrower and Bank may execute one or more counterparts to this Agreement, each of which shall be deemed an original.

SECTION 8. SERVICE OF NOTICES

8.1 Any notices or other communications provided for or allowed hereunder shall be effective only when given by one of the following methods and addressed to the respective party at its address given with the signatures at the end of this Agreement and shall be considered to have been validly given: (a) upon delivery, if delivered personally; (b) upon receipt, if mailed, first class postage prepaid, with the United States Postal Service; (c) on the next business day, if sent by overnight courier service of recognized standing; and (d) upon telephoned confirmation of receipt, if telecopied.

8.2 The addresses to which notices or demands are to be given may be changed from time to time by notice delivered as provided above.

THIS AGREEMENT is executed on behalf of the parties by duly authorized officers as of the date first above written.

UNION BANK

/s/ /s/
By:_____ By:_____

Vice President Vice President
Title_____ Title_____

Address:
530 "B" Street, Fourth Floor
San Diego, California 92101
Attention: Dick Petrie

Telecopier: (619) 230-3766
Telephone: (619) 230-3754

VIASAT, INC.

/s/
By:_____ By:_____

Vice President
Title_____ Title_____

Address:
2290 Cosmos Court
Carlsbad, California 92009-1585
Attention: Mark Dankberg

Telecopier: (619) 438-8489
Telephone: (619) 438-8099

[UNION BANK FORM]

EXHIBIT "A"

COMMERCIAL PROMISSORY NOTE

Borrower Name ViaSat, Inc.

Borrower Address: 2290 COSMOS CT. CARLSBAD, CA 92009-1585

Office: 40061

Loan Number

Maturity Date

Amount

SAN DIEGO _____, California Date_____ $_____

FOR VALUE RECEIVED, the undersigned ("Debtor") promises to pay to the order of UNION BANK ("Bank"), as indicated below, the principal sum of _____ _____Dollars ($_____), or so much thereof as is disbursed, together with interest on the balance of such principal sum from time to time outstanding, at a per annum rate equal to the Reference Rate plus _____ percent (_____%), such per annum rate to change as and when the Reference Rate shall change, provided, however, Debtor shall pay total interest over the term of this note of not less than $500.

As used herein, the term "Reference Rate" shall mean the rate announced by Bank from time to time at its corporate headquarters as its "Reference Rate." The Reference Rate is an index rate determined by Bank from time to time as a means of pricing certain extensions of credit and is neither directly tied to any external rate of interest or index nor necessarily the lowest rate of interest charged by Bank at any given time. All computations of interest under this note shall be made on the basis of a year of 360 days, for actual days elapsed.

1. PAYMENTS. INTEREST PAYMENTS. Debtor shall pay interest on the _____ day of each _____commencing _____ .

ON ALL PRINCIPAL THEN OUTSTANDING SHALL BE PAID

PRINCIPAL PAYMENTS. _____

IN 36 EQUAL MONTHLY INSTALLMENTS BEGINNING ON

_____

_____

On _____ all principal and interest then unpaid shall be due and payable.

Debtor shall pay all amounts due under this note in lawful money of the United

SAN DIEGO REGIONAL

States at Bank's _____ Office, or such other office as may be designated by Bank, from time to time.

2. LATE PAYMENTS. If any installment payment required by the terms of this note shall remain unpaid ten days after due, at the option of Bank, Debtor shall pay a fee of $100 to Bank.

3. INTEREST RATE FOLLOWING DEFAULT. In the event of default, at the option of Bank, and, to the extent permitted by law, interest shall be payable on the outstanding principal under this note at a per annum rate equal to five percent (5%) in excess of the interest rate specified in the initial paragraph of this note, calculated from the date of default until all amounts payable under this note are paid in full.

4. DEFAULT AND ACCELERATION OF TIME FOR PAYMENT.*

5. ADDITIONAL AGREEMENTS OF DEBTOR. If any amounts owing under this note are not paid when due, Debtor promises to pay all costs and expenses, including reasonable attorneys' fees, incurred by Bank in the collection or enforcement of this note. Debtor and any endorsers of this note, for the maximum period of time and the full extent permitted by law, (a) waive diligence, presentment, demand, notice of nonpayment, protest, notice of protest, and notice of every kind; (b) waive the right to assert the defense of any statute of limitations to any debt or obligation hereunder; and (c) consent to renewals and extensions of time for the payment of any amounts due under this note. If this note is signed by more than one party, the term "Debtor" includes each of the undersigned and any successors in interest thereof; all of whose liability shall be joint and several. Any married person who signs this note agrees that recourse may be had against the separate property of that person for any obligations hereunder. The receipt of any check or other item of payment by Bank, at its option, shall not be considered a payment on account until such check or other item of payment is honored when presented for payment at the drawee bank. Bank may delay the credit of such payment based upon Bank's schedule of funds availability, and interest under this note shall accrue until the funds are deemed collected. In any action brought under or arising out of this note, Debtor and any Obligor, including their successors or assigns, hereby consents to the jurisdiction of any competent court within the State of California, as provided in any addendum attached hereto, and consents to service of process by any means authorized by California law. The term "Bank" includes, without limitation, any holder of this note. This note shall be construed in accordance with and governed by the laws of the State of California.

THIS NOTE IS SUBJECT TO THE ARBITRATION AGREEMENT ATTACHED HERETO AND

INCORPORATED BY REFERENCE HEREIN.

* See Addendum "A", consisting of two (2) pages, attached hereto and incorporated herein.

EXHIBIT "A" ATTACHMENT

ADDENDUM "A" TO COMMERCIAL PROMISSORY NOTE,
DATED XXXXXXXXXXXXX, 1995, EXECUTED BY
VIASAT, INC. IN FAVOR OF UNION BANK

4. DEFAULT AND ACCELERATION OF TIME FOR PAYMENT. Default shall include, but not be limited to, any of the following: (a) Debtor shall fail to pay within three (3) days of the date when due any principal, interest or other payment required under the terms of this note, that certain Loan Agreement between Debtor and Bank, of even date herewith, and any amendments, modifications, extensions, supplements or replacements thereof (the "Loan Agreement") or any of the other Loan Documents (as defined in the Loan Agreement); (b) Debtor shall fail to observe or perform any covenant, obligation, condition or agreement set forth in Section 5, or in paragraphs 4.5(i), 4.6, 4.7, 4.8 or 4.9, of the Loan Agreement; (c) Debtor shall fail to observe or perform any other covenant, obligation, condition or agreement contained in the Loan Agreement or the other Loan Documents, and such failure shall continue for twenty (20) days after written notice thereof to Debtor from Bank; (d) any representation, warranty, certificate or other statement (financial or otherwise) made or furnished by or on behalf of Debtor to Bank in or in connection with this note, the Loan Agreement or any of the other Loan Documents, or as an inducement to Bank to enter into the Loan Agreement and the other Loan Documents, shall be false, incorrect, incomplete or misleading in any material respect when made or furnished; (e) Debtor, any guarantor, co-maker, endorser, or any person or entity other than Debtor providing security for this note (hereinafter individually and collectively referred to as the "Obligor") shall fail to pay when due any principal or interest payment required under the terms of any bond, debenture, note or other evidence of indebtedness required to be paid by such obligor (except for payments required hereunder, under the Loan Agreement or under the other Loan Documents) beyond any period of grace provided with respect thereto, or shall default in the observance or performance of any other agreement, term or condition contained in any such bond, debenture, note or other evidence of indebtedness, and the effect of such failure or default is to cause, or permit the holder or holders thereof to cause, the indebtedness evidenced by such bond, debenture, note or other evidence of indebtedness to become due prior to its stated date of maturity; (f) any obligor shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) be unable, or admit in writing its inability, to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its or any of its creditors, (iv) be dissolved or liquidated (or an obligor who is a natural person shall die), (v) commence a voluntary case or other proceedings seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its

property by any official in an involuntary case or other proceeding commenced against it, or (vi) take any corporate action for the purpose of effecting any of the foregoing; (g) proceedings for the appointment of a receiver, trustee, liquidator or custodian of any Obligor or of all or a substantial part of its property, or an involuntary case or other proceedings seeking liquidation, reorganization or other similar relief with respect to any Obligor or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect, shall be commenced and shall not be dismissed or discharged within thirty (30) days of commencement; or (h) a final judgment or order for the payment of money in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) (exclusive of amounts covered by insurance) shall be rendered against any Obligor and the same shall remain undischarged for a period of thirty (30) days during which execution shall not be effectively stayed, or any judgment, writ, warrant of attachment, or execution or similar process shall be issued or levied against a substantial part of any Obligor's property and such judgment, writ or similar process shall not be released, stayed, vacated, bonded or otherwise dismissed within twenty (20) days after its issue or levy. Upon the occurrence of any such default, Bank, in its discretion, may cease to advance funds hereunder and may declare all obligations under this note immediately due and payable; provided, however, upon the occurrence of a default under (f) or (g) , all principal and interest shall automatically become immediately due and payable.

EXHIBIT "B"

Shareholders holding at least fifteen (15%) percent of the issued and outstanding common stock of ViaSat, Inc. are:

Mark Dankberg
Steven Hart

EXHIBIT "C"

Litigation: None

VIASAT(R) [LOGO]

2290 Cosmos Court
Carlsbad, CA 92009-1585
Tel: (619) 438-8099
Fax: (619) 438-8489

FORM OF COMPLIANCE CERTIFICATE

13 September 1995

Mr. Richard A. Petrie
Vice President
Union Bank
Post Office Box 85324
San Diego, CA 92186-9879

Dear Dick:

For the quarter ended _____, ViaSat, Inc. has performed and observed each and every covenant to be performed by it as contained in the Loan Agreement dated _____. ViaSat, Inc. does hereby certify that the Company is in compliance with all stated covenants and that no event of default has occurred and no condition exists which constitutes an event of default thereunder, or would constitute an event of default upon giving notice, the lapse of time or both.

Sincerely,

Gregory D. Monahan
Vice President, Administration
and General Counsel

EXHIBIT "D"

DATE:

BORROWING BASE CERTIFICATE
for

_____ ("BORROWER")

As defined in and pursuant to that Loan Agreement by and between Borrower and Union Bank dated _____ ("LOAN AGREEMENT")

Date of aging:

1. Total Accounts(A/R)	_____
2. Less Ineligible A/R.	
a.) Cross Aged _____%	_____
b.) Concentration %	_____
c.) Offer/Emp/Inter-Co.	_____
d.) Foreign/Gov't Accts	_____
e.) Retentions	_____
f.) Contra Accts	_____
g.) Insolvent Accts	_____
h.) Consignments/CODs	_____
i.) Credit Balances >90	_____
j.) Other	_____
Total Ineligible A/R	_____
3. Total Eligible A/R (1-2)	_____
4. Advance Rate on A/R (%)	_____
5. Funds Available ON A/R (3*4)	_____
6. Inventory:	
a.) Raw Materials	_____
b.) Advance Rate on Raw Materials (%)	_____
c.) Finished Goods	_____
d.) Advance Rate on Finished Goods (%)	_____
e.) Ineligible Inventory	_____
f.) Inventory Availability	_____
Calculation [(A*B)+(C*D)-E]	
g.) Inventory Sublimit	
h.) Funds Available on	
Inventory (Not to exceed 3g)	
7. Borrowing Base (5+6)	_____
8. Loan Balance	_____
9. Outstanding Letters of Credit	_____
10. Availability/(OverAdvanced) (7-8-9)	_____

The undersigned represents and warrants that i.) the foregoing information is true, correct and complete, ii.) that the accompanying accounts receivable aging, accounts payable aging, and inventory report provided in support of this certificate are true, correct and complete, and iii.) Borrower is in compliance with the terms, conditions, warranties, representations and covenants as set forth in the Loan Agreement.

_____
Signature of officer, title

at least $500,000, or (iii) the conversion of more than 50% of the shares of Preferred Stock issued to the Investors pursuant to the Purchase Agreement.

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the day and year first above written.

VIASAT, INC.

By_____

/s/Robert W. Johnson

_____
Robert W. Johnson

_____
Thomas A. Tisch

SOUTHERN CALIFORNIA VENTURES

By_____

_____
Mark D. Dankberg

_____
Steven R. Hart

_____
Mark J. Miller

at least $500,000, or (iii) the conversion of more than 50% of the shares of Preferred Stock issued to the Investors pursuant to the Purchase Agreement.

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the day and year first above written.

VIASAT, INC.	SOUTHERN CALIFORNIA VENTURES
By_____	By_____
_____	_____
Robert W. Johnson	Mark D. Dankberg
/s/Thomas A. Tisch	
_____	_____
Thomas A. Tisch	Steven R. Hart
	_____
	Mark J. Miller

EXHIBIT 10.14

COMMERCIAL SECURITY AGREEMENT

PRINCIPAL	LOAN DATE	MATURITY	LOAN NO	CALL	COLLATERAL	ACCOUNT	OFFICER	INITIALS
$1,000,000.00	04-05-1994	07-05-1995	17650-34733	040	50/51		105	/s/

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

BORROWER: VIASAT, INC.
2290 COSMOS COURT
CARLSBAD, CA 92009-1565

LENDER: SCRIPPS BANK
LA JOLLA
7817 IVANHOE AVENUE
P.O. BOX 8669
LA JOLLA, CA 92038-8669

THIS COMMERCIAL SECURITY AGREEMENT IS ENTERED INTO BETWEEN VIASAT, INC. (REFERRED TO BELOW AS "GRANTOR"); AND SCRIPPS BANK (REFERRED TO BELOW AS "LENDER"). FOR VALUABLE CONSIDERATION, GRANTOR GRANTS TO LENDER A SECURITY INTEREST IN THE COLLATERAL TO SECURE THE INDEBTEDNESS AND AGREES THAT LENDER SHALL HAVE THE RIGHTS STATED IN THIS AGREEMENT WITH RESPECT TO THE COLLATERAL, IN ADDITION TO ALL OTHER RIGHTS WHICH LENDER MAY HAVE BY LAW.

DEFINITIONS. The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

AGREEMENT. The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

COLLATERAL. The word "Collateral" means the following described property of Grantor, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

ALL INVENTORY, CHATTEL PAPER, ACCOUNTS, CONTRACT RIGHTS, EQUIPMENT, GENERAL INTANGIBLES AND FIXTURES

In addition, the word "Collateral" includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

(a) All attachments, accessions, accessories, tools, parts, supplies, increases, and additions to and all replacements of and substitutions for any property described above.

(b) All products and produce of any of the property described in this Collateral section.

(c) All accounts, contract rights, general intangibles, instruments, rents, monies, payments, and all other rights arising out of a sale, lease, or other disposition of any of the property described in this Collateral section.

(d) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section.

(e) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

EVENT OF DEFAULT. The words "Event of Default" mean and include any of the Events of Default set forth below in the section titled "Events of Default."

GRANTOR. The word "Grantor" means VIASAT, INC., its successors and assigns

GUARANTOR. The word "Guarantor" means and includes without limitation, each and all of the guarantors, sureties, and accommodation parties in connection with the Indebtedness.

INDEBTEDNESS. The word "Indebtedness" means the indebtedness evidenced by the Note, including all principal and interest, together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents.

LENDER. The word "Lender" means Scripps Bank, its successors and assigns.

NOTE. The word "Note" means the note or credit agreement dated April 5, 1994, in the principal amount of $1,000,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of,

refinancings of, consolidations of and substitutions for the note or credit agreement.

RELATED DOCUMENTS. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

DEPOSIT ACCOUNTS. Grantor hereby grants Lender a contractual possessory security interest in and hereby assigns, conveys, delivers, pledges, and transfers all of Grantor's right, title and interest in and to Grantor's accounts with Lender (whether checking, savings, or some other account), including all accounts held jointly with someone else and all accounts Grantor may open in the future, excluding however all IRA, Keogh, and trust accounts.

OBLIGATIONS OF GRANTOR. Grantor warrants and covenants to Lender as follows:

PERFECTION OF SECURITY INTEREST. Grantor agrees to execute such financing statements and to take whatever other actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper if not delivered to Lender for possession by Lender. Grantor hereby appoints Lender as its irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect or to continue the security interest granted in this Agreement. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral. Grantor promptly will notify Lender before any change in Grantor's name including any change to the assumed business names of Grantor. THIS IS A CONTINUING SECURITY AGREEMENT AND WILL CONTINUE IN EFFECT EVEN THOUGH ALL OR ANY PART OF THE INDEBTEDNESS IS PAID IN FULL AND EVEN THOUGH FOR A PERIOD OF TIME GRANTOR MAY NOT BE INDEBTED TO LENDER.

NO VIOLATION. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its certificate or articles of incorporation and bylaws do not prohibit any term or condition of this Agreement.

ENFORCEABILITY OF COLLATERAL. To the extent the Collateral consists of accounts, contract rights, chattel paper, or general intangibles, the Collateral is enforceable in accordance with its terms, is genuine, and complies with applicable laws concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. At the time any account becomes subject to a security interest in favor of Lender, the account shall be a good and valid account representing an undisputed, bona fide indebtedness incurred by the account debtor, for merchandise held subject to delivery instructions or theretofore shipped or delivered pursuant to a contract of sale, or for services theretofore performed by Grantor with or for the account debtor; there shall be no setoffs or counterclaims against any such account; and no agreement under which any deductions or discounts may be claimed shall have been made with the account debtor except those disclosed to Lender in writing.

LOCATION OF THE COLLATERAL. Grantor, upon request of Lender, will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (a) all real property owned or being purchased by Grantor; (b) all real property being rented or leased by Grantor; (c) all storage facilities owned, rented, leased, or being used by Grantor; and (d) all other properties where Collateral is or may be located. Except in the ordinary course of its business, Grantor shall not remove the Collateral from its existing locations without the prior written consent of Lender.

REMOVAL OF COLLATERAL. Grantor shall keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts, the records concerning the Collateral) at Grantor's address shown above, or at such other locations as are acceptable to Lender. Except in the ordinary course of its business, including the sales of inventory, Grantor shall not remove the Collateral from its existing locations without the prior written consent of Lender. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the State of California, without the prior written consent of Lender.

TRANSACTIONS INVOLVING COLLATERAL. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. While Grantor is not in default under this Agreement, Grantor may sell inventory, but only in the ordinary course of its business and only to buyers who qualify as a buyer in the ordinary course of business. A sale in the ordinary course of Grantor's business does not include a transfer in partial or total satisfaction of a debt or any bulk sale. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance or charge other than the

security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

TITLE. Grantor represents and warrants to Lender that it holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

COLLATERAL SCHEDULES AND LOCATIONS. As often as Lender shall require, and insofar as the Collateral consists of accounts and general intangibles, Grantor shall deliver to Lender schedules of such Collateral, including such information as Lender may require, including without limitation names and addresses of account debtors and agings of accounts and general intangibles. Insofar as the Collateral consists of inventory and equipment, Grantor shall deliver to Lender, as often as Lender shall require, such lists, descriptions, and designations of such Collateral as Lender may require to identify the nature, extent, and location of such Collateral. Such information shall be submitted for Grantor and each of its subsidiaries or related companies.

MAINTENANCE AND INSPECTION OF COLLATERAL. Grantor shall maintain all tangible Collateral in good condition and repair. Grantor will not commit or permit damage to or destruction of the Collateral or any part of the Collateral. Lender and its designated representatives and agents shall have the right at all reasonable times to examine, inspect, and audit the Collateral wherever located. Grantor shall immediately notify Lender of all cases involving the return, rejection, repossession, loss or damage of or to any Collateral; of any request for credit or adjustment or of any other dispute arising with respect to the Collateral; and generally of all happenings and events affecting the Collateral or the value or the amount of the Collateral.

TAXES, ASSESSMENTS AND LIENS. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the collateral is subjected to a lien which is not discharged with fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surely bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS. Grantor shall comply promptly with all laws, ordinances and regulations of all governmental authorities applicable to the production, disposition, or use of the collateral. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

HAZARDOUS SUBSTANCES. Grantor represents and warrants that the Collateral never have been, and never will be so long as this Agreement remains a lien on the collateral, used for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any hazardous waste or substance, as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SATA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for hazardous wastes and substances. Grantor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify shall survive the payment of the indebtedness and the satisfaction of this Agreement.

MAINTENANCE OF CASUALTY INSURANCE. Grantor shall procure and maintain all risks insurance, including with limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amount, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender.

Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. In no event shall the insurance be in an amount less than the amount agreed upon in the Agreement to Provide Insurance. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if it so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

APPLICATION OF INSURANCE PROCEEDS. Grantor shall promptly notify Lender of any loss or damage to the Collateral. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the Indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

INSURANCE RESERVES. Lender may require Grantor to maintain with lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by lender as a general deposit and shall constitute a non-interest-bearing account which lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

INSURANCE REPORTS. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender amy reasonably request including the following: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy; (d) the property insured; (e) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (f) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

GRANTOR'S RIGHT TO POSSESSION AND TO COLLECT ACCOUNTS. Until default and except as otherwise provided below with respect to accounts, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. Until otherwise notified by lender, Grantor may collect any of the Collateral consisting of accounts. At any time and even though no Event of Default exists, Lender may exercise its rights to collect the accounts and to notify account debtors to make payment directly to Lender for application to the Indebtedness. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Collateral.

EXPENDITURES BY LENDER. If not discharged or paid when due, Lender may (but shall not be obligated to) discharge or pay any amounts required to be discharged or paid by Grantor under this Agreement, including without limitation all taxes, liens, security interests, encumbrances, and other claims, at any time levied or placed on the Collateral. Lender also may (but shall not be obligated to) pay all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date or repayment by Grantor. All such expenses shall become a part of the Indebtedness and, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of an Event of Default.

EVENTS OF DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

DEFAULT ON INDEBTEDNESS. Failure of Grantor to make any payment when due on the Indebtedness.

OTHER DEFAULTS. Failure of Grantor to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or in any other agreement between Lender and Grantor. If any default, other than a Default on Indebtedness, is curable and if Grantor has not been given a prior notice of a breach of the same provision of this Agreement, it may be cured (and no Event of Default will have occurred) if Grantor, after Lender sends written notice demanding cure of such default, (a) cures the default within fifteen (15) days; or (b), if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to product compliance as soon as reasonably practical.

FALSE STATEMENTS. Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor under this Agreement is false or misleading in any material respect, either now or at the time made or furnished.

DEFECTIVE COLLATERALIZATION. This Agreement or any other Related Documents ceases to be in full force and effect (including failure of any collateral documents to create a valid and perfected security interest or lien) at any time and for any reason.

INSOLVENCY. The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

CREDITOR OR FORFEITURE PROCEEDINGS. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against the Collateral or any other collateral securing the Indebtedness. This includes a garnishment of any of Grantor's deposit accounts with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by the Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

EVENTS AFFECTING GUARANTOR. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or such Guarantor dies or becomes incompetent. Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure the Event of Default.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the California Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

ACCELERATE INDEBTEDNESS. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice.

ASSEMBLE COLLATERAL. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

SELL THE COLLATERAL. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in its own name or that of Grantor. Lender may sell the collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor reasonable notice of the time after which any private sale or any other intended disposition of the Collateral is to be made. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days, or such lesser time as required by state law, before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

APPOINT RECEIVER. To the extent permitted by applicable law, Lender shall have the following rights and remedies regarding the appointment of a receiver: (a) Lender may have a receiver appointed as a matter of right, (b) the receiver may be an employee of Lender and may serve without bond, and (c) all fees of the receiver and his or her attorney shall become part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

COLLECT REVENUES, APPLY ACCOUNTS. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in its discretion transfer any Collateral into its own name or that of its nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, chooses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

OBTAIN DEFICIENCY. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

OTHER RIGHTS AND REMEDIES. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

CUMULATIVE REMEDIES. All of Lender's rights and remedies, whether evidenced by this Agreement or the Related Documents or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and to exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

AMENDMENTS. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

APPLICABLE LAW. This Agreement has been delivered to Lender and accepted by Lender in the State of California. It there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of San Diego County, State of California. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

ATTORNEYS' FEES; EXPENSES. Grantor agrees to pay upon demand all of Lender's costs and expenses, including attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

CAPTION HEADINGS. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

MULTIPLE PARTIES; CORPORATE AUTHORITY. All obligations of Grantor under this Agreement shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each of the persons signing below is responsible for ALL obligations in this Agreement.

NOTICES. All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited with a nationally recognized overnight courier or deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by

giving formal written notice to the other parties, specifying that the purpose of the notice is to change the parties address. To the extent permitted by applicable law, if there is more than one grantor, notice to any grantor will constitute notice to all grantors. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address(es).

POWER OF ATTORNEY. Grantor hereby appoints Lender as its true and lawful attorney-in-fact, irrevocably, with full power of substitution to do the following: (b) to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts or warrants issued in payment for the Collateral; (c) to settle or compromise any and all claims arising under the Collateral, and, in the place and stead of Grantor, to execute and deliver its release and settlement for the claim; and (d) to file any claim or claims or to take any action or institute or take part in any proceedings, either in its own name or in the name of Grantor, or otherwise, which in the discretion of Lender may seem to be necessary or advisable. this power is given as security for the indebtedness, and the authority hereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by Lender.

PREFERENCE PAYMENTS. Any monies Lender pays because of an asserted preference claim in Borrower's bankruptcy will become a part of the indebtedness and, at Lender's option, shall be payable by Borrower as provided above in the "EXPENDITURES BY LENDER" paragraph.

SEVERABILITY. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

SUCCESSOR INTERESTS. Subject to the limitations set forth above on transfer to the Collateral, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns.

WAIVER. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

WAIVER OF CO-OBLIGOR'S RIGHTS. If more than one person is obligated for the indebtedness, Borrower irrevocably waives, disclaims and relinquishes all claims against such other person which Borrower has or would otherwise have by virtue of payment of the indebtedness or any part thereof, specifically including but not limited to all rights of indemnity, contribution or exoneration.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT, AND GRANTOR AGREES TO ITS TERMS. THIS AGREEMENT IS DATED APRIL 5, 1994.

GRANTOR:

VIASAT, INC.

X /s/ Gregory Monahan

AUTHORIZED SIGNER

NOTICE OF INSURANCE REQUIREMENTS

LOAN DATE	LOAN NO.	CALL	COLLATERAL	CUSTOMER NO	OFFICER	INITIALS
04-05-1994	17650-34733	040	50/51		105	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

BORROWER: VIASAT, INC.
2290 COSMOS COURT
CARLSBAD, CA 92009-1565

LENDER: SCRIPPS BANK
LA JOLLA
7817 IVANHOE AVENUE
P.O. BOX 8669
LA JOLLA, CA 92039-8669

E.J. PHELPS, INC.
TO: 2250 FOURTH AVENUE, SUITE 200
SAN DIEGO, CA 92101-2100

DATE: APRIL 5, 1994

DEAR INSURANCE AGENT:

RE: POLICY NUMBER(S): 35290456

VIASAT, INC. ("BORROWER") IS OBTAINING A LOAN FROM SCRIPPS BANK. PLEASE SEND APPROPRIATE EVIDENCE OF INSURANCE TO SCRIPPS BANK, TOGETHER WITH THE REQUESTED ENDORSEMENTS, ON THE FOLLOWING PERPERTY, WHICH BORROWER IS GIVING AS SECURITY FOR THE LOAN.

COLLATERAL: ALL INVENTORY, EQUIPMENT AND FIXTURES.
TYPE. All risks, including fire, theft and liability
AMOUNT. $1,000,000.00.
BASIS. Replacement value.
ENDORSEMENTS. Lender's loss payable clause with stipulation that coverage will not be cancelled or diminished without a minimum of ten (10) days' prior written notice to Lender.
DEDUCTIBLES. $250.00.

BORROWER:

VIASAT, INC.

X /s/ Gregory Monahan
AUTHORIZED SIGNER

MAIL TO:
SCRIPPS BANK
7817 IVANHOE AVENUE
P.O. BOX 8669
LA JOLLA, CA 92038-8669

AGREEMENT TO PROVIDE INSURANCE

Principal	Loan Date	Maturity	Loan No	Call	Collateral	Account	Officer	Initials
$1,000,000.00	04-05-1994	07-05-1995	17650-34733	040	50/51		105	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: VIASAT, INC.
2290 COSMOS COURT
CARLSBAD, CA 92009-1565

Lender: Scripps Bank
La Jolla
7817 Ivanhoe Avenue
P.O. Box 8669
La Jolla, CA 92038-8669

INSURANCE REQUIREMENTS. VIASAT, INC. ("Grantor") understands that insurance coverage is required in connection with the extending of a loan of the providing of other financial accommodations to Grantor by Lender. These requirements are set forth in the security documents. The following minimum insurance coverages must be provided on the following described collateral (the "Collateral"):

Collateral: All Inventory, Equipment and Fixtures.
Type. All risks, including fire, theft and liability.
Amount. $1,000,000.00.
Basis. Replacement value.
Endorsements. Lender's loss payable clause with stipulation that coverage will not be cancelled or diminished without a minimum of ten (10) days prior written notice to Lender.
Deductibles. $250.00.

INSURANCE COMPANY. Grantor may obtain insurance from any insurance company Grantor may choose that is reasonably acceptable to Lender. Grantor understands that credit may not be denied solely because insurance was not purchased through Lender.

FAILURE TO PROVIDE INSURANCE. Grantor agrees to deliver to Lender, ten (10) days from the date of this Agreement, evidence of the required insurance as provided above, with an effective date of April 5, 1994, or earlier. Grantor acknowledges and agrees that if Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may do so at Grantor's expense as provided in the applicable security document. The cost of any such insurance, at the option of Lender, shall be payable on demand or shall be added to the indebtedness as provided in the security document. GRANTOR ACKNOWLEDGES THAT IF LENDER SO PURCHASES ANY SUCH INSURANCE, THE INSURANCE WILL PROVIDE LIMITED PROTECTION AGAINST PHYSICAL DAMAGE TO THE COLLATERAL, UP TO THE BALANCE OF THE LOAN; HOWEVER, GRANTOR'S EQUITY IN THE COLLATERAL MAY NOT BE INSURED. IN ADDITION, THE INSURANCE MAY NOT PROVIDE ANY PUBLIC LIABILITY OR PROPERTY DAMAGE INDEMNIFICATION AND MAY NOT MEET THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAWS.

AUTHORIZATION. For purposes of insurance coverage on the Collateral, Grantor authorizes Lender to provide to any person (including any insurance agent or company) all information Lender deems appropriate, whether regarding the Collateral, the loan or other financial accommodations, or both.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT TO PROVIDE INSURANCE AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED APRIL 5, 1994.

GRANTOR:

VIASAT, INC.

x /s/ Gregory Monahan
AUTHORIZED SIGNER

FOR LENDER USE ONLY
INSURANCE VERIFICATION

DATE:_____ PHONE:_____
AGENT'S NAME: E.J. PHELPS, INC.
ADDRESS: 2250 FOURTH AVENUE, SUITE 200, SAN DIEGO, CA 92101-2100
INSURANCE COMPANY:_____
POLICY NUMBER(S): 35290456
EFFECTIVE DATES:_____
COMMENTS:_____

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call	Collateral	Account	Officer	Initials
$1,000,000.00	04-05-1994	07-05-1995	17650-34733	040	50/51		105	/s/

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: VIASAT, INC.
2290 COSMOS COURT
CARLSBAD, CA 92009-1565

Lender: Scripps Bank
La Jolla
7817 Ivanhoe Avenue
P.O. Box 8669
La Jolla, CA 92038-8669

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LOAN TYPE. This is a Variable Rate (1.500% over Wall Street Journal Prime Rate as published in the Money Rates section. When a range of rates is shown, the higher rate will be used., making an initial rate of 7.750%), Revolving Line of Credit Loan to a Corporation for $1,000,000.00 due on July 5, 1995.

PRIMARY PURPOSE OF LOAN. The primary purpose of the loan is for:
[ ] Personal, Family, or Household Purposes or Personal Investment.
[X] Business (including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: INCREASE EXISTING $700,000.00 REVOLVING LINE OF CREDIT TO SUPPORT COMPANY GROWTH IN REVENUE AND ACCOUNT RECEIVABLE.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of $1,000,000.00 as follows:

Amount paid on Borrower's account:	$350,000.00
$350,000.00 Payment on Loan # 17650-34733 (RENEW)	
Amount paid to others on Borrower's behalf:	$650,000.00
$650,000.00 UNDISBURSED; TO BE DISBURSED PER FUNDS TRANSFER AGREEMENT	
Note Principal:	$1,000,000.00

CHARGES PAID IN CASH. Borrower has paid or will pay in cash as agreed the following charges.

Prepaid Finance Charges Paid In Cash:	$500.00
$500.00 DOCUMENT FEE	
Total Charges Paid In Cash:	$500.00

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED APRIL 5, 1994.

BORROWER:

VIASAT, INC.

x /s/ Gregory Monahan
AUTHORIZED SIGNER

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BUSINESS LOAN AGREEMENT

PRINCIPAL	LOAN DATE	MATURITY	LOAN NO	CALL	COLLATERAL	ACCOUNT	OFFICER	INITIALS
$1,000,000.00	04-05-1994	07-05-1995	17650-34733	040	50/51		105	/s/

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

BORROWER: VIASAT, INC.
2290 COSMOS COURT
CARLSBAD, CA 92009-1565

LENDER: SCRIPPS BANK
LA JOLLA
7817 IVANHOE AVENUE
P.O. BOX 8669
LA JOLLA, CA 92038-8669

THIS BUSINESS LOAN AGREEMENT BETWEEN VIASAT, INC. ("BORROWER") AND SCRIPPS BANK ("LENDER") IS MADE AND EXECUTED ON THE FOLLOWING TERMS AND CONDITIONS. BORROWER HAS RECEIVED PRIOR COMMERCIAL LOANS FROM LENDER OR HAS APPLIED TO LENDER FOR A COMMERCIAL LOAN OR LOANS AND OTHER FINANCIAL ACCOMMODATIONS, INCLUDING THOSE WHICH MAY BE DESCRIBED ON ANY EXHIBIT OR SCHEDULE ATTACHED TO THIS AGREEMENT. ALL SUCH LOANS AND FINANCIAL ACCOMMODATIONS, TOGETHER WITH ALL FUTURE LOANS AND FINANCIAL ACCOMMODATIONS FROM LENDER TO BORROWER, ARE REFERRED TO IN THIS AGREEMENT INDIVIDUALLY AS THE "LOAN" AND COLLECTIVELY AS THE "LOANS." BORROWER UNDERSTANDS AND AGREES THAT: (a) IN GRANTING, RENEWING, OR EXTENDING ANY LOAN, LENDER IS RELYING UPON BORROWER'S REPRESENTATIONS, WARRANTIES, AND AGREEMENTS, AS SET FORTH IN THIS AGREEMENT; (b) THE GRANTING, RENEWING, OR EXTENDING OF ANY LOAN BY LENDER AT ALL TIMES SHALL BE SUBJECT TO LENDER'S SOLE JUDGMENT AND DISCRETION; AND (c) ALL SUCH LOANS SHALL BE AND SHALL REMAIN SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS OF THIS AGREEMENT.

TERM. This Agreement shall be effective as of APRIL 5, 1994, and shall continue thereafter until all indebtedness of Borrower to Lender has been performed in full and the parties terminate this Agreement in writing.

DEFINITIONS. The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

AGREEMENT. The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

BORROWER. The word "Borrower" means VIASAT, INC. The word "Borrower" also includes, as applicable, all subsidiaries and affiliates of Borrower as provided below in the paragraph titled "Subsidiaries and Affiliates."

CERCLA. The word "CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

COLLATERAL. The word "Collateral" means and includes without limitation all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, deed of trust, assignment, pledge, chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

ERISA. The word "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

EVENT OF DEFAULT. The words "Event of Default" mean and include any of the Events of Default set forth below in the section titled "EVENTS OF DEFAULT."

GRANTOR. The word "Grantor" means and includes each and all of the persons or entities granting a Security Interest in any Collateral for the Indebtedness, including without limitation all Borrowers granting such a Security Interest.

GUARANTOR. The word "Guarantor" means and includes without limitation, each and all of the guarantors, sureties, and accommodation parties in connection with any Indebtedness.

INDEBTEDNESS. The word "Indebtedness" means and includes without limitation all Loans, together with all other obligations, debts and liabilities of Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower, or any one or more of them; whether now or hereafter existing, voluntary or involuntary, due or not due, absolute or contingent, liquidated or unliquidated; whether Borrower may be liable individually or jointly with others; whether Borrower may be obligated as a guarantor, surety, or otherwise; whether recovery upon such Indebtedness may be or hereafter may become barred by any statute of limitations; and whether such Indebtedness may be or hereafter may become

otherwise unenforceable.

LENDER. The word "Lender" means Scripps Bank, its successors and assigns.

LOAN. The word "Loan" or "Loans" means and includes any and all commercial loans and financial accommodations from Lender to Borrower, whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

NOTE. The word "Note" means Borrower's promissory note or notes, if any, evidencing Borrower's Loan obligations in favor of Lender, as well as any substitute, replacement or refinancing note or notes therefor.

RELATED DOCUMENTS. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

SECURITY AGREEMENT. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest.

SECURITY INTEREST. The words "Security Interest" mean and include without limitation any type of collateral security, whether in the form of a lien, charge, mortgage, deed of trust, assignment, pledge, chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

SARA. The word "SARA" means the Superfund Amendments and Reauthorization Act of 1986 as now or hereafter amended.

REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender as of the date of this Agreement and as of the date of each disbursement of Loan proceeds;

ORGANIZATION. Borrower is a corporation which is duly organized, validly existing, and in good standing under the laws of the State of California. Borrower has the full power and authority to own its properties and to transact the businesses in which it is presently engaged or presently proposes to engage. Borrower also is duly qualified as a foreign corporation and is in good standing in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition.

AUTHORIZATION. The execution, delivery, and performance of this Agreement and all Related Documents by Borrower, to the extent to be executed, delivered or performed by Borrower, have been duly authorized by all necessary action by Borrower; do not require the consent or approval of any other person, regulatory authority or governmental body; and do not conflict with, result in a violation of, or constitute a default under (a) any provision of its articles of incorporation or organization, or bylaws, or any agreement or other instrument binding upon Borrower or (b) any law, governmental regulation, court decree, or order applicable to Borrower.

FINANCIAL INFORMATION. Each financial statement of Borrower supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

LEGAL EFFECT. This Agreement constitutes, and any instrument or agreement required hereunder to be given by Borrower when delivered will constitute, legal, valid and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

PROPERTIES. Except as contemplated by this Agreement or a previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all Security Interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used, or filed a financing statement under, any other name for at least the last five (5) years.

HAZARDOUS SUBSTANCES. The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release," as used in this Agreement, shall have the same meanings as set forth in the "CERCLA," "SARA," the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. Except as disclosed to and acknowledged by Lender in writing, Borrower represents and warrants that: (a) During the period of

Borrower's ownership of the properties, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance by any person on, under, or about any of the properties. (b) Borrower has no knowledge of, or reason to believe that there has been (i) any use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance by any prior owners or occupants of any of the properties, or (ii) any actual or threatened litigation or claims of any kind by any person relating to such matters. (c) Neither Borrower nor any tenant, contractor, agent or other authorized user of any of the properties shall use, generate, manufacture, store, treat, dispose of, or release any hazardous waste or substance on, under, or about any of the properties; and any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation those laws, regulations and ordinances described above. Borrower authorizes Lender and its agents to enter upon the properties to make such inspections and tests as Lender may deem appropriate to determine compliance of the properties with this section of the Agreement. Any inspections or tests made by Lender shall be at Borrower's expense and for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Borrower or to any other person. The representations and warranties contained herein are based on Borrower's due diligence in investigating the properties for hazardous waste. Borrower hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Borrower's ownership or interest in the properties, whether or not the same was or should have been known to Borrower. The provisions of this section of the Agreement, including the obligation to indemnify, shall survive the payment of the indebtedness and the termination or expiration of this Agreement and shall not be affected by Lender's acquisition of any interest in any of the properties, whether by foreclosure or otherwise.

LITIGATION AND CLAIMS. No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

TAXES. To the best of Borrower's knowledge, all tax returns and reports of Borrower that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

LIEN PRIORITY. Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

BINDING EFFECT. This Agreement, the Note and all Security Agreements directly or indirectly securing repayment of Borrower's Loan and Note are binding upon Borrower as well as upon Borrower's successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

COMMERCIAL PURPOSES. Borrower intends to use the Loan proceeds solely for business or commercial related purposes.

EMPLOYEE BENEFIT PLANS. Each employee benefit plan as to which Borrower may have any liability complies in all material respects with all applicable requirements of law and regulations, and (i) no Reportable Event nor Prohibited Transaction (as defined in ERISA) has occurred with respect to any such plan, (ii) Borrower has not withdrawn from any such plan or initiated steps to do so, and (iii) no steps have been taken to terminate any such plan.

LOCATION OF BORROWER'S OFFICES AND RECORDS. the chief place of business of Borrower and the office or offices where Borrower keeps its records concerning the Collateral is located at 2290 COSMOS COURT, CARLSBAD, CA 92009-1565.

INFORMATION. All information heretofore or contemporaneously herewith furnished by Borrower to Lender for the purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all information hereafter furnished by or on behalf of Borrower to Lender will be, true and accurate in every material respect on the date as of which such information is dated or certified; and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading.

SURVIVAL OF REPRESENTATION AND WARRANTIES. Borrower understands and agrees that Lender is relying upon the above representations and warranties in extending Loan Advances to Borrower. Borrower further agrees that the foregoing representations and warranties shall be continuing in nature and shall remain in full force and effect until such time as Borrower's Loan and Note shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Lender that, while this Agreement is in effect, Borrower will:

LITIGATION. Promptly inform Lender in writing of (a) all material adverse changes in Borrower's financial condition, and (b) all litigation and claims and all threatened litigation and claims affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

FINANCIAL RECORDS. Maintain its books and records in accordance with generally accepted accounting principles, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

ADDITIONAL INFORMATION. Furnish such additional information and statements, lists of assets and liabilities, agings of receivables and payables, inventory schedules, budgets, forecasts, tax returns, and other reports with respect to Borrower's financial condition and business operations as Lender may request from time to time.

INSURANCE. Maintain fire and other risk insurance, public liability insurance, and such other insurance as Lender may require with respect to Borrower's properties and operations, in form, amounts, coverages and with insurance companies reasonably acceptable to Lender. Borrower, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender. In connection with all policies covering assets in which Lender holds or is offered a security interest for the Loans, Borrower will provide Lender with such loss payable or other endorsements as Lender may require.

INSURANCE REPORTS. Furnish to Lender, upon request of Lender, reports on each existing insurance policy showing such information as Lender may reasonably request, including without limitation the following: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy; (d) the properties insured; (e) the then current property values on the basis of which insurance has been obtained, and the manner of determining those values; and (f) the expiration date of the policy. In addition, upon request of Lender (however not more often than annually), Borrower will have an independent appraiser satisfactory to Lender determine, as applicable, the actual cash value or replacement cost of any Collateral.

OTHER AGREEMENTS. Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

LOAN PROCEEDS. Use all Loan proceeds solely for Borrower's business operations, unless specifically consented to the contrary by Lender in writing.

TAXES, CHARGES AND LIENS. Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (a) the legality of the same shall be contested in good faith by appropriate proceedings, and (b) Borrower shall have established on its books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with generally accepted accounting practices. Borrower, upon demand of Lender, will furnish to Lender evidence of payment of the assessments, taxes, charges, levies, liens and claims and will authorize the appropriate governmental official to deliver to Lender at any time a written statement of any assessments, taxes, charges, levies, liens and claims against Borrower's properties, income, or profits.

PERFORMANCE. Perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between Borrower and Lender in a timely manner, and promptly notify Lender if Borrower learns of the occurrence of any event which constitutes an Event of Default under this Agreement.

OPERATIONS. Substantially maintain its present executive and management personnel; conduct its business affairs in a reasonable and prudent manner and in compliance with all applicable federal, state and municipal laws, ordinances, rules and regulations respecting its properties, charters, businesses and operations, including without limitation, compliance with the Americans With Disabilities Act and with all minimum funding standards and other requirements of ERISA and other laws applicable to Borrower's employee benefit plans.

INSPECTION. Permit employees or agents of Lender at any reasonable time to inspect any and all collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and

records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall

notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

COMPLIANCE CERTIFICATE. Unless waived in writing by Lender, provide Lender at least annually and at the time of each disbursement of Loan proceeds with a certificate executed by Borrower's chief financial officer, or other officer or person acceptable to Lender, certifying that the representations and warranties set forth in this Agreement are true and correct as of the date of the certificate and further certifying that, as of the date of the certificate, no Event of Default exists under this Agrement.

ADDITIONAL ASSURANCES. Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

NEGATIVE COVENANTS. Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

INDEBTEDNESS AND LIENS. (a) Except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement, create, incur or assume indebtedness for borrowed money, including capital leases, (b) sell, transfer, mortgage, assign, pledge, lease, grant a security interest in, or encumber any of Borrower's assets, or (c) sell with recourse any of Borrower's accounts, except to Lender.

CONTINUITY OF OPERATIONS. (a) Engage in any business activities substantially different than those in which Borrower is presently engaged, (b) cease operations, liquidate, merge, transfer, acquire or consolidate with any other entity, change ownership, dissolve or transfer or sell Collateral out of the ordinary course of business, or (c) pay any dividends on Borrower's stock (other than dividends payable in its stock and except as may be statutorily required for Subchapter S corporations) or purchase or retire any of Borrower's outstanding shares or alter or amend Borrower's capital structure.

LOANS, ACQUISITIONS AND GUARANTIES. (a) Loan, invest in or advance money or assets, (b) purchase, create or acquire any interest in any other enterprise or entity, or (c) incur any obligation as surety or guarantor other than in the ordinary course of business.

CESSATION OF ADVANCES. If Lender has made any commitment to make any Loan to Borrower whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (a) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender; (b) Borrower becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (c) there occurs a material adverse change in Borrower's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan; (d) any Guarantor seeks, claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender; or (e) Lender in good faith deems itself insecure even though no Event of Default shall have occurred.

ADDITIONAL PROVISIONS.

1) TOTAL ADVANCES ARE RESTRICTED TO 75% OF ELIGIBLE ACCOUNTS RECEIVABLE, DEFINED AS THOSE ACCOUNTS RECEIVABLE LESS THAN 90 DAYS OLD, EXCLUDING ALL FOREIGN AND CONTRA ACCOUNTS RECEIVABLE.

2) A COMPLETED BORROWING BASE CERTIFICATE WILL BE SUBMITTED TO SCRIPPS BANK AT THE TIME OF ANY REQUEST FOR LINE ADVANCE.

3) BORROWER WILL PROVIDE SCRIPPS BANK, ON A TIMELY BASIS, MONTHLY FINANCIAL STATEMENTS, INCLUDING AN ACCOUNTS RECEIVABLE AGING REPORT WITH A COMPLETED BORROWING BASE CERTIFICATE.

4) BORROWER WILL PROVIDE SCRIPPS BANK A COPY OF ITS FEDERAL TAX RETURN UPON FILING, AND PROVIDE SCRIPPS BANK WITH A COPY OF ITS CPA AUDITED FINANCIAL STATEMENTS WITHIN 120 DAYS OF FISCAL YEAR END.

5) BORROWER AGREES TO MAINTAIN AT ALL TIMES, A CURRENT RATIO ABOVE 1.5 TO 1.0, A DEBT TO WORTH RATIO NOT TO EXCEED 1.5 TO 1.0, AND MAINTAIN A NET WORTH ABOVE $1,250,000.00.

6) BORROWER AGREES TO ASSIGN SCRIPPS BANK ALL U.S. GOVERNMENT CONTRACTS IF IT IS OUT OF COMPLIANCE ON ANY OF THE FINANCIAL COVENANTS LISTED ABOVE FOR MORE THAN 60 CONSECUTIVE DAYS. ASSIGNMENTS WILL BE PERFECTED THROUGH THE ASSIGNMENT OF CLAIMS ACT OF 1940 AND CORRESPONDING UNIFORM COMMERCIAL CODE FILINGS WITH THE SECRETARY OF STATE.

7) BORROWER AGREES TO BEAR THE COST OF SCRIPPS BANK ACCOUNTS RECEIVABLE AUDITS, NOT TO EXCEED $200.00 PER QUARTER, AND AUTHORIZES BANK TO DEBIT ITS ACCOUNT FOR PAYMENT.

8) BORROWER AGREES TO MAINTAIN ITS PRIMARY OPERATING ACCOUNTS WITH SCRIPPS BANK

WHILE THIS CREDIT FACILITY IS IN PLACE.

DEPOSIT ACCOUNTS. Borrower grants to Lender a contractual possessory security interest in, and hereby assigns, conveys, delivers, pledges, and transfers to Lender all Borrower's right, title and interest in and to, Borrower's accounts with Lender (whether checking, savings, or some other account), including without limitation all accounts held jointly with someone else and all accounts Borrower may open in the future, excluding however all IRA, Keogh, and trust accounts.

EVENTS OF DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

DEFAULT ON INDEBTEDNESS. Failure of Borrower to make any payment when due on the Loans.

OTHER DEFAULTS. Failure of Borrower or any Grantor to comply with or to perform when due any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents, or failure of Borrower to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

DEFAULT IN FAVOR OF THIRD PARTIES. Should Borrower or any Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

FALSE STATEMENTS. Any warranty, representation, or statement made or furnished to Lender by or on behalf of Borrower or any Grantor under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished.

DEFECTIVE COLLATERALIZATION. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any Security Agreement to create a valid and perfected Security Interest) at any time and for any reason.

INSOLVENCY. The dissolution or termination of Borrower's existence as a going business, insolvency, appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

CREDITOR OR FORFEITURE PROCEEDINGS. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower, any creditor of any Grantor against any collateral securing the indebtedness, or by any governmental agency. This includes a garnishment, attachment, or levy on or of any of Borrower's deposit accounts with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor, as the case may be, as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding, and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and furnishes reserves or a surety bond for the creditor or forfeiture proceeding satisfactory to Lender.

EVENTS AFFECTING GUARANTOR. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or such Guarantor dies or becomes incompetent. Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to lender, and, in doing so, cure the Event of Default.

CHANGE IN OWNERSHIP. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

INSECURITY. Lender, in good faith, deems itself insecure.

RIGHT TO CURE. If any default, other than a Default on Indebtedness, is curable and if Borrower or Grantor, as the case may be, has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured (and no Event of Default will have occurred) if Borrower or Grantor, as the case may be, after receiving written notice from Lender demanding cure of such default: (a) cures the default with fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

Related Documents or any other agreement immediately will terminate (including any obligation to make Loan Advances or disbursements), and, at Lender's option, all loans immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

AMENDMENTS. This Agreement, together with any Related documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

APPLICABLE LAW. THIS AGREEMENT HAS BEEN DELIVERED TO LENDER AND ACCEPTED BY LENDER IN THE STATE OF CALIFORNIA. IF THERE IS A LAWSUIT, BORROWER AGREES UPON LENDER'S REQUEST TO SUBMIT TO THE JURISDICTION OF THE COURTS OF SAN DIEGO COUNTY, THE STATE OF CALIFORNIA. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

CAPTION HEADINGS. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

MULTIPLE PARTIES; CORPORATE AUTHORITY. All obligations of Borrower under this Agreement shall be joint and several, and all references to Borrower shall mean each and every Borrower. This means that each of the persons signing below is responsible for ALL obligations in this Agreement.

CONSENT TO LOAN PARTICIPATION. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loans to one or more purchasers, whether related or unrelated to Lender. Lender may provide,without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy it may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interest. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loans and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loans irrespective of the failure or insolvency of any holder of any interest in the Loans. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

COSTS AND EXPENSES. Borrower agrees to pay upon demand all of Lender's out-of-pocket expenses, including attorneys' fees, incurred in connection with the preparation, execution, enforcement and collection of this Agreement or in connection with the Loans made pursuant to this Agreement. Lender may pay someone else to help collect the Loans and to enforce this Agreement, and Borrower will pay that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also will pay any court costs, in addition to all other sums provided by law.

NOTICES. All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited with a nationally recognized overnight courier or deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above. any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. To the extent permitted by applicable law, if there is more than one Borrower, notice to any Borrower will constitute notice to all Borrowers. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address(es).

SEVERABILITY. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respect shall remain valid and enforceable.

SUBSIDIARIES AND AFFILIATES OF BORROWER. To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used herein shall include all subsidiaries and affiliates of Borrower. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any subsidiary or affiliate of Borrower.

SUCCESSORS AND ASSIGNS. All covenants and agreements contained by or on behalf of Borrower shall bind its successors and assigns and shall inure to the benefit of Lender, its successors and assigns. Borrower shall not, however, have the right to assign its rights under this Agreement or any interest therein, without the prior written consent of Lender.

SURVIVAL. All warranties, representations, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement shall be considered to have been relied upon by Lender and will survive the making of the Loan and delivery to Lender of the Related Documents, regardless of any investigation made by Lender or on Lender's behalf.

TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Agreement.

WAIVER. Lender shall no be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, no any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any obligations of Borrower or of any Grantor as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent in subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT, AND BORROWER AGREES TO ITS TERMS. THIS AGREEMENT IS DATED AS OF APRIL 5, 1994.

BORROWER:

VIASAT, INC.

X /s/ Gregory Monahan

AUTHORIZED SIGNER

LENDER:
Scripps Bank

By: _____
Authorized Officer

==========

CORPORATE RESOLUTION TO BORROW

Principal	Loan Date	Maturity	Loan No	Call	Collateral	Account	Officer	Initials
$1,000,000.00	04-05-1994	07-05-1995	17650-34733	040	50/51		105	/s/

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: VIASAT, INC.
2290 COSMOS COURT
CARLSBAD, CA 92009-1565

Lender: Scripps Bank
La Jolla
7817 Ivanhoe Avenue
P.O. Box 8669
La Jolla, CA 92038-8669

==========

I, the undersigned Secretary or Assistant Secretary of VIASAT, INC. (the "Corporation"), HEREBY CERTIFY that the Corporation is organized and existing under and by virtue of the laws of the State of California as a corporation for profit, with its principal office at 2290 COSMOS COURT, CARLSBAD, CA 92009-1565, and is duly authorized to transact business in the State of California.

I FURTHER CERTIFY that at a meeting of the Directors of the Corporation (or by other duly authorized corporate action in lieu of a meeting), duly called and held on _____, at which a quorum was present and voting, the following resolutions were adopted:

BE IT RESOLVED, that any one (1) of the following named officers, employees, or agents of this Corporation, whose actual signatures are shown below:

NAMES	POSITIONS	ACTUAL SIGNATURES
MARK DANKBERG	PRESIDENT	X /s/ Mark Dankberg
GREG MONAHAN	VICE PRESIDENT	X /s/ Greg Monahan

acting for and on behalf of this Corporation and as its act and deed be, and they hereby are, authorized and empowered:

BORROW MONEY. To borrow from time to time from Scripps Bank ("Lender"), on such terms as may be agreed upon between the officers, employees, or agents and Lender, such sum or sums of money as in their judgment should be borrowed; however, not exceeding at any one time the amount of One Million & 00/100 Dollars ($1,000,000.00), in addition to such sum or sums of money as may be currently borrowed by the Corporation from Lender.

EXECUTE NOTES. To execute and deliver to Lender the promissory note or notes of the Corporation, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any indebtedness of the Corporation to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, or any portion of the notes.

GRANT SECURITY. To mortgage, pledge, hypothecate, or otherwise encumber deliver to Lender, as security for the payment of any loans so obtained, any promissory notes so executed, or any other or further indebtedness of the Corporation to Lender at any time owing, however the same may be evidenced, any property now or hereafter belonging to the Corporation or in which the Corporation now or hereafter may have an interest, including without limitation all real property and all personal property of the Corporation. Such property may be mortgaged, pledged, hypothecated, or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, hypothecated, or encumbered.

EXECUTE SECURITY DOCUMENTS. To execute and deliver to Lender the forms of mortgage, deed or trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which may be submitted by Lender, and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind of nature, which they may in their discretion deem reasonably necessary or proper in connection with or pertaining to the giving of the liens and encumbrances. Notwithstanding the foregoing, any one of the above authorized officers, employees, or agents may execute, deliver, or record financing statements.

NEGOTIATE ITEMS. To draw, endorse, and discount with Lender all drafts,

trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Corporation or in which the Corporation may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the account of the Corporation with Lender, or to cause such other disposition of the proceeds derived therefrom as they may deem advisable.

FURTHER ACTS. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances thereunder, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as they may in their discretion deem reasonably necessary or proper in order to carry into effect the provisions of these Resolutions. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives written notice of revocation of their authority: MARK DANKBERG, PRESIDENT; and GREG MONAHAN, VICE PRESIDENT.

BE IT FURTHER RESOLVED, that any and all acts authorized pursuant to these resolutions and performed prior to the passage of these resolutions are hereby ratified and approved, that these Resolutions shall remain in full force and effect and Lender may rely on these Resolutions until written notice of their revocation shall have been delivered to and received by Lender. Any such notice shall not affect any of the Corporation's agreements or commitments in effect at the time notice is given.

I FURTHER CERTIFY that at a special meeting of the shareholders of the Corporation, duly called and held (or by consent of the shareholders) in accordance with the laws of the State of California), not less than the required percentage of shareholders adopted or consented to all the Resolutions set forth above.

I FURTHER CERTIFY that the officers, employees, and agents named above are duly elected, appointed, or employed by or for the Corporation, as the case may be, and occupy the positions set opposite their respective names; that the foregoing Resolutions now stand of record on the books of the Corporation; and that the Resolutions are in full force and effect and have not been modified or revoked in any manner whatsoever. The Corporation has no corporate seal, and therefore, no seal is affixed to this certificate.

IN TESTIMONY WHEREOF, I have hereunto set my hand on April 5, 1994 and attest that the signatures set opposite the names listed above are their genuine signatures.

CERTIFIED TO AND ATTESTED BY:

X /s/ Mark J. Miller
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*Secretary or Assistant Secretary

X
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*NOTE: In case the Secretary or other certifying officer is designated by the foregoing resolutions as one of the signing officers, this certificate should also be signed by a second Officer or Director of the Corporation.

PROMISSORY NOTE

PRINCIPAL	LOAN DATE	MATURITY	LOAN NO	CALL	COLLATERAL	ACCOUNT	OFFICER	INITIALS
$1,000,000.00	04-05-1994	07-05-1995	17650-34733	040	50/51		105	/s/

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

BORROWER: VIASAT, INC.
2290 COSMOS COURT
CARLSBAD, CA 92009-1565

LENDER: SCRIPPS BANK
LA JOLLA
7817 IVANHOE AVENUE
P.O. BOX 8669
LA JOLLA, CA 92038-8669

PRINCIPAL AMOUNT: $1,000,000.00 INITIAL RATE: 7.750%
DATE OF NOTE: APRIL 5, 1994

PROMISE TO PAY. VISAT, INC. ("BORROWER") PROMISES TO PAY SCRIPPS BANK ("LENDER"), OR ORDER, IN LAWFUL MONEY OF THE UNITED STATES OF AMERICA, THE PRINCIPAL AMOUNT OF ONE MILLION & 00/100 DOLLARS ($1,000,000.00) OR SO MUCH AS MAY BE OUTSTANDING, TOGETHER WITH INTEREST ON THE UNPAID OUTSTANDING PRINCIPAL BALANCE OF EACH ADVANCE. INTEREST SHALL BE CALCULATED FROM THE DATE OF EACH ADVANCE UNTIL REPAYMENT OF EACH ADVANCE.

PAYMENT. BORROWER WILL PAY THIS LOAN IN ONE PAYMENT OF ALL OUTSTANDING PRINCIPAL PLUS ALL ACCRUED UNPAID INTEREST ON JULY 5, 1995. IN ADDITION, BORROWER WILL PAY REGULAR MONTHLY PAYMENTS OF ACCRUED UNPAID INTEREST BEGINNING MAY 5, 1994, AND ALL SUBSEQUENT INTEREST PAYMENTS ARE DUE ON THE SAME DAY OF EACH MONTH AFTER THAT. Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the annual interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the Wall Street Journal Prime Rate as published in the Money Rates section. When a range of rates is shown, the higher rate will be used. (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notice to Borrower. Lender will tell Borrower the current index rate upon Borrower's request. Borrower understands that Lender may make loans based on other rates as well. The interest rate change will not occur more often than each month (adjustment will be made on the last date of each month). THE INDEX CURRENTLY IS 6.250% PER ANNUM. THE INTEREST RATE TO BE APPLIED TO THE UNPAID PRINCIPAL BALANCE OF THIS NOTE WILL BE AT A RATE OF 1.500 PERCENTAGE POINTS OVER THE INDEX, RESULTING IN AN INITIAL RATE OF 7.750% PER ANNUM. NOTICE: Under no circumstances will the interest rate on this Note be more than the maximum rate allowed by applicable law.

PREPAYMENT; MINIMUM INTEREST CHARGE. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a MINIMUM INTEREST CHARGE OF $100.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, they will reduce the principal balance due and may result in Borrower making fewer payments.

LATE CHARGE. If a payment is 10 DAYS OR MORE LATE, Borrower will be charged 5.000% OF THE REGULARLY SCHEDULED PAYMENT OR $10.00, WHICHEVER IS GREATER.

DEFAULT. Borrower will be in default if any of the following happens: (a) Borrower fails to make any payment when due. (b) Borrower breaks any promise Borrower has made to Lender, or Borrower fails to perform promptly at the time and strictly in the manner provided in this Note or any agreement related to this Note, or in any other agreement or loan Borrower has with Lender. (c) Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the Related Documents. (d) Any representation or statement made or furnished to Lender by Borrower or on Borrower's behalf is false or misleading in any material respect. (e) Borrower becomes insolvent, a receiver is appointed for any part of Borrower's property, Borrower makes an assignment for the benefit of creditors, or any proceeding is commenced either by Borrower or against Borrower under any bankruptcy or insolvency laws. (f) Any creditor tries to take any of Borrower's property on or in which Lender has a lien or security interest. This includes a garnishment of any of Borrower's accounts with Lender. (g) Any of the events described in this default section occurs

with respect to any guarantor of this Note. (h) Lender in good faith deems itself insecure.

If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured (and no event of default will have occurred) if Borrower, after receiving written notice from Lender demanding cure of such default; (a) cures the default within fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal on this Note and all accrued unpaid interest immediately due, without notice, and then Borrower will pay that amount. Upon Borrower's failure to pay all amounts declared due pursuant to this section, including failure to pay upon final maturity, Lender, at its option, may also, if permitted under applicable law, do one or both of the following: (a) increase the variable interest rate on this Note to 6.500 percentage points over the Index, and (b) add any unpaid accrued interest to principal and such sum will bear interest therefrom until paid at the rate provided in this Note (including any increase rate). Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower also will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also will pay any court costs, in addition to all other sums provided by law. THIS NOTE HAS BEEN DELIVERED TO LENDER AND ACCEPTED BY LENDER IN THE STATE OF CALIFORNIA. IF THERE IS A LAWSUIT, BORROWER AGREES UPON LENDER'S REQUEST TO SUBMIT TO THE JURISDICTION OF THE COURTS OF SAN DIEGO COUNTY, THE STATE OF CALIFORNIA. THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

DEPOSIT ACCOUNTS. Borrower grants to Lender a contractual possessory security interest in, and hereby assigns, conveys, delivers, pledges, and transfers to Lender all Borrower's right, title and interest in and to, Borrower's accounts with Lender (whether checking, savings, or some other account), including without limitation all accounts held jointly with someone else and all accounts Borrower may open in the future, excluding however all IRA, Keogh, and trust accounts.

LINE OF CREDIT. This Note evidences a revolving line of credit. Advances under this Note may be requested either orally or in writing by Borrower or by an authorized person. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directors by telephone, or otherwise to Lender are to be directed to Lender's office shown above. The following party or parties are authorized to request advances under the line of credit until Lender receives from Borrower at Lender's address shown above written notice of revocation of their authority: MARK DANKBERG, PRESIDENT; AND GREG MONAHAN, VICE PRESIDENT. Borrower agrees to be liable for all sums either: (a) advanced in accordance with the instructions of an authorized person (b) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs. Lender will have no obligation to advance funds under this Note if: (a) Borrower or any guarantor is in default under the terms of the Note or any agreement that Borrower or any guarantor has with Lender, including any agreement made in connection with the signing of this Note; (b) Borrower or any guarantor ceases doing business or is insolvent; (c) any guarantor seeks, claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of this Note or any other loan with Lender; (d) Borrower has applied funds provided pursuant to this Note for purposes other than those authorized by Lender; or (e) Lender in good faith deems itself insecure under this Note or any other agreement between Lender and Borrower.

GENERAL PROVISIONS. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, protest and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan, or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.

BORROWER:

VIASAT, INC.

X /s/ Gregory Monahan
AUTHORIZED SIGNER

[SCRIPPS BANK LETTERHEAD]

May 17, 1995

Mr. Gregory Monahan, VP & General Counsel
ViaSat, Inc.
2290 Cosmos Court
Carlsbad, CA 92009-1565

Dear Greg,

Scripps Bank is pleased to provide the following credit commitment for ViaSat, Inc. under these terms and conditions:

APPLICATION:

Type: Equipment term financing commitment

Amount: $500,000

Purpose: To provide financing for equipment needs of company.

Maturity/Expiration: The term financing commitment will expire on July 5, 1995 (maturity date of company credit line). Each advance will be for a minimum $25,000, and evidenced by a separate promissory note and other supporting documents. Each note will be fully amortized over a maximum 48 month term with monthly payments.

Interest Rate: Prime Rate plus 1.5%, fixed as of the date of loan documentation for 100% financing of total costs.

Fees: There is a $150 documentation fee for each term loan extended, plus $5.00 UCC recording fees.

Guarantors: Not applicable.

Security/Collateral: Scripps Bank will have a first lien position on the equipment being purchased as evidenced by an executed security agreement and UCC filing with the State of California.

Conditions:

Borrower to have executed documentation reducing its revolving credit line facility with Bank from $1,000,000 to $500,000. Rate to be reduced to Prime plus 1% and maturity date extended to July 5, 1996 with execution of documents.

[SCRIPPS BANK LETTERHEAD]

Borrower to provide annually to Bank a copy of its audited financial statements and IRS return, and interim statements as may be requested by Bank.

Borrower to provide Bank with invoices and any other documentation required by Bank to allow Bank to determine exact costs and sufficient information regarding equipment to allow Bank to perfect its lien.

Scripps Bank is pleased to provide thes credit commitment to support the growth and succes of ViaSat, Inc. It is understood that this commitment is subject to specific loan documentation to follow which will embody other covenants and conditions that the Bank deems appropriate.

Please acknowledge your understanding and acceptance of the terms and conditions outlined above by signing below and returning a copy of this letter to me.

Sincerely,

/s/ Rick Poe
_____
Rick Poe
Vice President

Accepted: ViaSat, Inc.

/s/ Gregory Monahan
_____ _____ By:
Gregory Monahan, VP & General Counsel Date

CHANGE IN TERMS AGREEMENT

PRINCIPAL	LOAN DATE	MATURITY	LOAN NO	CALL	COLLATERAL	ACCOUNT	OFFICER	INITIALS
$500,000.00		07-05-1995	17650-34733	040	50/51		105	/s/

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

BORROWER: VIASAT, INC.
2290 COSMOS COURT
CARLSBAD, CA 92009-1565

LENDER: SCRIPPS BANK
LA JOLLA
7817 IVANHOE AVENUE
P.O. BOX 8669
LA JOLLA, CA 92038-8669

PRINCIPAL AMOUNT: $500,000.00 DATE OF AGREEMENT: MAY 17, 1995

DESCRIPTION OF EXISTING INDEBTEDNESS, PROMISSORY NOTE DATED APRIL 5, 1994 IN THE AMOUNT OF $1,000,000.00.

DESCRIPTION OF COLLATERAL. BUSINESS ASSETS AS STATED ON THE SECURITY AGREEMENT DATED APRIL 5, 1994, WHICH IS FURTHER SUPPORTED BY UCC-1 DATED NOVEMBER 13, 1990, FILED NOVEMBER 30, 1990, FILE #90-289875.

DESCRIPTION OF CHANGE IN TERMS. THE ORIGINAL PROMISSORY NOTE DATED APRIL 5, 1994 IN THE AMOUNT OF $1,000,000.00 MODIFIED AS FOLLOWS: THE MATURITY DATE IS EXTENDED FROM JULY 5, 1995 TO JULY 5, 1996, THE PRINCIPAL AMOUNT IS REDUCED FROM $1,000,000.00 TO $500,00.00 AND THE RATE OF INTEREST IS REDUCED FROM THE RATE OF 1.5% OVER THE PRIME AS SHOWN IN THE WALL STREET JOURNAL TO THE RATE OF 1% OVER THE PRIME RATE AS SHOWN IN THE WALL STREET JOURNAL.

PROMISE TO PAY. VIASAT, INC. ("BORROWER") PROMISES TO PAY TO SCRIPPS BANK ("LENDER"), OR ORDER, IN LAWFUL MONEY OF THE UNITED STATES OF AMERICA, THE PRINCIPAL AMOUNT OF FIVE HUNDRED THOUSAND & 00/1000 DOLLARS ($500,000.00) OR SO MUCH AS MAY BE OUTSTANDING, TOGETHER WITH INTEREST ON THE UNPAID OUTSTANDING PRINCIPAL BALANCE OF EACH ADVANCE. INTEREST SHALL BE CALCULATED FROM THE DATE OF EACH ADVANCE UNTIL REPAYMENT OF EACH ADVANCE.

PAYMENT. BORROWER WILL PAY THIS LOAN IN ONE PAYMENT OF ALL OUTSTANDING PRINCIPAL PLUS ALL ACCRUED UNPAID INTEREST ON JULY 5, 1996. IN ADDITION, BORROWER WILL PAY REGULAR MONTHLY PAYMENTS OF ACCRUED UNPAID INTEREST BEGINNING JUNE 5, 1995, AND ALL SUBSEQUENT INTEREST PAYMENTS ARE DUE ON THE SAME DAY OF EACH MONTH AFTER THAT. Interest on this Agreement is computed on a 365/365 simple interest basis; that is, by applying the ratio of the annual interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

VARIABLE INTEREST RATE. The interest rate on this Agreement is subject to change from time to time based on changes in an independent index which is the Wall Street Journal Prime Rate as published in the Money Rates section. When a range of rate is shown, the higher rate will be used, (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notice to Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. Borrower understands that Lender may make loans based on other rates as well. The interest rate change will not occur more often than each time that Prime Rate changes as shown in the Money Rates section of the Wall Street Journal. THE INDEX CURRENTLY IS 9.000% PER ANNUM. THE INTEREST RATE TO BE APPLIED TO THE UNPAID PRINCIPAL BALANCE OF THIS AGREEMENT WILL BE AT A RATE OF 1.000 PERCENTAGE POINT OVER THE INDEX, RESULTING IN AN INITIAL RATE OF 10.000% PER ANNUM. NOTICE: Under no circumstances will the interest rate on this Agreement be more than the maximum rate allowed by applicable law.

PREPAYMENT; MINIMUM INTEREST CHARGE. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. In any event, even upon full prepayment of this Agreement, Borrower understands that Lender is entitled to a MINIMUM INTEREST CHARGE OF $100.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, they will reduce the principal balance due.

LATE CHARGE. If a payment is 10 DAYS OR MORE LATE, Borrower will be charged 5.000% OF THE REGULARLY SCHEDULED PAYMENT OR $10.00, WHICHEVER IS GREATER.

DEFAULT. Borrower will be in default if any of the following happens: (a) Borrower fails to make any payment when due. (b) Borrower breaks any promise Borrower has made to Lender, or Borrower fails to perform promptly at the time and strictly in the manner provided in this Agreement or any agreement related

to this Agreement, or in any other agreement or loan Borrower has with Lender. (c) Any representation or statement made or furnished to Lender by Borrower or on Borrower's behalf is false or misleading in any material respect. (d) Borrower becomes insolvent, a receiver is appointed for any part of Borrower's property, Borrower makes an assignment for the benefit of creditors, or any proceeding is commenced either by Borrower or against Borrower under any bankruptcy or insolvency laws. (e) Any creditor tries to take any of Borrower's property on or in which Lender has a lien or security interest. This includes a garnishment of any of Borrower's accounts with Lender. (f) Any of the events described in this default section occurs with respect to any guarantor of this Agreement. (g) Lender in good faith deems itself insecure.

If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Agreement within the preceding twelve (12) months, it may be cured (and no event of default will have occurred) if Borrower, after receiving written notice from Lender demanding cure of such default: (a) cures the default with fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal on this Agreement and all accrued unpaid interest immediately due, without notice, and then Borrower will pay that amount. Upon Borrower's failure to pay all amounts declared due pursuant to this section, including failure to pay upon final maturity, Lender, at its option, may also, if permitted under applicable law, do one or both of the following: (a) increase the variable interest rate on this Agreement to 6.000 percentage points over the Index, and (b) add any unpaid accrued interest to principal and such sum will bear interest therefrom until paid at the rate provided in this Agreement (including any increased rate). Lender may hire or pay someone else to help collect this Agreement if Borrower does not pay. Borrower also will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also will pay any court costs, in addition to all other sums provided by law. THIS AGREEMENT HAS BEEN DELIVERED TO LENDER AND ACCEPTED BY LENDER IN THE STATE OF CALIFORNIA. IF THERE IS A LAWSUIT, BORROWER AGREES UPON LENDER'S REQUEST TO SUBMIT TO THE JURISDICTION OF THE COURTS OF SAN DIEGO COUNTY, THE STATE OF CALIFORNIA. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

DEPOSIT ACCOUNTS. Borrower grants to lender a contractual possessory security interest in, and hereby assigns, conveys, delivers, pledges, and transfers to lender all Borrower's right, title and interest in and to, Borrower's accounts with Lender (whether checking, savings, or some other account), including without limitation all accounts held jointly with someone else and all accounts Borrower may open in the future, excluding however all IRA, Keogh, and trust accounts.

LINE OF CREDIT. This Agreement evidences a revolving line of credit. Advances under this Agreement may be requested either orally or in writing by Borrower or by an authorized person. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following party or parties are authorized to request advances under the line of credit until Lender receives from Borrower at Lender's address shown above written notice of revocation of their authority: GREGORY D. MONAHAN, VICE PRESIDENT. Borrower agrees to be liable for all sums either: (a) advanced in accordance with the instructions of an authorized person or (b) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Agreement at any time may be evidenced by endorsements on this Agreement or by Lender's internal records, including daily computer print-outs. Lender will have no obligation to advance funds under this Agreement if: (a) Borrower or any guarantor is in default under the terms of this Agreement or any agreement that Borrower or any guarantor has with Lender, including any agreement made in connection with the signing of this Agreement; (b) Borrower or any guarantor ceases doing business or is insolvent; (c) any guarantor seeks, claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of this Agreement or any other loan with Lender; (d) Borrower has applied funds provided pursuant to this Agreement for purposes other than those authorized by Lender; or (e) Lender in good faith deems itself insecure under this Agreement or any other agreement between lender and Borrower.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation parties

will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

MISCELLANEOUS PROVISIONS. Lender may delay or forgo enforcing any of its rights or remedies under this Agreement without losing them. Borrower and any other persons who signs, guarantees or endorses this Agreement, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, protest and notice of dishonor. Upon any change in the terms of this Agreement, and unless otherwise expressly stated in writing, no party who signs this Agreement, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan, or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE AGREEMENT.

BORROWER:

VIASAT, INC.

By: /s/ G.D. Monahan

GREGORY D. MONAHAN, VICE PRESIDENT

AGREEMENT TO PROVIDE INSURANCE

Principal	Loan Date	Maturity	Loan No	Call	Collateral	Account	Officer	Initials
$500,000.00	07-05-1995	17650-34733	040	50/51		105	/s/	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: VIASAT, INC.
2290 COSMOS COURT
CARLSBAD, CA 92009-1565

Lender: Scripps Bank
La Jolla
7817 Ivanhoe Avenue
P.O. Box 8669
La Jolla, CA 92038-8669

INSURANCE REQUIREMENTS. VIASAT, INC. ("Grantor") understands that insurance coverage is required in connection with the extending of a loan or the providing of other financial accommodations to Grantor by Lender. These requirements are set forth in the security documents. The following minimum insurance coverages must be provided on the following described collateral (the "Collateral"):

Collateral: All Inventory, Equipment and Fixtures.
Type. All risks, including fire, theft and liability.
Amount. Full insurable value.
Basis. Replacement value.
Endorsements. Lender's loss payable clause with stipulation that coverage will not be cancelled or diminished without a minimum of ten (10) days prior written notice to Lender.

INSURANCE COMPANY. Grantor may obtain insurance from any insurance company Grantor may choose that is reasonably acceptable to Lender. Grantor understands that credit may not be denied solely because insurance was not purchased through Lender.

INSURANCE MAILING ADDRESS. All documents and other materials relating to insurance for this loan should be mailed, delivered or directed to the following address:

SCRIPPS BANK - NOTE DEPARTMENT
P.O. BOX 8669
LA JOLLA, CA 92038
(619) 456-2265

FAILURE TO PROVIDE INSURANCE. Grantor agrees to deliver to Lender, ten (10) days from the date of this Agreement, evidence of the required insurance as provided above, with an effective date of May 17, 1995, or earlier. Grantor acknowledges and agrees that if Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may do so at Grantor's expense as provided in the applicable security document. The cost of any such insurance, at the option of Lender, shall be payable on demand or shall be added to the indebtedness as provided in the security document. GRANTOR ACKNOWLEDGES THAT IF LENDER SO PURCHASES ANY SUCH INSURANCE, THE INSURANCE WILL PROVIDE LIMITED PROTECTION AGAINST PHYSICAL DAMAGE TO THE COLLATERAL, UP TO THE BALANCE OF THE LOAN; HOWEVER, GRANTOR'S EQUITY IN THE COLLATERAL MAY NOT BE INSURED. IN ADDITION, THE INSURANCE MAY NOT PROVIDE ANY PUBLIC LIABILITY OR PROPERTY DAMAGE INDEMNIFICATION AND MAY NOT MEET THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAWS.

AUTHORIZATION. For purposes of insurance coverage on the Collateral, Grantor authorizes Lender to provide to any person (including any insurance agent or company) all information Lender deems appropriate, whether regarding the Collateral, the loan or other financial accommodations, or both.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT TO PROVIDE INSURANCE AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED MAY 17, 1995.

GRANTOR:

VIASAT, INC.

by /S/ Gregory Monahan
Gregory D. Monahan, Vice President

FOR LENDER USE ONLY
INSURANCE VERIFICATION

DATE:_____ PHONE:_____
AGENT'S NAME: _____
ADDRESS: _____
INSURANCE COMPANY:_____
POLICY NUMBER(S): _____
EFFECTIVE DATES:_____
COMMENTS:_____

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call	Collateral	Account	Officer	Initials
$500,000.00		07-05-1995	17650-34733	040	50/51		105	/s/

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: VIASAT, INC.
2290 COSMOS COURT
CARLSBAD, CA 92009-1565

Lender: Scripps Bank
La Jolla
7817 Ivanhoe Avenue
P.O. Box 8669
La Jolla, CA 92038-8669

LOAN TYPE. This is a Variable Rate (1.000% over Wall Street Journal Prime Rate as published in the Money Rates section. When a range of rates is shown, the higher rate will be used., making an initial rate of 10.000%), Revolving Line of Credit Loan to a Corporation for $500,000.00 due on July 5, 1996.

PRIMARY PURPOSE OF LOAN. The primary purpose of the loan is for:
[ ] Personal, Family, or Household Purposes or Personal Investment.
[X] Business (including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: RENEWAL WITH VOLUNTARY CREDIT LIMIT REDUCTION, WITH RATE LOWERED TO PRIME PLUS 1%.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of $500,000.00 as follows:

Amount paid to others on Borrower's behalf: $500,000.00 UNDISBURSED; TO BE DISBURSED PER FUNDS TRANSFER AGREEMENT	$500,000.00
Note Principal:	$500,000.00

CHARGES PAID IN CASH. Borrower has paid or will pay in cash as agreed the following charges.

Prepaid Finance Charges Paid In Cash: $500.00 DOCUMENT FEE	$500.00
Total Charges Paid In Cash:	$500.00

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED MAY 17, 1995.

BORROWER:

VIASAT, INC.

x /s/ G.D. Monahan
GREGORY D. MONAHAN, VICE PRESIDENT

EXHIBIT 10.15

[HERITAGE LEASING CAPITAL LETTERHEAD]

EFA No. 16281-1

EQUIPMENT FINANCING COMMITMENT

Subject to the terms set forth in this commitment, the following equipment financing transaction is agreed to by the undersigned Debtor and Heritage Leasing Capital ("Secured Party") in connection with the terms of the Equipment Financing Agreement herein referenced (the "Agreement").

Equipment Financing Agreement: dated as of April 28, 1994

Equipment (all Equipment to be acceptable to Secured Party): COMPUTER AND LABORATORY EQUIPMENT.

Commitment Amount: $400,000.00

Installment Payments: 48 payments of 2.442% of advance payable monthly in advance First and last such payments due at time of scheduling.

Commitment Expiration Date: June 30, 1994. As more fully explained below. Security Party has no obligation to make any advance with respect to Equipment not covered by a Schedule to the Agreement executed by Secured Party and Debtor on or prior to this date.

Debtor will comply with, procure, execute and or have executed, acknowledge, have acknowledged, deliver to Secured Party, record and file any documents set forth in Exhibit A or accompanying this commitment. The form, substance and sufficiency of all documents and showings employed in documenting the contemplated financing transaction must be acceptable to Secured Party and its counsel. Debtor will do likewise as to such further documents and showings as Secured Party and its counsel may now or hereafter deem necessary or advisable to protect Secured Party's rights under the Agreement and interest in the Equipment. Debtor will pay as directed by Secured Party or reimburse Secured Party for all searches, filings, title reports, attorney's services and other charges incurred by Secured Party in connection with all such documents and showings and any similar documents and showings Secured Party may procure.

Secured Party may, at its option, terminate its obligations to Debtor hereunder with respect to any and all unscheduled Items of Equipment: (a) at or subsequent to the Commitment Expiration Date, (b) upon the advent of a material adverse change in Debtor's financial condition or Debtor's probable ability to perform its obligations under the Agreement, (c) if the Agreement or any other agreement under which Debtor has obligations to Secured Party is in default or an event which with the giving of notice or lapse of time or both would constitute such a default has occurred and is continuing or (d) with respect to which more than fifteen percent (15%) would be advanced for shipping costs, installation charges and design costs by giving Debtor written notice of such termination.

ACCEPTED AND AGREED to as of

April 28, 1994

Heritage Leasing Capital
(Secured Party)
5775 Chesapeake Court
San Diego, CA 92123

By: /s/ Ronald L. Wagner President
Ronald L. Wagner (Title)

ACCEPTED AND AGREED to as of

April 28, 1994

VIASAT, INC.

(Debtor)

Address: 2290 Cosmos Court

Carlsbad, CA 92009

By: /s/ Gregory Monahan Vice President of Administration
Gregory Monahan (Title)

By: _____
(Title)

[HERITAGE LEASING CAPITAL LETTERHEAD]

EFA No. 16281-1

EXHIBIT A TO EQUIPMENT FINANCING COMMITMENT

Accepted by Debtor as of April 28, 1994

These provisions hereby become part of the Equipment Financing Commitment dated April 28, 1994, between HERITAGE LEASING CAPITAL and its assignee(s), Secured Party, and VIASAT, INC., Debtor.

In addition to the terms of the Agreement, Debtor further agrees to the following additional provisions:

1. UCC SEARCH/RELEASES

The Secured Party may search all public records of Debtor to locate and identify any conflicting liens against the above referenced Equipment. Releases from any intervening parties holding a security interest in said Equipment shall be required prior to funding provided herein.

2. TYPE OF FINANCING

This is a net equipment financing transaction whereby maintenance, insurance, property taxes, and all items of a similar nature are for the account of the Debtor.

3. EXPENSES

All expenses associated with the completion of this Agreement including, but not limited to, UCC filing fees and searches, documentation costs, legal expenses, and equipment verification costs are for the account of the Debtor.

4. MASTER AGREEMENT

This is a Master Equipment Financing Agreement whereby Schedules may be funded as equipment is delivered. Each Schedule to the Agreement, however, shall cover equipment with a minimum aggregate cost of $20,000.00.

INITIAL
/s/

[HERITAGE LEASING CAPITAL LETTERHEAD]

EFA No. 16281-1

EXHIBIT A TO EQUIPMENT FINANCING COMMITMENT

Accepted by Debtor as of April 28, 1994

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5. INSTALLMENT PAYMENT AMOUNT

The installment payment amount of $24.42 per $1,000.00 of advance payable monthly in advance is based on the yield of two-year Treasury Notes yielding 5.03% as published in the Wall Street Journal on Wednesday, March 23, 1994 (the "Index") and will apply for all schedules funded by April 30, 1994. If a financing schedule is funded after April 30, 1994 the rate shall be increased proportionally to any increase in the Index. No downward adjustment will be made below the floor index rate of 5.03%. Once a schedule is funded, however, the rate will then be fixed for the term of the agreement.

6. COMMITMENT EXPIRATION DATE

The commitment expiration date of June 30, 1994 may be extended ninety (90) days upon review by Secured Party of the Debtor's then current financial condition. Debtor agrees to provide Secured Party such financial information and other information Secured Party may reasonably request to evaluate Debtor's financial condition for purposes of granting such extension.

INITIAL
/s/

[HERITAGE LEASING CAPITAL LETTERHEAD]

EFA No. 16281-1

EQUIPMENT FINANCING AGREEMENT

THIS EQUIPMENT FINANCING AGREEMENT ("agreement") is dated as of the date set forth at the foot hereof and is between HERITAGE LEASING CAPITAL ("Secured Party") and the debtor designated at the foot hereof ("Debtor").

1. EQUIPMENT; SECURITY INTEREST. The terms and conditions of this agreement cover each item of machinery, equipment and other property (individually an "Item" or "Item of Equipment" and collectively the "Equipment") described in a schedule now or hereafter executed by the parties hereto and made a part hereof (individually a "Schedule" and collectively the "Schedules"). Debtor hereby grants Secured Party a security interest in and to all Debtor's right, title and interest in and to the Equipment under the Uniform Commercial Code, such grant with respect to an Item of Equipment to be as of Debtor's execution of a related equipment financing commitment referencing this agreement or, if Debtor then has no interest in such Item, as of such subsequent time as Debtor acquires an interest in the Item. Such security interest is granted by Debtor to secure performance by Debtor of Debtor's obligations to Secured Party hereunder and under any other agreements under which Debtor has or may hereafter have obligations to Secured Party. Debtor will ensure that such security interest will be and remain a sole and valid first lien security interest subject only to the lien of current taxes and assessments not in default but only if such taxes are entitled to priority as a matter of law.

2. DEBTOR'S OBLIGATIONS. The obligations of Debtor under this agreement respecting an Item of Equipment, except the obligation to pay installment payments with respect thereto which will commence as set forth in paragraph 3 below, commence upon the grant to Secured Party of a security interest in the Item. Debtor's obligations hereunder with respect to an Item of Equipment and Secured Party's security interest therein will continue until payment of all amounts due, and performance of all terms and conditions required, hereunder with respect thereto; provided, however, that if this agreement is then in default said obligations and security interest will continue during the continuance of said default. Upon termination of Secured Party's security interest in an Item of Equipment, Secured Party will execute such release of interest with respect thereto as Debtor reasonably requests.

3. INSTALLMENT PAYMENTS AND OTHER PAYMENTS. Debtor will repay advances Secured Party makes on account of the Equipment together with interest in installment payments in the amounts and at the times set forth in the Schedules, whether or not Secured Party has rendered an invoice therefor, at the office of Secured Party set forth at the foot hereof, or to such person and/or at such other place as Secured party may from time to time designate on notice to Debtor. Any other amounts required to be paid Secured Party by Debtor hereunder are due upon Debtor's receipt of Secured Party's invoice therefor and will be payable as directed in the invoice. Payments under this agreement may be applied to Debtor's then accrued obligations to Secured Party in such order as Secured Party may choose.

4. NET AGREEMENT; NO OFFSET; SURVIVAL. This agreement is a net agreement, and Debtor will not be entitled to any abatement of installment payments or other payments due hereunder or any reduction thereof under any circumstances or for any reason whatsoever. Debtor hereby waives any and all existing and future claims, as offsets, against any installment payments or other payments due hereunder and agrees to pay the installment payments and other amounts due hereunder as and when due regardless of any offset or claim which may be asserted by Debtor or on its behalf. The obligations and liabilities of Debtor hereunder will survive the termination of this agreement.

5. FINANCING AGREEMENT. THIS AGREEMENT IS SOLELY A FINANCING AGREEMENT. DEBTOR ACKNOWLEDGES THAT THE EQUIPMENT HAS OR WILL HAVE BEEN SELECTED AND ACQUIRED SOLELY BY DEBTOR FOR DEBTOR'S PURPOSES, THAT SECURED PARTY IS NOT AND WILL NOT BE THE VENDOR OF ANY EQUIPMENT AND THAT SECURED PARTY HAS NOT MADE AND WILL NOT MAKE ANY AGREEMENT, REPRESENTATION OR WARRANTY WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALIFICATION OR FITNESS FOR A PARTICULAR PURPOSE OR VALUE OF THE EQUIPMENT OR ANY OTHER MATTER WITH RESPECT THERETO IN ANY RESPECT WHATSOEVER.

6. NO AGENCY. DEBTOR ACKNOWLEDGES THAT NO AGENT OF THE MANUFACTURER OR OTHER SUPPLIER OF AN ITEM OF EQUIPMENT OR OF ANY FINANCIAL INTERMEDIARY IN CONNECTION WITH THIS AGREEMENT IS AN AGENT OF SECURED PARTY. SECURED PARTY IS NOT BOUND BY A REPRESENTATION OF ANY SUCH PARTY AND, AS CONTEMPLATED IN PARAGRAPH 27 BELOW, THE ENTIRE AGREEMENT OF SECURED PARTY AND DEBTOR CONCERNING THE FINANCING OF THE EQUIPMENT IS CONTAINED IN THIS AGREEMENT AS IT MAY BE AMENDED AS PROVIDED IN THAT PARAGRAPH.

7. ACCEPTANCE. Execution by Debtor and Secured Party of a Schedule covering the Equipment or any Items thereof will conclusively establish that such Equipment has been included under and will be subject to all the terms and conditions of this agreement. If Debtor has not furnished Secured Party with a Schedule by the earlier of fourteen (14) days after receipt thereof or expiration of the commitment period set forth in the applicable equipment financing commitment, Secured Party may terminate its obligation to advance funds as to the applicable Equipment.

8. LOCATION; INSPECTION; USE. Debtor will keep, or in the case of motor

vehicles, permanently garage and not remove from the United States, as appropriate, each Item of Equipment in Debtor's possession and control at the Equipment Location designated in the applicable Schedule, or at such other location to which such Item may have been moved with the prior written consent of Secured Party. Whenever requested by Secured Party, Debtor will advise Secured Party as to the exact location of an Item of Equipment; Secured Party will have the right to inspect the Equipment and observe its use during normal business hours and to enter into and upon the premises where the Equipment may be located for such purpose. The Equipment will at all times be used solely for commercial or business purposes and operated in a careful and proper manner and in compliance with all applicable laws, ordinances, rules and regulations, all conditions and requirements of the policy or policies of insurance required to be carried by Debtor under the terms of this agreement and all manufacturer's instructions and warranty requirements. Any modifications or additions to the Equipment required by any such governmental edict or insurance policy will be promptly made by Debtor.

INITIAL /s/
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17. DEFAULT. Any of the following will constitute an event of default hereunder: (a) Debtor's failure to pay when due any installment payment or other amount due hereunder, which failure continues for ten (10) days after the due date thereof; (b) Debtor's default in performing any other obligation, term or condition of this agreement or any other agreement between Debtor and Secured Party or default under any further agreement providing security for the performance by Debtor of its obligations hereunder, provided such default has continued for more than twenty (20) days, except as provided in (c) and (d) hereinbelow, or, without limiting the generality of subparagraph (1) hereinbelow, default under any lease or any mortgage or other instrument contemplating the provision of financial accommodation applicable to the real estate where an Item of Equipment is located; (c) any writ or order of attachment or execution or other legal process being levied on or charged against any Item of Equipment and not being released or satisfied within ten (10) days; (d) Debtor's failure to comply with its obligations under paragraph 14 above or any transfer by Debtor in violation of paragraph 21 below; (e) a non-appealable judgment for the payment of money in excess of $100,000 being rendered by a court of record against Debtor which Debtor does not discharge or make provision for discharge in accordance with the terms thereof within ninety (90) days from the date of entry thereof; (f) death or judicial declaration of incompetency of Debtor, if an individual; (g) the filing by Debtor of a petition under the Bankruptcy Act or any amendment thereto or under any other insolvency law or law providing for the relief of debtors, including, without limitation, a petition for reorganization, arrangement or extension, or the commission by Debtor of an act of bankruptcy; (h) the filing against Debtor of any such petition not dismissed or permanently stayed within thirty (30) days of the filing thereof; (i) the voluntary or involuntary making of an assignment of substantial portion of its assets by Debtor for the benefit of creditors, appointment of a receiver or trustee for Debtor or for any of Debtor's assets, institution by or against Debtor or any other type of insolvency proceeding (under the Bankruptcy Act or otherwise) or of any formal or informal proceeding for dissolution, liquidation, settlement of claims against or winding up of the affairs of Debtor, Debtor's cessation of business activities or the making by Debtor of a transfer of all or a material portion of Debtor's assets or inventory not in the ordinary course of business; (j) the occurrence of any event described in parts (e), (f), (g), (h) or (i) hereinabove with respect to any guarantor or other party liable for payment or performance of this agreement; (k) any certificate, statement, representation, warranty or audit heretofore or hereafter furnished with respect hereto by or on behalf of Debtor or any guarantor or other party liable for payment or performance of this agreement proving to have been false in any material respect at the time as of which the facts therein set forth were stated or certified or having omitted any substantial contingent or unliquidated liability or claim against Debtor or any such guarantor or other party; [struck through text] (m) a transfer of effective control of Debtor, if an organization.

18. REMEDIES. Upon the occurrence of an event of default, Secured Party will have the rights, options, duties and remedies of a secured party, and Debtor will have the rights and duties of a debtor, under the Uniform Commercial Code (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and, without limiting the foregoing, Secured Party may exercise any one or more of the following remedies: (a) declare the Casualty Value or such lesser amounts as may be set by law immediately due and payable with respect to any or all Items of Equipment without notice or demand to Debtor; (b) sue from time to time for and recover all installment payments and other payments then accrued and which accrue during the pendency of such action with respect to any or all Items of Equipment; (c) take possession of and, if deemed appropriate, render unusable any or all Items of Equipment, without demand or notice, wherever same may be located, without any court order or other process of law and without liability for any damages occasioned by such taking of possession and remove, keep and store the same or use and operate or lease the same until sold; (d) require Debtor to assemble any or all Items of Equipment at the Equipment Location therefor, such location to which such Equipment may have been moved with the written consent of Secured Party or such other location in reasonable proximity to either of the foregoing as Secured Party designates; (e) upon ten days notice to Debtor or such other notice as may be required by law, sell or otherwise dispose of any Item of Equipment, whether or not in Secured Party's possession, in a commercially reasonable manner at public or private sale at any place deemed appropriate and apply the net proceeds of such sale, after deducting all costs of such sale, including, but not limited to, costs of transportation, repossession, storage, refurbishing, advertising and brokers fees, to the obligations of Debtor to Secured Party hereunder or otherwise, with Debtor remaining liable for any deficiency and with any excess being returned to Debtor; (f) upon thirty (30) days notice to Debtor, retain any repossessed or assembled Items of Equipment as Secured Party's own property in full satisfaction of Debtor's liability for the installment payments due hereunder with respect thereto, provided that Debtor will have the right to redeem such Items by payment in full of its obligations to Secured Party hereunder or otherwise or to require Secured Party to sell or otherwise dispose of such Items in the manner set forth in subparagraph (e) hereinabove upon notice to Secured Party within such thirty (30) day period or (g) utilize any other remedy available to Secured Party under the Uniform Commercial Code or similar provision of law or otherwise at law or in equity.

No right or remedy conferred herein is exclusive of any other right or remedy conferred herein or by law; but all such remedies are cumulative of every other right or remedy conferred hereunder or at law or in equity, by statute or otherwise, and may be exercised concurrently or separately from time to time. Any sale contemplated by subparagraph (e) of this paragraph 18 may be adjourned from time to time by announcement at the time and place

appointed for such sale, or for any such adjourned sale, without further published notice, and Secured Party may bid and become the purchaser at any such sale. Any sale of an Item of Equipment, whether under said subparagraph or by virtue of judicial proceedings, will operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of Debtor in and to said Item and will be a perpetual bar to any claim against such Item, both at law and in equity, against Debtor and all persons claiming by, through or under Debtor.

19. DISCONTINUANCE OF REMEDIES. If Secured Party proceeds to enforce any right under this agreement and such proceedings are discontinued or abandoned for any reason or are determined adversely, then and in every such case Debtor and Secured Party will be restored to their former positions and rights hereunder.

20. SECURED PARTY'S EXPENSES. Debtor will pay Secured Party all costs and expenses, including attorney's fees and court costs and sales costs not offset against sales proceeds under paragraph 18 above, incurred by Secured Party in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions or provisions hereof. This obligation includes the payment or reimbursement of all such amounts whether an action is ultimately filed and whether an action filed is ultimately dismissed.

21. ASSIGNMENT. Without the prior written consent of Secured Party, Debtor will not sell, lease, pledge or hypothecate, except as provided in this agreement, any Item of Equipment or any interest therein or assign, transfer, pledge or hypothecate this agreement or any interest in this agreement or permit the Equipment to be subject to any lien, charge or encumbrance of any nature except the security interest of Secured Party contemplated hereby. Debtor's interest herein is not assignable and will not be assigned or transferred by operation of law. Consent to any of the foregoing prohibited acts applies only in the given instance and is not a consent to any subsequent like act by Debtor or any other person.
  All rights of Secured Party hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of, either in whole or in part, without notice to Debtor but always, however, subject to the rights of Debtor under this agreement. If Debtor is given notice of any such assignment, Debtor will acknowledge receipt thereof in writing. In the event Secured Party assigns this agreement or the installment payments due or to become due hereunder or any other interest herein, whether as security for any of its indebtedness or

IN WITNESS WHEREOF, the undersigned have executed this agreement as of April 28, 1994.

HERITAGE LEASING CAPITAL	VIASAT, INC.
	(Debtor)
By: /s/ Ronald L. Wagner President	By: /s/ Gregory Monahan Vice President of Administration
Ronald L. Wagner (Title)	Gregory Monahan (Title)
	By: _____ (Title)
	Address: 2290 Cosmos Court Carlsbad, CA 92009
	(Individual or Partnership Notarial Acknowledgement)

INDIVIDUAL or PARTNERSHIP:

State of
County of ss:

On this _____ day of _____, 19___, before me _____, a notary public for the County of _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name (is)(are) subscribed to this instrument, and acknowledged that (he)(she)(they) executed it (in [his][her][their] capacity as a partner and as the act of the partnership).

In witness whereof I hereunto set my hand and official seal.

(SEAL)

My commission expires. _____
Notary Public

86-585 (500)

CERTIFICATE OF SECRETARY
AS TO ADOPTION OF RESOLUTIONS
(Corporate Customer)

The undersigned, Mark J. Miller
(Corporate Secretary)

hereby certifies that he/she is now, and at all times herein mentioned has been, the duly elected, qualified and acting Secretary of

VIASAT, INC.
(Name of Corporation)

a duly organized and existing corporation, and in charge of the minute book and corporate records of said corporation; that the following is a full, true and correct copy of certain resolutions adopted by the Board of Directors of said corporation at a meeting thereof duly held on 4/18/94 (Date), at which meeting a quorum of said Board was at all times present and acting; and that said resolutions have not been modified nor rescinded and are at the date of this certificate in full force and effect:

WHEREAS it is in the best interest of this corporation to enter into a certain Equipment Lease Agreement, Equipment Financing Agreement or other agreement with HERITAGE LEASING CAPITAL ("Lessor/Secured Party") and, where appropriate, commitments now or hereafter contemplating the receipt by this corporation of financial accommodation from Lessor/Secured Party under the terms and conditions of said Equipment Lease Agreement, Equipment Financing Agreement or other agreement and may in the future be in this corporation's best interests to enter into further such agreements or other agreements with Lessor/Secured Party.

NOW THEREFORE BE IT RESOLVED: That the officers of this corporation listed below, and each of them, are hereby authorized and directed to execute, acknowledge and deliver in the name of and on behalf of this corporation said Equipment Lease Agreement, Equipment Financing Agreement or other agreement, said commitments and any such further agreement.

RESOLVED FURTHER: That the officers, agents and employees of this corporation be and each of them is hereby authorized and empowered to do and perform such other acts and things, and to make, execute, acknowledge, procure and deliver all such other instruments and documents, on behalf of this corporation as may be necessary or be by such officer, agent or employee deemed appropriate to comply with, or to evidence compliance with, the terms, conditions or provisions of said Equipment Lease Agreement, Equipment Financing Agreement or other agreement, any such commitment or any said further agreement and to consummate the transactions from time to time contemplated thereby.

RESOLVED FURTHER: That this corporation hereby ratifies and confirms the acts of the officers, agents or employees of this corporation in heretofore entering into any Equipment Lease Agreement, Equipment Financing Agreement, commitment or other agreement with Lessor/Secured Party together with any other acts performed in relation thereto.

RESOLVED FURTHER: That the Secretary of this corporation be and he/she is hereby authorized and directed to execute, acknowledge and deliver a certified copy of these resolutions to Lessor/Secured Party and any other person or agency which may require a copy of these resolutions.

RESOLVED FURTHER: That the following are the true names and specimen signatures of the incumbent officers of this corporation authorized by these resolutions to so execute, acknowledge and deliver said Equipment Lease Agreement, Equipment Financing Agreement or other agreement, said commitments and said further agreements.

(Type names below)	(For Signature)
_____, President	X _____
_____, Vice Pres.	X _____
Mark J. Miller, Secretary	/s/ Mark J. Miller X _____
Gregory Monahan, Vice President of Administration (Title)	/s/ Gregory Monahan X _____

RESOLVED FURTHER: That Lessor/Secured Party is authorized to act upon these resolutions until written notice of the revocation thereof is delivered to Lessor/Secured Party, any such revocation in no way to affect the obligations of this corporation to Lessor/Secured Party under any agreements entered into by this corporation pursuant to the terms of these resolutions prior to receipt by Lessor/Secured Party of such notice of revocation.

28th

IN WITNESS WHEREOF, the undersigned has executed this Certificate the _____ day

April 94
of_____, 19_____.

/s/ Mark J. Miller

(Secretary)

(Corporate Seal Must Be Affixed
But Failure Not To Affect
Validity Or Reliance)

Heritage Leasing Capital
5775 Chesapeake Court
San Diego, CA 92123

EXHIBIT 10.16

[HERITAGE LEASING CAPITAL LETTERHEAD]

EFA No. 16333

EQUIPMENT FINANCING COMMITMENT

Subject to the terms set forth in this commitment, the following equipment financing transaction is agreed to by the undersigned Debtor and HERITAGE LEASING CAPITAL ("Secured Party") in connection with the terms of the Equipment Financing Agreement herein referenced (the "Agreement").

Equipment Financing Agreement: dated as of May 13, 1994

Equipment (all Equipment to be acceptable to Secured Party): COMPUTER AND LABORATORY EQUIPMENT.

Commitment Amount: $400,000.00

Installment Payments: 48 payments of 2.442% of advance payable monthly in advance
First and last such payments due at time of scheduling.

Commitment Expiration Date: June 21, 1994. As more fully explained below, Security Party has no obligation to make any advance with respect to Equipment not covered by a Schedule to the Agreement executed by Secured Party and Debtor on or prior to this date.

Debtor will comply with, procure, execute and/or have executed, acknowledge, have acknowledged, deliver to Secured Party, record and file any documents set forth in Exhibit A or accompanying this commitment. The form, substance and sufficiency of all documents and showings employed in documenting the contemplated financing transaction must be acceptable to Secured Party and its counsel. Debtor will do likewise as to such further documents and showings as Secured Party and its counsel may now or hereafter deem necessary or advisable to protect Secured Party's rights under the Agreement and interest in the Equipment. Debtor will pay as directed by Secured Party or reimburse Secured Party for all searches, filings, title reports, attorney's services and other charges incurred by Secured Party in connection with all such documents and showings and any similar documents and showings Secured Party may procure.

Secured Party may, at its option, terminate its obligations to Debtor hereunder with respect to any and all unscheduled Items of Equipment: (a) at or subsequent to the Commitment Expiration Date, (b) upon the advent of a material adverse change in Debtor's financial condition or Debtor's probable ability to perform its obligations under the Agreement, (c) if the Agreement or any other agreement under which Debtor has obligations to Secured Party is in default or an event which with the giving of notice or lapse of time or both would constitute such a default has occurred and is continuing or (d) with respect to which more than fifteen percent (15%) would be advanced for shipping costs, installation charges and design costs by giving Debtor written notice of such termination.

ACCEPTED AND AGREED to as of

May 13, 1994

Heritage Leasing Capital
(Secured Party)
5775 Chesapeake Court
San Diego, CA 92123

By: /s/ RONALD L. WAGNER President
Ronald L. Wagner (Title)

ACCEPTED AND AGREED to as of

May 13, 1994

VIASAT, INC.
(Debtor)

Address 2290 Cosmos Court
Carlsbad, CA 92009

By: /s/ GREGORY MONAHAN Vice President of Administration
Gregory Monahan (Title)

By:
(Title)

[HERITAGE LEASING CAPITAL LETTERHEAD]

EXHIBIT A TO EQUIPMENT FINANCING COMMITMENT

Accepted by Debtor as of May 13, 1994

These provisions hereby become part of the Equipment Financing Commitment dated May 13, 1994, between HERITAGE LEASING CAPITAL and its assignee(s), Secured Party, and VIASAT, INC., Debtor.

In addition to the terms of the Agreement, Debtor further agrees to the following additional provisions:

1. UCC SEARCH/RELEASES
The Secured Party may search all public records of Debtor to locate and identify any conflicting liens against the above referenced Equipment. Releases from any intervening parties holding a security interest in said Equipment shall be required prior to funding provided herein.

2. TYPE OF FINANCING
This is a net equipment financing transaction whereby maintenance, insurance, property taxes, and all items of a similar nature are for the account of the Debtor.

3. EXPENSES
All expenses associated with the completion of this Agreement including, but not limited to, UCC filing fees and searches, documentation costs, legal expenses, and equipment verification costs are for the account of the Debtor.

4. MASTER AGREEMENT
This is a Master Equipment Financing Agreement whereby Schedules may be funded as equipment is delivered. Each Schedule to the Agreement, however, shall cover equipment with a minimum aggregate cost of $20,000.00.

INITIAL

/s/

[HERITAGE LEASING CAPITAL LETTERHEAD]

EXHIBIT A TO EQUIPMENT FINANCING COMMITMENT

Accepted by Debtor as of May 13, 1994

5. INSTALLMENT PAYMENT AMOUNT
The installment payment amount of $24.42 per $1,000.00 of advance payable monthly in advance is based on the yield of two-year Treasury Notes yielding 5.03% as published in the Wall Street Journal on Wednesday, March 23, 1994 (the "Index") and will apply for all schedules funded by April 30, 1994. If a financing schedule is funded after April 30, 1994 the rate shall be increased proportionally to any increase in the Index. No downward adjustment will be made below the floor index rate of 5.03%. Once a schedule is funded, however, the rate will then be fixed for the term of the agreement.

6. COMMITMENT EXPIRATION DATE
The commitment expiration date of June 30, 1994 may be extended ninety (90) days upon review by Secured Party of the Debtor's then current financial condition. Debtor agrees to provide Secured Party such financial information and other information Secured Party may reasonably request to evaluate Debtor's financial condition for purposes of granting such extension.

INITIAL

/s/

[HERITAGE LEASING CAPITAL LETTERHEAD]

EFA No. 16333

EQUIPMENT FINANCING AGREEMENT

THIS EQUIPMENT FINANCING AGREEMENT ("agreement") is dated as of the date set forth at the foot hereof and is between HERITAGE LEASING CAPITAL ("Secured Party") and the debtor designated at the foot hereof ("Debtor").

1. EQUIPMENT; SECURITY INTEREST. The terms and conditions of this agreement cover each item of machinery, equipment and other property (individually an "Item" or "Item of Equipment" and collectively the "Equipment") described in a schedule now or hereafter executed by the parties hereto and made a part hereof (individually a "Schedule" and collectively the "Schedules"). Debtor hereby grants Secured Party a security interest in and to all Debtor's right, title and interest in and to the Equipment under the Uniform Commercial Code, such grant with respect to an Item of Equipment to be as of Debtor's execution of a related equipment financing commitment referencing this agreement or, if Debtor then has no interest in such Item, as of such subsequent time as Debtor acquires an interest in the Item. Such security interest is granted by Debtor to secure performance by Debtor of Debtor's obligations to Secured Party hereunder and under any other agreements under which Debtor has or may hereafter have obligations to Secured Party. Debtor will ensure that such security interest will be and remain a sole and valid first lien security interest subject only to the lien of current taxes and assessments not in default but only if such taxes are entitled to priority as a matter of law.

2. DEBTOR'S OBLIGATIONS. The obligations of Debtor under this agreement respecting an Item of Equipment, except the obligation to pay installment payments with respect thereto which will commence as set forth in paragraph 3 below, commence upon the grant to Secured Party of a security interest in the Item. Debtor's obligations hereunder with respect to an Item of Equipment and Secured Party's security interest therein will continue until payment of all amounts due, and performance of all terms and conditions required, hereunder with respect thereto; provided, however, that if this agreement is then in default said obligations and security interest will continue during the continuance of said default. Upon termination of Secured Party's security interest in an Item of Equipment, Secured Party will execute such release of interest with respect thereto as Debtor reasonably requests.

3. INSTALLMENT PAYMENTS AND OTHER PAYMENTS. Debtor will repay advances Secured Party makes on account of the Equipment together with interest in installment payments in the amounts and at the times set forth in the Schedules, whether or not Secured Party has rendered an invoice therefor, at the office of Secured Party set forth at the foot hereof, or to such person and/or at such other place as Secured Party may from time to time designate on notice to Debtor. Any other amounts required to be paid Secured Party by Debtor hereunder are due upon Debtor's receipt of Secured Party's invoice therefor and will be payable as directed in the invoice. Payments under this agreement may be applied to Debtor's then accrued obligations to Secured Party in such order as Secured Party may choose.

4. NET AGREEMENT; NO OFFSET; SURVIVAL. This agreement is a net agreement, and Debtor will not be entitled to any abatement of installment payments or other payments due hereunder or any reduction thereof under any circumstances or for any reason whatsoever. Debtor hereby waives any and all existing and future claims, as offsets, against any installment payments or other payments due hereunder and agrees to pay the installment payments and other amounts due hereunder as and when due regardless of any offset or claim which may be asserted by Debtor or on its behalf. The obligations and liabilities of Debtor hereunder will survive the termination of this agreement.

5. FINANCING AGREEMENT. THIS AGREEMENT IS SOLELY A FINANCING AGREEMENT. DEBTOR ACKNOWLEDGES THAT THE EQUIPMENT HAS OR WILL HAVE BEEN SELECTED AND ACQUIRED SOLELY BY DEBTOR FOR DEBTOR'S PURPOSES, THAT SECURED PARTY IS NOT AND WILL NOT BE THE VENDOR OF ANY EQUIPMENT AND THAT SECURED PARTY HAS NOT MADE AND WILL NOT MAKE ANY AGREEMENT, REPRESENTATION OR WARRANTY WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALIFICATION OR FITNESS FOR A PARTICULAR PURPOSE OR VALUE OF THE EQUIPMENT OR ANY OTHER MATTER WITH RESPECT THERETO IN ANY RESPECT WHATSOEVER.

6. NO AGENCY. DEBTOR ACKNOWLEDGES THAT NO AGENT OF THE MANUFACTURER OR OTHER SUPPLIER OF AN ITEM OF EQUIPMENT OR OF ANY FINANCIAL INTERMEDIARY IN CONNECTION WITH THIS AGREEMENT IS AN AGENT OF SECURED PARTY. SECURED PARTY IS NOT BOUND BY A REPRESENTATION OF ANY SUCH PARTY AND, AS CONTEMPLATED IN PARAGRAPH 27 BELOW, THE ENTIRE AGREEMENT OF SECURED PARTY AND DEBTOR CONCERNING THE FINANCING OF THE EQUIPMENT IS CONTAINED IN THIS AGREEMENT AS IT MAY BE AMENDED AS PROVIDED IN THAT PARAGRAPH.

7. ACCEPTANCE. Execution by Debtor and Secured Party of a Schedule covering the Equipment or any Items thereof will conclusively establish that such Equipment has been included under and will be subject to all the terms and conditions of this agreement. If Debtor has not furnished Secured Party with a Schedule by the earlier of fourteen (14) days after receipt thereof or expiration of the commitment period set forth in the applicable equipment financing commitment, Secured Party may terminate its obligation to advance funds as to the applicable Equipment.

8. LOCATION; INSPECTION; USE. Debtor will keep, or in the case of motor vehicles, permanently garage and not remove from the United States, as appropriate, each Item of Equipment in Debtor's possession and control at the Equipment Location designated in the applicable Schedule, or at such other location to which such Item may have been moved with the prior written consent of Secured Party. Whenever requested by Secured Party, Debtor will advise Secured Party as to the exact location of an Item of Equipment; Secured Party will have the right to inspect the Equipment and observe its use during normal business hours and to enter into and upon the premises where the Equipment may be located for such purpose. The Equipment will at all times be used solely for commercial or business purposes and operated in a careful and proper manner and in compliance with all applicable laws, ordinances, rules and regulations, all conditions and requirements of the policy or policies of insurance required to be carried by Debtor under the terms of this agreement and all manufacturer's instructions and warranty requirements. Any modifications or additions to the Equipment required by any such governmental edict or insurance policy will be promptly made by Debtor.

9. ALTERATIONS; SECURITY INTEREST COVERAGE. Without the prior written consent of Secured Party, Debtor will not make any alterations, additions or improvements to any Item of Equipment which detract from its economic value or functional utility, except as may be required pursuant to paragraph 8 above. Secured Party's security interest in the Equipment will include all modifications and additions thereto and replacements and substitutions therefor, in whole or in part. Such reference to replacements and substitutions will not grant Debtor greater rights to replace or substitute than are provided in paragraph 11 below or as may be allowed upon the prior written consent of Secured Party.

10. MAINTENANCE. Debtor will maintain the Equipment in good repair, condition and working order. Debtor will also cause each Item of Equipment for which a service contract is generally available to the covered by such a contract which provides coverages typical as to property of the type involved and is issued by a competent servicing entity.

11. LOSS AND DAMAGE; CASUALTY VALUE. In the event of the loss of, theft of, requisition of, damage to or destruction of an Item of Equipment ("Casualty Occurrence") Debtor will give Secured Party prompt notice thereof and will thereafter place such Item in good repair, condition and working order; provided, however, that if such Item is determined by Secured Party to be lost, stolen, destroyed or damaged beyond repair, is requisitioned or suffers a constructive total loss as defined in any applicable insurance policy carried by Debtor in accordance with paragraph 14 below. Debtor, at Secured Party's option, will (a) replace such Item with like equipment in good repair, condition and working order whereupon such replacement equipment will be deemed such Item for all purposes hereof or (b) pay Secured Party the "Casualty Value" of such Item which will equal the total of (i) all installment payments and other amounts due from Debtor to Secured Party at the time of such payment and (ii) each future installment payment due with respect to such Item with each such payment other than any final uneven payment discounted at eight percent (8%) per annum simple interest from the date due to the date of such payment. Any final uneven payment will be due without discount. The discounting contemplated in this paragraph will be in accordance with the Financial Compound Interest and Annuity Tables, Sixth Edition published by the Financial Publishing Company. Upon such replacement or payment, as appropriate, this agreement and Secured Party's security interest will terminate with, and only with, respect to the Item of Equipment so replaced or as to which such payment is made in accordance with paragraph 2 above.

12. TITLING; REGISTRATION. Each Item of Equipment subject to title registration laws will at all times be titled and/or registered by Debtor as Secured Party's agent and attorney-in-fact with full power and authority to register (but without power to affect title to) the Equipment in such manner and in such jurisdiction or jurisdictions as Secured Party directs. Debtor will promptly notify Secured Party of any necessary or advisable retitling and/or reregistration of an Item of Equipment in a jurisdiction other than one in which such Item is then titled and/or registered. Any and all documents of title will be furnished or caused to be furnished Secured Party by Debtor within sixty (60) days of the date any titling or registering or retitling or reregistering, as appropriate, is directed by Secured Party.

13. TAXES. Debtor will make all filings as to and pay when due all personal property and other ad valorem taxes and all other taxes, fees, charges and assessments based on the ownership or use of the Equipment and will pay as directed by Secured Party or reimburse Secured Party for all other taxes, including, but not limited to, gross receipts taxes (exclusive of federal and state taxes based on Secured Party's net income, unless such net income taxes are in substitution for or relieve Debtor from any taxes which Debtor would otherwise be obligated to pay under the terms of this paragraph 13), fees, charges and assessments whatsoever, however designated, whether based on the installment payments or other amounts due hereunder, levied, assessed or imposed upon the Equipment or otherwise related hereto or to the Equipment, now or hereafter levied, assessed or imposed under the authority of a federal, state or local taxing jurisdiction, regardless of when and by whom payable. Filings with respect to such other amounts will, at Secured Party's option, be made by Secured Party or by Debtor as directed by Secured Party.

14. INSURANCE. Debtor will procure and continuously maintain all risk insurance against loss of or damage to the Equipment from any cause whatsoever for not less than the full replacement value thereof naming Secured Party as Loss Payee. Such insurance must be in a form and with companies approved by Secured Party, much provide at least thirty (30) days advance written notice to Secured Party of cancellation, change or modification in any term, condition or amount of protection provided therein, must provide full breach of warranty protection and must provide that the coverage is "primary coverage" (does not require contribution from any other applicable coverage). Debtor will provide Secured Party with an original policy or certificate evidencing such insurance. In the event of an assignment of this agreement of which Debtor has notice, Debtor will cause such insurance to provide the same protection to the assignee as its interests may appear. The proceeds of such insurance, at the option of Secured Party or such assignee, as appropriate, will be applied toward (a) repair or replacement of the appropriate Item or Items of Equipment, (b) payment of the Casualty Value thereof or (c) payment of, or as provision for, satisfaction of any other accrued obligations of Debtor hereunder. Debtor hereby appoints Secured Party as Debtor's attorney-in-fact with full power and

authority to do all things, including, but not limited to, making claims, receiving payments and endorsing documents, checks or drafts, necessary to secure payments due under any policy contemplated hereby on account of a Casualty Occurrence. Debtor and Secured Party contemplate that the jurisdictions where the Equipment will be located will not impose any liability upon Secured Party for personal injury and/or property damage resulting out of the possession, use, operation or condition of the Equipment. In the event Secured Party determines that such is not or may not be the case with respect to a given jurisdiction, Debtor will provide Secured Party with public liability and property damage coverage applicable to the Equipment in such amounts and in such form as Secured Party requires.

15. SECURED PARTY'S PAYMENT. If Debtor fails to pay any amounts due hereunder or to perform any of its other obligations under this agreement, Secured Party may, at its option, but without any obligation to do so, pay such amounts or perform such obligations, and Debtor will reimburse Secured Party the amount of such payment or cost of such performance.

16. INDEMNITY. Debtor does hereby assume liability for and does agree to indemnify, defend, protect, save and keep harmless Secured Party from and against any and all liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including court costs and legal expenses, of whatever kind and nature, imposed on, incurred by or asserted against Secured Party (whether or not also indemnified against by any other person) in any way relating to or arising out of this agreement or the manufacture, financing, ownership, delivery, possession, use, operation, condition or disposition of the Equipment by Secured Party of Debtor, including, without limitation, any claim alleging latent and other defects, whether or not discoverable by Secured Party or Debtor, and any other claim arising out of strict liability in tort, whether or not in either instance relating to an event occurring while Debtor remains obligated under this agreement, and any claim for patent, trademark or copyright infringement. Debtor agrees to give Secured Party and Secured Party agrees to give Debtor notice of any claim or liability hereby indemnified against promptly following learning thereof.

INITIAL /s/
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17. DEFAULT. Any of the following will constitute an event of default hereunder: (a) Debtor's failure to pay when due any installment payment or other amount due hereunder, which failure continues for ten (10) days after the due date thereof; (b) Debtor's default in performing any other obligation, term or condition of this agreement or any other agreement between Debtor and Secured Party or default under any further agreement providing security for the performance by Debtor of its obligations hereunder, provided such default has continued for more than twenty (20) days, except as provided in (c) and (d) hereinbelow, or, without limiting the generality of subparagraph (1) hereinbelow, default under any lease or any mortgage or other instrument contemplating the provision of financial accommodation applicable to the real estate where an Item of Equipment is located; (c) any writ or order of attachment or execution or other legal process being levied on or charged against any Item of Equipment and not being released or satisfied within ten (10) days; (d) Debtor's failure to comply with its obligations under paragraph 14 above or any transfer by Debtor in violation of paragraph 21 below; (e) a non-appealable judgment for the payment of money in excess of $100,000 being rendered by a court of record against Debtor which Debtor does not discharge or make provision for discharge in accordance with the terms thereof within ninety (90) days from the date of entry thereof; (f) death or judicial declaration of incompetency of Debtor, if an individual; (g) the filing by Debtor of a petition under the Bankruptcy Act or any amendment thereto or under any other insolvency law or law providing for the relief of debtors, including, without limitation, a petition for reorganization, arrangement or extension, or the commission by Debtor of an act of bankruptcy; (h) the filing against Debtor of any such petition not dismissed or permanently stayed within thirty (30) days of the filing thereof; (i) the voluntary or involuntary making of an assignment of substantial portion of its assets by Debtor for the benefit of creditors, appointment of a receiver or trustee for Debtor or for any of Debtor's assets, institution by or against Debtor or any other type of insolvency proceeding (under the Bankruptcy Act or otherwise) or of any formal or informal proceeding for dissolution, liquidation, settlement of claims against or winding up of the affairs of Debtor, Debtor's cessation of business activities or the making by Debtor of a transfer of all or a material portion of Debtor's assets or inventory not in the ordinary course of business; (j) the occurrence of any event described in parts (e), (f), (g), (h) or (i) hereinabove with respect to any guarantor or other party liable for payment or performance of this agreement; (k) any certificate, statement, representation, warranty or audit heretofore or hereafter furnished with respect hereto by or on behalf of Debtor or any guarantor or other party liable for payment or performance of this agreement proving to have been false in any material respect at the time as of which the facts therein set forth were stated or certified or having omitted any substantial contingent or unliquidated liability or claim against Debtor or any such guarantor or other party; [struck through text] (m) a transfer of effective control of Debtor, if an organization.

18. REMEDIES. Upon the occurrence of an event of default, Secured Party will have the rights, options, duties and remedies of a secured party, and Debtor will have the rights and duties of a debtor, under the Uniform Commercial Code (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and, without limiting the foregoing, Secured Party may exercise any one or more of the following remedies: (a) declare the Casualty Value or such lesser amount as may be set by law immediately due and payable with respect to any or all Items of Equipment without notice or demand to Debtor; (b) sue from time to time for and recover all installment payments and other payments then accrued and which accrue during the pendency of such action with respect to any or all Items of Equipment; (c) take possession of and, if deemed appropriate, render unusable any or all Items of Equipment, without demand or notice, wherever same may be located, without any court order or other process of law and without liability for any damages occasioned by such taking of possession and remove, keep and store the same or use and operate or lease the same until sold; (d) require Debtor to assemble any or all Items of Equipment at the Equipment Location therefor, such location to which such Equipment may have been moved with the written consent of Secured Party or such other location in reasonable proximity to either of the foregoing as Secured Party designates; (e) upon ten days notice to Debtor or such other notice as may be required by law, sell or otherwise dispose of any Item of Equipment, whether or not in Secured Party's possession, in a commercially reasonable manner at public or private sale at any place deemed appropriate and apply the net proceeds of such sale, after deducting all costs of such sale, including, but not limited to, costs of transportation, repossession, storage, refurbishing, advertising and brokers fees, to the obligations of Debtor to Secured Party hereunder or otherwise, with Debtor remaining liable for any deficiency and with any excess being returned to Debtor; (f) upon thirty (30) days notice to Debtor, retain any repossessed or assembled Items of Equipment as Secured Party's own property in full satisfaction of Debtor's liability for the installment payments due hereunder with respect thereto, provided that Debtor will have the right to redeem such Items by payment in full of its obligations to Secured Party hereunder or otherwise or to require Secured Party to sell or otherwise dispose of such Items in the manner set forth in subparagraph (e) hereinabove upon notice to Secured Party within such thirty (30) day period or (g) utilize any other remedy available to Secured Party under the Uniform Commercial Code or similar provision of law or otherwise at law or in equity.

No right or remedy conferred herein is exclusive of any other right or remedy conferred herein or by law; but all such remedies are cumulative of every other right or remedy conferred hereunder or at law or in equity, by statute or otherwise, and may be exercised concurrently or separately from time to time. Any sale contemplated by subparagraph (e) of this paragraph 18

may be adjourned from time to time by announcement at the time and place appointed for such sale, or for any such adjourned sale, without further published notice, and Secured Party may bid and become the purchaser at any such sale. Any sale of an Item of Equipment, whether under said subparagraph or by virtue of judicial proceedings, will operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of Debtor in and to said Item and will be a perpetual bar to any claim against such Item, both at law and in equity, against Debtor and all persons claiming by, through or under Debtor.

19. DISCONTINUANCE OF REMEDIES. If Secured Party proceeds to enforce any right under this agreement and such proceedings are discontinued or abandoned for any reason or are determined adversely, then and in every such case Debtor and Secured Party will be restored to their former positions and rights hereunder.

20. SECURED PARTY'S EXPENSES. Debtor will pay Secured Party all costs and expenses, including attorneys' fees and court costs and sales costs not offset against sales proceeds under paragraph 18 above, incurred by Secured Party in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions or provisions hereof. This obligation includes the payment or reimbursement of all such amounts whether an action is ultimately filed and whether an action filed is ultimately dismissed.

21. ASSIGNMENT. Without the prior written consent of Secured Party, Debtor will not sell, lease, pledge or hypothecate, except as provided in this agreement, any Item of Equipment or any interest therein or assign, transfer, pledge or hypothecate this agreement or any interest in this agreement or permit the Equipment to be subject to any lien, charge or encumbrance of any nature except the security interest of Secured Party contemplated hereby. Debtor's interest herein is not assignable and will not be assigned or transferred by operation of law. Consent to any of the foregoing prohibited acts applies only in the given instance and is not a consent to any subsequent like act by Debtor or any other person.

    All rights of Secured Party hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of, either in whole or in part, without notice to Debtor but always, however, subject to the rights of Debtor under this agreement. If Debtor is given notice of any such assignment, Debtor will acknowledge receipt thereof in writing. In the event Secured Party assigns this agreement or the installment payments due or to become due hereunder or any other interest herein, whether as security for any of its indebtedness or

otherwise, no breach or default by Secured Party hereunder or pursuant to any other agreement between Secured Party and Debtor, should there be one, will excuse performance by Debtor of any provision hereof, it being understood that in the event of such default or breach by Secured Party that Debtor will pursue any rights on account thereof solely against Secured Party. No such assignee, unless such assignee agrees in writing, will be obligated to perform any duty, covenant or condition required to be performed by Secured Party in connection with this agreement.

Subject always to the foregoing, this agreement inures to the benefit of, and is binding upon, the heirs, legatees, personal representatives, successors and assigns of the parties hereto.

22. MARKINGS; PERSONAL PROPERTY. If Secured Party supplies Debtor with labels, plates, decals or other markings stating that Secured Party has an interest in the Equipment. Debtor will affix and keep the same prominently displayed on the Equipment or will otherwise mark the Equipment or its then location or locations, as appropriate, at Secured Party's request to indicate Secured Party's security interest in the Equipment. The Equipment is, and at all times will remain, personal property notwithstanding that the Equipment or any Item thereof may now be, or hereafter become, in any manner affixed or attached to, or embedded in, or permanently resting upon real property or any improvement thereof or attached in any manner to what is permanent as by means of cement, plaster, nails, bolts, screws or otherwise. If requested by Secured Party, Debtor will obtain and deliver to Secured Party waivers of interest or liens in recordable form satisfactory to Secured Party from all persons claiming any interest in the real property on which an Item of Equipment is or is to be installed or located.

23. LATE CHARGE. If Debtor fails to pay any installment payment or any other sum to be paid by Debtor to Secured Party within seven (7) days of when due, Debtor will pay to Secured Party (a) Secured Party's collection costs paid third parties relevant to the collection thereof and (b) interest on such unpaid installment or other amount at the rate of eighteen percent (18%) per annum, or at such greater or lesser contract rate as may be applicable, computed from the date due to the date paid.

24. NON-WAIVER. No covenant or condition of this agreement can be waived except by the written consent of Secured Party. Forebearance or indulgence by Secured Party in regard to any breach hereunder will not constitute a waiver of the related covenant or condition to be performed by Debtor.

25. ADDITIONAL DOCUMENTS. In connection with and in order to perfect and evidence the security interest in the Equipment granted Secured Party hereunder Debtor will execute and deliver to Secured Party such financing statements and similar documents as Secured Party requests. Debtor authorizes Secured Party where permitted by law to make filings of such financing statements without Debtor's signature. Debtor further will furnish Secured Party (a) a fiscal year end financial statement including balance sheet and profit and loss statement within one hundred twenty (120) days of the close of each fiscal year, (b) any other information normally provided by Debtor to the public and (c) such other financial data or information relative to this agreement and the Equipment, including, without limitation, copies of vendor proposals and purchase orders and agreements, listings of serial numbers or other identification data and confirmations of such information, as Secured Party may from time to time reasonably request. Debtor will procure and/or execute, have executed, acknowledge, have acknowledged, deliver to Secured Party, record and file such other documents and showings as Secured Party deems necessary or desirable to protect its interest in and rights under this agreement and interest in the Equipment. Debtor will pay as directed by Secured Party or reimburse Secured Party for all filing, search, title report, legal and other fees incurred by Secured Party in connection with any documents to be provided by Debtor pursuant to this paragraph or paragraph 22 and any further similar documents Secured Party may procure.

26. DEBTOR'S WARRANTIES. Debtor certifies and warrants that the financial data and other information which Debtor has submitted, or will submit, to Secured Party in connection with this agreement is, or will be at time of delivery, as appropriate, a true and complete statement of the matters therein contained. Debtor further certifies and warrants: (a) this agreement has been duly authorized by Debtor and when executed and delivered by the person signing on behalf of Debtor below will constitute the legal, valid and binding obligation, contract and agreement of Debtor enforceable against Debtor in accordance with its respective terms; (b) this agreement and each and every showing provided by or on behalf of Debtor in connection herewith may be relied upon by Secured Party in accordance with the terms thereof notwithstanding the failure of Debtor or other applicable party to ensure proper attestation thereto, whether by absence or a seal or acknowledgement or otherwise; (c) Debtor has the right, power and authority to grant a security interest in the Equipment to Secured Party for the uses and purposes herein set forth and (d) each Item of Equipment will, at the time such Item becomes subject hereto, be in good repair, condition and working order.

27. ENTIRE AGREEMENT. This instrument constitutes the entire agreement between Secured Party and Debtor and will not be amended, altered or changed except by a written agreement signed by the parties.

28. NOTICES. Notices under this agreement must be in writing and must be

mailed by United States mail, certified mail with return receipt requested, duly addressed, with postage prepaid, to the party involved at its respective address set forth at the foot hereof or at such other address as such party may provide on notice to other from time to time. Notices will be effective when deposited. Each party will promptly notify the other of any change in the first party's address.

29. GENDER, NUMBER: JOINT AND SEVERAL LIABILITY. Whenever the context of this agreement requires, the neuter gender includes the feminine or masculine and the singular number includes the plural; and whenever the words "Secured Party" are used herein, they include all assignees of Secured Party, it being understood that specific reference to "assignee" in paragraph 14 above is for further emphasis. If there is more than one Debtor named in this agreement, the liability of each will be joint and several.

30. TITLES. The titles to the paragraphs of this agreement are solely for the convenience of the parties and are not an aid in the interpretation of the instrument.

31. GOVERNING LAW; VENUE. This agreement will be governed by and construed in accordance with the law of the State of California. Venue for any action related to this agreement will be in an appropriate court in San Diego County, California, to which Debtor consents, or in another court selected by Secured Party which has jurisdiction over the parties. In the event any provision hereof is declared invalid, such provision will be deemed severable from the remaining provisions of this agreement which will remain in full force and effect.

32. TIME. Time is of the essence of this agreement and each and all of its provisions.

IN WITNESS WHEREOF, the undersigned have executed this agreement as of May 13, 1994

HERITAGE LEASING CAPITAL

By: /s/ Ronald L. Wagner President
Ronald L. Wagner (Title)

5775 Chesapeake Court
San Diego, CA 92123

VIASAT, INC.
(Debtor)

/s/ Gregory Monahan Vice President of Administration
Gregory Monahan (Title)

By: _____
(Title)

Address: 2290 Cosmos Court
Carlsbad, CA 92009

(Individual or Partnership Notarial Acknowledgement)

INDIVIDUAL or PARTNERSHIP:

State of
County of ss:

On this _____ day of _____, 19 ___, before me _____, a notary public for the County of _____ personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name (is)(are) subscribed to this instrument, and acknowledged that (he)(she)(they) executed it (in [his][her][their] capacity as a partner and as the act of the partnership).

In witness whereof I hereunto set my hand and official seal.

(SEAL)

My commission expires. _____
Notary Public

[HERITAGE LEASING CAPITAL LETTERHEAD]

June 27, 1994

VIASAT, INC.
2290 Cosmos Court
Carlsbad, CA 92009

Gentlemen:

This is written in connection with the Equipment Financing Agreement between you, as debtor, and us, as secured party, dated as of May 13, 1994 (the "EFA"), which it is contemplated shall cover certain items of equipment (collectively the "Equipment" and individually an "Item of Equipment") to be financed by us thereunder as more fully contemplated in a related commitment accepted by you as of May 13, 1994 (the "Commitment").

You have requested us to advance your cost for certain of the Equipment by paying the purchase price therefor for your account to the suppliers thereof prior to the execution and delivery of the completed Schedule to the EFA covering such Equipment.

We shall do this subject to the following understandings and agreements:

1. In connection with each request by you to us to make payment under the terms of this letter, you shall state on a form provided by us that you (a) accept the Equipment described thereon for all purposes of the EFA and (b) instruct us to make payment to the suppliers of such Equipment for your account and/or to reimburse you for your payment to such suppliers, as appropriate. You understand and agree that your instructions to pay suppliers for your account and/or to reimburse you under the provisions of this paragraph are to be issued by you in such a manner as to maximize the amount of each such payment to be made by us and minimize the number of occasions on which such payments are to be made and that accordingly each request shall cover Equipment with a cost of not less than $10,000.00. Your letter transmitting this material should make reference to this letter agreement.

2. Each Item of Equipment with respect to which we make an advance in the manner described above shall be covered by the terms and conditions (including, without limitation, the security interest and insurance terms) of the EFA and you will pay us interim interest (the "interim interest") equal to the product of (a) .00034, (b) the advance amount as to such Equipment and (c) the number of days from the date of the issuance of payment by us to but excluding the day of the repayment by you under the terms of this letter or the date of the applicable Schedule to the EFA. Accrued and previously unpaid interim interest will be payable in arrears on the first day of each month commencing with the month following our initial advance hereunder.

3. When all the Items of Equipment to be covered by a given Schedule have been delivered to you and accepted or ready for acceptance if the advance has not previously been made hereunder, as appropriate, for purposes of the EFA, you shall advise us, we shall prepare the Schedule and provide the Schedule to you, and you shall execute the Schedule and deliver it to us. We will separately invoice you and you will pay any then unpaid interim interest.

4. If there occurs an event giving rise to our option to terminate our obligations under the Commitment, including, but not limited to, a material adverse change in your financial condition, expiration of the commitment period contemplated by the Commitment or a default under the EFA, and our exercise of such option, then our obligations hereunder and under the Commitment will terminate. You would then be obligated to repay us all amounts which we have advanced under the terms of this letter plus all accrued but unpaid interim interest up to and including the date of such repayment. Your payment hereunder shall be performed upon three (3) days' written notice from us that we have the right to terminate our obligations hereunder and under the Commitment and have elected to do so. We would have the various remedies of a secured creditor contemplated in the EFA in the event of failure by you to make this repayment as contemplated.

If the terms of this letter are satisfactory to you, please so indicate by executing at the place provided at the foot of the enclosed copy of this letter and returning the same to us. The original of this letter is for your files.

Very truly yours,

HERITAGE LEASING CAPITAL

By: /s/ Gil Evans

Gil Evans, Executive Vice President

ACCEPTED AND AGREED to this 27th day of June, 1994.

VIASAT INC.

By: /s/ Gregory Monahan

Gregory Monahan, Vice President of Administration

June 27, 1994

Heritage Leasing Capital
5775 Chesapeake Court
San Diego, CA 92123

Gentlemen:

Please refer to the interim payment letter agreement dated June 27, 1994 between our two companies.

Pursuant to paragraph 1 of said letter agreement and with respect to the invoices, the originals of which are attached hereto, we hereby (a) approve each of said attached invoice(s), (b) accept each item of Equipment described thereon for all purposes of the EFA, as defined in such agreement, and (c) instruct you to make payment for our account to the issuer of each invoice in accordance therewith.

We have indicated on each of the attached invoices (where it is not otherwise made clear) the address where each Item of Equipment is to be permanently located.

The total amount of the attached invoices and the total amount we request you to pay hereunder is $10,200.00 payable to the following in the amounts indicated:

Commworld Of San Diego-North, Inc.	$10,200.00

We acknowledge that neither Heritage Leasing Capital nor its assignee or successor shall be responsible for the delivery of any Item of Equipment, and we will be obligated to repay all amounts you disburse, together with interest as stated in the interim payment letter agreement whether or not the Equipment is delivered to and accepted by us.

Very truly yours,

VIASAT, INC.

By: /s/ Gregory Monahan

Gregory Monahan, Vice President of Administration

[HERITAGE LEASING CAPITAL LETTERHEAD]

March 28, 1994

Mr. Gregory Monahan
Vice President of Administration
ViaSat, Inc.
2290 Cosmos Court
Carlsbad, CA 92009-1585

Dear Greg:

Enclosed please find a set of Master Equipment Lease documents for your review. I have elected to change the method of documentation from a Master Equipment Lease Line of Credit to an Equipment Financing Line of Credit. This change was prompted by my phone conversation with Pat McGill who indicated some pieces of equipment to be financed have been delivered and paid for. Using an Equipment Financing Agreement (EFA), ViaSat retains title of ownership and Heritage Leasing takes a security interest in the equipment. To document an equipment lease, we would need to secure new invoices from vendors showing equipment sold to Heritage Leasing Capital and the invoices must reflect the total equipment cost as the balance due on the invoice. To avoid this requirement of new invoices, we think it is best to document this initial $400,000 equipment financing transaction using an EFA. Please call me if you have any questions regarding this documentation.

In addition, I have changed the credit commitment letter to reflect an equipment financing transaction.

I expect to receive a second credit approval for an additional $400,000 of equipment financing this week.

I look forward to working with you and Pat on these financing transactions.

Sincerely,

HERITAGE LEASING CAPITAL

/s/ GIL EVANS

Gil Evans, CLP
Executive Vice President

GE:dw

Enclosure

[HERITAGE LEASING CAPITAL LETTERHEAD]

March 28, 1994

Mr. Gregory Monahan
Vice President of Administration
ViaSat, Inc.
2290 Cosmos Court
Carlsbad, CA 92009-1585

Dear Greg:

We are pleased to present the following Master Equipment Financing Agreement credit commitment for your review and acceptance. This credit commitment is subject to receipt and acceptance by Secured Party of a detailed equipment list, prior to documentation, satisfactory to Secured Party.

BORROWER	:	ViaSat, Inc.
SECURED PARTY	:	Heritage Leasing Capital or its nominee.
EQUIPMENT	:	Personal Computers; Test Equipment; Laboratory Equipment.
AMOUNT	:	$400,000.00 line of credit.
TERM	:	Forty-Eight (48) Months
ADVANCE PAYMENTS	:	First and Last Months' Payments
PAYMENT AMOUNT	:	Borrower will make forty-eight (48) consecutive monthly installment payments, in advance, at the monthly rate of $24.42 per $1,000 of equipment cost. For an equipment cost of $400,000.00, the monthly payment would be $9,768.00.

MONTHLY RATE ADJUSTMENT	:	The above rate is based on the yield of two-year Treasury Notes yielding 5.03% as published in the Wall Street Journal on Wednesday, March 23, 1994 (the "Index") and will apply for all schedules funded by April 30, 1994. If a financing schedule is funded after April 30, 1994 the rate shall be increased proportionally to any increase in the Index. No downward adjustment will be made below the floor index rate of 5.03%. Once a schedule is funded, however, the rate will then be fixed for the term of the agreement.
BALLOON PAYMENT	:	None; this is fully amortized over the term proposed.
MASTER AGREEMENT	:	This is a Master Agreement whereby schedules may be funded as equipment is delivered. Each schedule to the agreement, however, shall cover an equipment cost with a minimum aggregate cost of $40,000.00.
TYPE OF TRANSACTION	:	This is a net financing transaction whereby maintenance, insurance, property taxes, documentation costs, and all items of a similar nature are for the account of the Borrower.
CREDIT COMMITMENT EXPIRATION	:	Equipment financed under the agreement shall be delivered and funded no later than July 31, 1994.

Greg, if this credit commitment is acceptable to you, please indicate by signing the acceptance on the following page and returning it to Heritage Leasing Capital.

I look forward to being of service to you in this transaction and will work closely with you until it is completed to your entire satisfaction.

Sincerely,

HERITAGE LEASING CAPITAL

/s/ Gil Evans
Gil Evans
Executive Vice President

ACCEPTANCE:

VIASAT, INC.

By:_____
Gregory Monahan

Title: Vice President of Administration

Date:_____

EXHIBIT 10.17

HERITAGE LEASING CAPITAL

EQUIPMENT FINANCING COMMITMENT EFA No. 16439

Subject to the terms set forth in this commitment, the following equipment financing transaction is agreed to by the undersigned Debtor and HERITAGE LEASING CAPITAL ("Secured Party") in connection with the terms of the Equipment Financing Agreement herein referenced (the "Agreement").

Equipment Financing Agreement: dated as of SEPTEMBER 19, 1994.

Equipment (all Equipment to be acceptable to Secured Party): COMPUTER AND LABORATORY EQUIPMENT

Commitment Amount: $400,000.00

Installment Payments: FORTY-EIGHT (48) payments of 2.493% of advance payable MONTHLY in ADVANCE. FIRST AND LAST SUCH PAYMENTS ARE DUE AT TIME OF SCHEDULING.

Commitment Expiration Date: DECEMBER 14, 1994. As more fully explained below, Secured Party has no obligation to make any advance with respect to Equipment not covered by a Schedule to the Agreement executed by Secured Party and Debtor on or prior to this date.

Debtor will comply with, procure, execute and/or have executed, acknowledge, have acknowledged, deliver to Secured Party, record and file any documents set forth in Exhibit A or accompanying this commitment. The form, substance and sufficiency of all documents and showings employed in documenting the contemplated financing transaction must be acceptable to Secured Party and its counsel. Debtor will do likewise as to such further documents and showings as Secured Party and its counsel may now or hereafter deem necessary or advisable to protect Secured Party's rights under the Agreement and interest in the Equipment. Debtor will pay as directed by Secured Party or reimburse Secured Party for all searches, filings, title reports, attorney's services and other charges incurred by Secured Party in connection with all such documents and showings and any similar documents and showings Secured Party may procure.

Secured Party may, at its option, terminate its obligations to Debtor hereunder with respect to any and all unscheduled Items of Equipment: (a) at or subsequent to the Commitment Expiration Date, (b) upon the advent of a material adverse change in Debtor's financial condition or Debtor's probable ability to perform its obligations under the Agreement, (c) if the Agreement or any other agreement under which Debtor has obligations to Secured Party is in default or an event which with the giving of notice or lapse of time or both would constitute such a default has occurred and is continuing or (d) with respect to which more than fifteen percent (15%) would be advanced for shipping costs, installation charges and design costs by giving Debtor written notice of such termination.

ACCEPTED AND AGREED to as of

September 19, 1994

Heritage Leasing Capital
(Secured Party)
5775 Chesapeake Court
San Diego, CA 92123

By: /s/ RONALD L. WAGNER, President
Ronald L. Wagner

ACCEPTED AND AGREED to as of

September 19, 1994

VIASAT, INC.
(Debtor)

Address: 2290 Cosmos Court
Carlsbad, CA 92009

By: /s/ GREGORY MONAHAN, Vice President of Administration
Gregory Monahan (Title)

EXHIBIT A TO EQUIPMENT FINANCING COMMITMENT

Accepted by Debtor as of September 19, 1994

These provisions hereby become part of the Equipment Financing Commitment dated September 19, 1994, between HERITAGE LEASING CAPITAL and its assignee(s), Secured Party, and VIASAT, INC., Debtor.

In addition to the terms of the Agreement, Debtor further agrees to the following additional provisions:

1. UCC SEARCH/RELEASES
The Secured Party may search all public records of Debtor to locate and identify any conflicting liens against the above referenced Equipment. Releases from any intervening parties holding a security interest in said Equipment shall be required prior to funding provided herein.

2. TYPE OF FINANCING
This is a net equipment financing transaction whereby maintenance, insurance, property taxes, and all items of a similar nature are for the account of the Debtor.

3. EXPENSES
All expenses associated with the completion of this Agreement including, but not limited to, UCC filing fees and searches, documentation costs, legal expenses, and equipment verification costs are for the account of the Debtor.

4. MASTER AGREEMENT
This is a Master Equipment Financing Agreement whereby Schedules may be funded as equipment is delivered. Each Schedule to the Agreement, however, shall cover equipment with a minimum aggregate cost of $20,000.00.

5. INSTALLMENT PAYMENT AMOUNT
The installment payment amount of $24.93 per $1,000.00 of advance payable monthly in advance is based on the yield of two-year Treasury Notes yielding 6.24% as published in the Wall Street Journal on Thursday, September 15, 1994 (the "Index") and will apply for all schedules funded by October 31, 1994. If a financing schedule is funded after October 31, 1994 the rate shall be increased proportionally to any increase in the Index. No downward adjustment will be made below the floor index rate of 6.24%. Once a schedule is funded, however, the rate will then be fixed for the term of the agreement.

6. COMMITMENT EXPIRATION DATE
The commitment expiration date of December 14, 1994 may be extended ninety (90) days upon review by Secured Party of the Debtor's then current financial condition. Debtor agrees to provide Secured Party such financial information and other information Secured Party may reasonably request to evaluate Debtor's financial condition for purposes of granting such extension.

INITIAL

/s/

[HERITAGE LEASING CAPITAL LOGO]

HERITAGE LEASING CAPITAL

16439

EQUIPMENT FINANCING AGREEMENT

THIS EQUIPMENT FINANCING AGREEMENT ("agreement") is dated as of the date set forth at the foot hereof and is between HERITAGE LEASING CAPITAL ("Secured Party") and the debtor designated at the foot hereof ("Debtor").

1. EQUIPMENT; SECURITY INTEREST. The terms and conditions of this agreement cover each item of machinery, equipment and other property (individually an "Item" or "Item of Equipment" and collectively the "Equipment") described in a schedule now or hereafter executed by the parties hereto and made a part hereof (individually a "Schedule" and collectively the "Schedules"). Debtor hereby grants Secured Party a security interest in and to all Debtor's right, title and interest in and to the Equipment under the Uniform Commercial Code, such grant with respect to an Item of Equipment to be as of Debtor's execution of a related equipment financing commitment referencing this agreement or, if Debtor then has no interest in such Item, as of such subsequent time as Debtor acquires an interest in the Item. Such security interest is granted by Debtor to secure performance by Debtor of Debtor's obligations to Secured Party hereunder and under any other agreements under which Debtor has or may hereafter have obligations to Secured Party. Debtor will ensure that such security interest will be and remain a sole and valid first lien security interest subject only to the lien of current taxes and assessments not in default but only if such taxes are entitled to priority as a matter of law.

2. DEBTOR'S OBLIGATIONS. The obligations of Debtor under this agreement respecting an Item of Equipment, except the obligation to pay installment payments with respect thereto which will commence as set forth in paragraph 3 below, commence upon the grant to Secured Party of a security interest in the Item. Debtor's obligations hereunder with respect to an Item of Equipment and Secured Party's security interest therein will continue until payment of all amounts due, and performance of all terms and conditions required, hereunder with respect thereto; provided, however, that if this agreement is then in default said obligations and security interest will continue during the continuance of said default. Upon termination of Secured Party's security interest in an Item of Equipment, Secured Party will execute such release of interest with respect thereto as Debtor reasonably requests.

3. INSTALLMENT PAYMENTS AND OTHER PAYMENTS. Debtor will repay advances Secured Party makes on account of the Equipment together with interest in installment payments in the amounts and at the times set forth in the Schedules, whether or not Secured Party has rendered an invoice therefor, at the office of Secured Party set forth at the foot hereof, or to such person and/or at such other place as Secured Party may from time to time designate on notice to Debtor. Any other amounts required to be paid Secured Party by Debtor hereunder are due upon Debtor's receipt of Secured Party's invoice therefor and will be payable as directed in the invoice. Payments under this agreement may be applied to Debtor's then accrued obligations to Secured Party in such order as Secured Party may choose.

4. NET AGREEMENT; NO OFFSET; SURVIVAL. This agreement is a net agreement, and Debtor will not be entitled to any abatement of installment payments or other payments due hereunder or any reduction thereof under any circumstances or for any reason whatsoever. Debtor hereby waives any and all existing and future claims, as offsets, against any installment payments or other payments due hereunder and agrees to pay the installment payments and other amounts due hereunder as and when due regardless of any offset or claim which may be asserted by Debtor or on its behalf. The obligations and liabilities of Debtor hereunder will survive the termination of this agreement.

5. FINANCING AGREEMENT. THIS AGREEMENT IS SOLELY A FINANCING AGREEMENT. DEBTOR ACKNOWLEDGES THAT THE EQUIPMENT HAS OR WILL HAVE BEEN SELECTED AND ACQUIRED SOLELY BY DEBTOR FOR DEBTOR'S PURPOSES, THAT SECURED PARTY IS NOT AND WILL NOT BE THE VENDOR OF ANY EQUIPMENT AND THAT SECURED PARTY HAS NOT MADE AND WILL NOT MAKE ANY AGREEMENT, REPRESENTATION OR WARRANTY WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALIFICATION OR FITNESS FOR A PARTICULAR PURPOSE OR VALUE OF THE EQUIPMENT OR ANY OTHER MATTER WITH RESPECT THERETO IN ANY RESPECT WHATSOEVER.

6. NO AGENCY. DEBTOR ACKNOWLEDGES THAT NO AGENT OF THE MANUFACTURER OR OTHER SUPPLIER OF AN ITEM OF EQUIPMENT OR OF ANY FINANCIAL INTERMEDIARY IN CONNECTION WITH THIS AGREEMENT IS AN AGENT OF SECURED PARTY. SECURED PARTY IS NOT BOUND BY A REPRESENTATION OF ANY SUCH PARTY AND, AS CONTEMPLATED IN PARAGRAPH 27 BELOW, THE ENTIRE AGREEMENT OF SECURED PARTY AND DEBTOR CONCERNING THE FINANCING OF THE EQUIPMENT IS CONTAINED IN THIS AGREEMENT AS IT MAY BE AMENDED AS PROVIDED IN THAT PARAGRAPH.

7. ACCEPTANCE. Execution by Debtor and Secured Party of a Schedule covering the Equipment or any Items thereof will conclusively establish that such Equipment has been included under and will be subject to all the terms and conditions of this agreement. If Debtor has not furnished Secured Party with a Schedule by the earlier of fourteen (14) days after receipt thereof or expiration of the commitment period set forth in the applicable equipment financing commitment, Secured Party may terminate its obligation to advance funds as to the applicable Equipment.

8. LOCATION; INSPECTION; USE. Debtor will keep, or in the case of motor vehicles, permanently garage and not remove from the United States, as appropriate, each Item of Equipment in Debtor's possession and control at the Equipment Location designated in the applicable Schedule, or at such other location to which such Item of Equipment may have been moved with the prior written consent of Secured Party. Whenever requested by Secured Party, Debtor will advise Secured Party as to the exact location of an Item of Equipment. Secured Party will have the right to inspect the Equipment and observe its use during normal business hours and to enter into and upon the premises where the Equipment may be located for such purpose. The Equipment will at all times be used solely for commercial or business purposes and operated in a careful and proper manner and in compliance with all applicable laws, ordinances, rules and regulations, all conditions and requirements of the policy or policies of insurance required to be carried by Debtor under the terms of this agreement and all manufacturer's instructions and warranty requirements. Any modifications or additions to the Equipment required by any such governmental edict or insurance policy will be promptly made by Debtor.

9. ALTERATIONS; SECURITY INTEREST COVERAGE. Without the prior written consent of Secured Party, Debtor will not make any alterations, additions or improvements to any Item of Equipment which detract from its economic value or functional utility, except as may be required pursuant to paragraph 8 above. Secured Party's security interest in the Equipment will include all modifications and additions thereto and replacements and substitutions therefor, in whole or in part. Such reference to replacements and substitutions will not grant Debtor greater rights to replace or substitute than are provided in paragraph 11 below or as may be allowed upon the prior written consent of Secured Party.

10. MAINTENANCE. Debtor will maintain the Equipment in good repair, condition and working order. Debtor also will cause each Item of Equipment for which a service contract is generally available to the covered by such a contract which provides coverages typical as to property of the type involved and is issued by a competent servicing entity.

11. LOSS AND DAMAGE; CASUALTY VALUE. In the event of the loss of, theft of, requisition of, damage to or destruction of an Item of Equipment ("Casualty Occurrence") Debtor will give Secured Party prompt notice thereof and will thereafter place such Item in good repair, condition and working order; provided, however, that if such Item is determined by Secured Party to be lost, stolen, destroyed or damaged beyond repair, is requisitioned or suffers a constructive total loss as defined in any applicable insurance policy carried by Debtor in accordance with paragraph 14 below, Debtor, at Secured Party's option, will (a) replace the Item with like equipment in good repair, condition and working order whereupon such replacement equipment will be deemed such Item for all purposes hereof or (b) pay Secured Party the "Casualty Value" of such Item which will equal the total of (i) all installment payments and other amounts due from Debtor to Secured Party at the time of such payment and (ii) each future installment payment due with respect to such Item with each such payment other than any final uneven payment discounted at eight percent (8%) per annum simple interest from the date due to the date of such payment. Any final uneven payment will be due without discount. The discounting contemplated in this paragraph will be in accordance with the Financial Compound Interest and Annuity Tables, Sixth Edition published by the Financial Publishing Company. Upon such replacement or payment, as appropriate, this agreement and Secured Party's security interest will terminate with, and only with, respect to the Item of Equipment so replaced or as to which such payment is made in accordance with paragraph 2 above.

12. TITLING; REGISTRATION. Each Item of Equipment subject to title registration laws will at all times be titled and/or registered by Debtor as Secured Party's agent and attorney-in-fact with full power and authority to register (but without power to affect title to) the Equipment in such manner and in such jurisdiction or jurisdictions as Secured Party directs. Debtor will promptly notify Secured Party of any necessary or advisable retitling and/or reregistration of an Item of Equipment in a jurisdiction other than one in which such Item is then titled and/or registered. Any and all documents of title will be furnished or caused to be furnished Secured Party by Debtor within sixty (60) days of the date any titling or registering or retitling or reregistering, as appropriate, is directed by Secured Party.

13. TAXES. Debtor will make all filings as to and pay when due all personal property and other ad valorem taxes and all other taxes, fees, charges and assessments based on the ownership or use of the Equipment and will pay as directed by Secured Party or reimburse Secured Party for all taxes, including, but not limited to, gross receipts taxes (exclusive of federal and state taxes based on Secured Party's net income, unless such net income taxes are in substitution for or relieve Debtor from any taxes which Debtor would otherwise be obligated to pay under the terms of this paragraph 13), fees, charges and assessments whatsoever, however designated, whether based on the installment payments or other amounts due hereunder, levied, assessed or imposed upon the Equipment or otherwise related hereto or to the Equipment, now or hereafter levied, assessed or imposed under the authority of a federal, state or local taxing jurisdiction, regardless of when and by whom payable. Filings with respect to such other amounts will, at Secured Party's option, be made by Secured Party or by Debtor as directed by Secured Party.

14. INSURANCE. Debtor will procure and continuously maintain all risk

insurance against loss of or damage to the Equipment from any cause whatsoever for not less than the full replacement value thereof naming Secured Party as Loss Payee. Such insurance must be in a form and with companies approved by Secured Party, must provide for at least thirty (30) days advance written notice to Secured Party of cancellation, change or modification in any term, condition or amount of protection provided therein, must provide full breach of warranty protection and must provide that the coverage is "primary coverage" (does not require contribution from any other applicable coverage). Debtor will provide Secured Party with an original policy or certificate evidencing such insurance. In the event of an assignment of this agreement by Secured Party of which Debtor has notice, Debtor will cause such insurance to provide the same protection to the assignee as its interest may appear. The proceeds of such insurance, at the option of Secured Party or such assignee, as appropriate, will be applied toward (a) the repair or replacement of the appropriate Item or Items of Equipment, (b) payment of the Casualty Value thereof or (c) payment of, or as provision for, satisfaction of any other accrued obligations of Debtor hereunder. Debtor hereby appoints Secured Party as Debtor's attorney-in-fact with full power and authority to do all things, including, but not limited to, making claims, receiving payments and endorsing documents, checks or drafts, necessary to secure payments due under any policy contemplated hereby on account of a Casualty Occurrence. Debtor and Secured Party contemplate that the jurisdictions where the Equipment will be located will not impose any liability upon Secured Party for personal injury and/or property damage resulting out of the possession, use, operation or condition of the Equipment. In the event Secured Party determines that such is not or may not be the case with respect to a given jurisdiction, Debtor will provide Secured Party will public liability and property damage coverage applicable to the Equipment in such amounts and in such form as Secured Party requires.

15. SECURED PARTY'S PAYMENT. If Debtor fails to pay any amounts due hereunder or to perform any of its other obligations under this agreement, Secured Party may, at its option, but without obligation to do so, pay such amounts or perform such obligations, and Debtor will reimburse Secured Party the amount of such payment or cost of such performance.

16. INDEMNITY. Debtor does hereby assume liability for and does agree to indemnify, defend, protect, save and keep harmless Secured Party from and against any and all liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including court costs and legal expenses, of whatever kind and nature, imposed on, incurred by or asserted against Secured Party (whether or not also indemnified against by any other person) in any way relating to or arising out of this agreement or the manufacture, financing, ownership, delivery, possession, use, operation, condition or disposition of the Equipment by Secured Party or Debtor, including, without limitation, any claim alleging latent and other defects, whether or not discoverable by Secured Party or Debtor, and any other claim arising out of strict liability in tort, whether or not in either instance relating to an event occurring while Debtor remains obligated under this agreement, and any claim for patent, trademark or copyright infringement. Debtor agrees to give Secured Party and Secured Party agrees to give Debtor notice of any claim or liability hereby indemnified against promptly following learning thereof.

17. DEFAULT. Any of the following will constitute an event of default here under: (a) Debtor's failure to pay when due any installment payment or other amount due hereunder, which failure continues for ten (10) days after the due date thereof; (b) Debtor's default in performing any other obligation, term or condition of this agreement or any other agreement between Debtor and Secured Party or default under any further agreement providing security for the performance by Debtor of its obligations hereunder,

provided such default has continued for more than twenty (20) days, except as provided in (c) and (d) hereinbelow, or, without limiting the generality of subparagraph (l) hereinbelow, default under any lease or any mortgage or other instrument contemplating the provision of financial accommodation applicable to the real estate where an Item of Equipment is located; (c) any writ or order of attachment or execution or other legal process being levied on or charged against any Item of Equipment and not being released or satisfied within ten (10) days; (d) Debtor's failure to comply with its obligations under paragraph 14 above or any transfer by Debtor in violation of paragraph 21 below; (e) a non-appealable judgement for the payment of money in excess of $100,000 being rendered by a court of record against Debtor which Debtor does not discharge or make provision for discharge in accordance with the terms thereof within ninety (90) days from the date of entry thereof; (f) death or judicial declaration of incompetency of Debtor, if an individual; (g) the filing by Debtor of a petition under the Bankruptcy Act or any amendment thereto or under any other insolvency law or law providing for the relief of debtors, including, without limitation, a petition for reorganization, arrangement or extension, or the commission by Debtor of an act of bankruptcy; (h) the filing against Debtor of any such petition not dismissed or permanently stayed with thirty (30) days of the filing thereof; (i) the voluntary or involuntary making of an assignment of substantial portion of its assets by Debtor for the benefit of creditors, appointment of a receiver or trustee for Debtor or for any of Debtor's assets, institution by or against Debtor or any other type of insolvency proceeding (under the Bankruptcy Code or otherwise) or of any formal or informal proceeding for dissolution, liquidation, settlement of claims against or winding up of the affairs of Debtor, Debtor's cessation of business activities or the making by Debtor of a transfer of all or a material portion of Debtor's assets or inventory not in the ordinary course of business; (j) the occurrence of any event described in parts (e), (f), (g), (h) or (i) hereinabove with respect to any guarantor or other party liable for payment or performance of this agreement; (k) any certificate, statement, representation, warranty or audit heretofore or hereafter furnished with respect hereto by or on behalf of Debtor or any guarantor or other party liable for payment or performance of this agreement proving to have been false in any material respect at the time as of which the facts therein set forth were stated or certified or having omitted any substantial contingent or unliquidated liability or claim against Debtor or any such guarantor or other party; (l) [STRUCK THROUGH TEXT] (m) a transfer of effective control of Debtor, if an organization.

18. REMEDIES. Upon the occurrence of an event of default, Secured Party will have the rights, options, duties and remedies of a secured party, and Debtor will have the rights and duties of a debtor, under the Uniform Commercial Code (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and, without limiting the foregoing, Secured Party may exercise any one or more of the following remedies: (a) declare the Casualty Value or such lesser amount as may be set by law immediately due and payable with respect to any or all Items of Equipment without notice or demand to Debtor; (b) sue from time to time for and recover all installment payments and other payments then accrued and which accrue during the pendency of such action with respect to any or all Items of Equipment; (c) take possession of and, if deemed appropriate, render unusable any or all Items of Equipment, without demand or notice, wherever same may be located, without any court order or other process of law and without liability for any damages occasioned by such taking of possession and remove, keep and store the same or use and operate or lease the same until sold; (d) require Debtor to assemble any or all Items of Equipment at the Equipment Location therefor, such

location to which such Equipment may have been moved with the written consent of Secured Party or such other location in reasonable proximity to either of the foregoing as Secured Party designates; (e) upon ten days notice to Debtor or such other notice as may be required by law, sell or otherwise dispose of any Item of Equipment, whether or not in Secured Party's possession, in a commercially reasonable manner at public or private sale at any place deemed appropriate and apply the net proceeds of such sale, after deducting all costs of such sale, including, but not limited to, costs of transportation, repossession, storage, refurbishing, advertising and broker's fees, to the obligations of Debtor to Secured Party hereunder or otherwise, with Debtor remaining liable for any deficiency and with any excess being returned to Debtor; (f) upon thirty (30) days notice to Debtor, retain any repossessed or assembled Items of Equipment as Secured Party's own property in full satisfaction or Debtor's liability for the installment payments due hereunder with respect thereto, provided that Debtor will have the right to redeem such Items by payment in full of its obligations to Secured Party hereunder or otherwise or to require Secured Party to sell or otherwise dispose of such Items in the manner set forth in subparagraph (e) hereinabove upon notice to Secured Party within such thirty (30) day period or (g) utilize any other remedy available to Secured Party under the Uniform Commercial Code or similar provision of law or otherwise at law or in equity.

No right or remedy conferred herein is exclusive of any other right or remedy conferred herein or by law; but all such remedies are cumulative of every other right or remedy conferred hereunder or at law or in equity, by statute or otherwise, and may be exercised concurrently or separately from time to time. Any sale contemplated by subparagraph (e) of this paragraph 18 may be adjourned from time to time by announcement at the time and place appointed for such sale, or for any such adjourned sale, without further published notice, and Secured Party may bid and become the purchaser at any such sale. Any sale of an Item of Equipment, whether under said subparagraph or by virtue of judicial proceedings, will operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of

Debtor in and to said Item and will be a perpetual bar to any claim against such Item, both at law and in equity, against Debtor and all persons claiming by, through or under Debtor.

19. DISCONTINUANCE OF REMEDIES. If Secured Party proceeds to enforce any right under this agreement and such proceedings are discontinued or abandoned for any reason or are determined adversely, then and in every such case Debtor and Secured Party will be restored to their former positions and rights thereunder.

20. SECURED PARTY'S EXPENSES. Debtor will pay Secured Party all costs and expenses, including attorney's fees and court costs and sales costs not offset against sales proceeds under paragraph 18 above, incurred by Secured Party in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions or provisions hereof. This obligation includes the payment or reimbursement of all such amounts whether an action is ultimately filed and whether an action filed is ultimately dismissed.

21. ASSIGNMENT. Without the prior written consent of Secured Party, Debtor will not sell, lease, pledge or hypothecate, except as provided in this agreement, an Item of Equipment or any interest therein or assign, transfer, pledge or hypothecate this agreement or any interest in this agreement or permit the Equipment to be subject to any lien, charge or encumbrance of any nature except the security interest of Secured Party contemplated hereby. Debtor's interest herein is not assignable and will not be assigned or transferred by operation of law. Consent to any of the foregoing prohibited acts applies only in the given instance and is not a consent to any subsequent like act by Debtor or any person.

All rights of Secured Party hereunder may be assigned pledged, mortgaged, transferred or otherwise disposed of, either in whole or in part, without notice to Debtor but always, however, subject to the rights of Debtor under this agreement. If Debtor is given notice of any such assignment, Debtor will acknowledge receipt thereof in writing. In the event Secured Party assigns this agreement or the installment payments due or to become due hereunder or any other interest herein, whether as security for any of its indebtedness or otherwise, no breach or default by Secured Party hereunder or pursuant to any other agreement between Secured Party and Debtor, should there be one, will excuse performance by Debtor of any provision hereof, it being understood that in the event of such default or breach by Secured Party that Debtor will pursue any rights on account thereof solely against Secured Party. No such assignee, unless such assignee agrees in writing, will be obligated to perform any duty, covenant or condition required to be performed by Secured Party in connection with this agreement.

Subject always to the foregoing, this agreement insures to the benefit of, and is binding upon, the heirs, legatees, personal representatives, successors and assigns of the parties thereto.

22. MARKINGS; PERSONAL PROPERTY. If Secured Party supplies Debtor with labels, plates, decals or other markings stating that Secured Party has an interest in the Equipment, Debtor will affix and keep the same prominently displayed on the Equipment or will otherwise make the Equipment or its then location or locations, as appropriate, at Secured Party's request to indicate Secured Party's security interest in the Equipment. The Equipment is, and at all times will remain, personal property notwithstanding that the Equipment or any Item thereof may now be, or hereafter become, in any manner affixed or attached to, or embedded in, or permanently resting upon real property or any improvement thereof or attached in any manner to what is permanent as by means of cement, plaster, nails, bolts, screws or otherwise. If requested by Secured Party, Debtor will obtain and deliver to Secured Party waivers of interest or liens in recordable form satisfactory to Secured Party from all persons claiming any interest in the real property on which an Item of Equipment is or is to be installed or located.

23. LATE CHARGE. If Debtor fails to pay any installment payment or any other sum to be paid by Debtor to Secured Party within seven (7) days of when due, Debtor will pay to Secured Party (a) Secured Party's collection costs paid third parties relevant to the collection thereof and (b) interest on such unpaid installment or other amount at the rate of eighteen (18%) per annum, or at such greater or lesser contract rate as may be applicable, computed from the date due to the date paid.

24. NON-WAIVER. No covenant or condition of this agreement can be waived except by the written consent of Secured Party. Forbearance or indulgence by Secured Party in regard to any breach hereunder will not constitute a waiver of the related covenant or condition to be performed by Debtor.

25. ADDITIONAL DOCUMENTS. In connection with and in order to perfect and evidence the security interest in the Equipment granted Secured Party hereunder Debtor will execute and deliver to Secured Party such financing statements and similar documents as Secured Party requests. Debtor authorizes Secured Party where permitted by law to make filings of such financing statements without Debtor's signature. Debtor further will furnish Secured Party (a) a fiscal year end financial statement including balance sheet and profit and loss statement within one hundred twenty (120) days of the close of each fiscal year, (b) any other information normally provided by Debtor to the public and (c) such other financial data or information relative to this agreement and the Equipment, including, without limitation, copies of vendor proposals and purchase orders and agreements, listings of serial numbers or other identification data and confirmations of such information, as Secured Party may from time to time reasonably request. Debtor will procure

and/or execute, have executed, acknowledge, have acknowledged, deliver to Secured Party, record and file such other documents and showings as Secured Party deems necessary or desirable to protect its interest in and rights under this agreement and interest in the Equipment. Debtor will pay as directed by Secured Party or reimburse Secured Party for all filing, search, title report, legal and other fees incurred by Secured Party in connection with any documents to be provided by Debtor pursuant to this paragraph or paragraph 22 and any further similar documents Secured Party may procure.

26. DEBTOR'S WARRANTIES. Debtor certifies and warrants that the financial data and other information which Debtor has submitted, or will submit, to Secured Party in connection with this agreement is, or will be at time of delivery, as appropriate, a true and complete statement of the matters therein contained. Debtor further certifies and warrants that (a) this agreement has been duly authorized by Debtor and when executed and delivered by the person signing on behalf of Debtor below will constitute the legal, valid and binding obligation, contract and agreement of Debtor enforceable against Debtor in accordance with its respective terms; (b) this agreement and each and every showing provided by or on behalf of Debtor in connection herewith may be relied upon by Secured Party in accordance with the terms thereof notwithstanding the failure of Debtor or other applicable party to ensure proper attestation thereto, whether by absence of a seal or acknowledgement or otherwise; (c) Debtor has the right, power and authority to grant a security interest in the Equipment to Secured Party

for the uses and purposes herein set forth and (d) each Item of Equipment will, at the time such Item becomes subject hereto, be in good repair, condition and working order.

27. ENTIRE AGREEMENT. This instrument constitutes the entire agreement between Secured Party and Debtor and will not be amended, altered or changed except by a written agreement signed by the parties.

28. NOTICES. Notices under this agreement must be in writing and must be mailed by United States mail, certified mail with return receipt requested, duly addressed, with postage prepaid, to the party involved at its respective address set forth at the foot hereof or at such other address as such party may provide on notice to the other from time to time. Notices will be effective when deposited. Each party will promptly notify the other of any change in the first party's address.

29. GENDER; NUMBER; JOINT AND SEVERAL LIABILITY. Whenever the context of this agreement requires, the neuter gender includes the feminine or masculine and the singular number includes the plural; and whenever the words "Secured Party" are used herein, they include all assignees of Secured Party, it being understood that specific reference to "assignee" in paragraph 14 above is for further emphasis. If there is more than one Debtor named in this agreement, the liability of each will be joint and several.

30. TITLES. The titles to the paragraphs of this agreement are solely for the convenience of the parties and are not an aid in the interpretation of the instrument.

31. GOVERNING LAW; VENUE. This agreement will be governed and construed in accordance with the law of the State of California. Venue for any action related to this agreement will be in an appropriate court in San Diego County, California, to which Debtor consents, or in another court selected by Secured Party which has jurisdiction over the parties. In the event any provision hereof is declared invalid, such provision will be deemed severable from the remaining provisions of this agreement which will remain in full force and effect.

32. TIME. Time is of the essence of this agreement and each and all of its provisions.

IN WITNESS WHEREOF, the undersigned have executed this agreement as of this 19th day or September, 1994.

HERITAGE LEASING CAPITAL (Secured Party)	VIASAT, INC. (Debtor)
By: /s/ RONALD L. WAGNER, President Ronald L. Wagner (Title)	By: /s/ GREGORY MONAHAN, Vice President of Administration Gregory Monahan (Title)
	By:_____ (Title)
Address: 5775 Chesapeake Court San Diego, CA 92123	Address: 2290 Cosmos Court Carlsbad, CA 92009

CERTIFICATE OF SECRETARY
AS TO ADOPTION OF RESOLUTIONS
(CORPORATE CUSTOMER)

The undersigned, Mark J. Miller ,
(Corporate Secretary)

hereby certifies that he/she is now, and at all times herein mentioned has been, the duly elected, qualified and acting Secretary of

VIASAT, INC. ,
(Name of Corporation)

a duly organized and existing corporation, and in charge of the minute book and corporate records of said corporation; that the following is a full, true and correct copy of certain resolutions adopted by the Board of Directors of said corporation at a meeting thereof duly held on

19/Sept. 1994 , at which meet a quorum of said Board was at all times present and acting;
(Date)

and that said resolutions have not been modified nor rescinded and are at the date of this certificate in full force and effect:

WHEREAS it is in the best interest of this corporation to enter into a certain Equipment Lease Agreement, Equipment Financing Agreement or other agreement with

HERITAGE LEASING CAPITAL
("Lessor/Secured Party") and, where appropriate, commitments now or hereafter contemplating the receipt by this corporation of financial accommodation from Lessor/Secured Party under the terms and conditions of said Equipment Lease Agreement, Equipment Financing Agreement or other agreement and may in the future be in this corporation's best interests to enter into further such agreements or other agreements with Lessor/Secured Party.

NOW THEREFORE BE IT RESOLVED: That the officers of this corporation listed below, and each of them, are hereby authorized and directed to execute, acknowledge and deliver in the name of and on behalf of this corporation said Equipment Lease Agreement, Equipment Financing Agreement or other agreement, said commitments and any such further agreement.

RESOLVED FURTHER: That the officers, agents and employees of this corporation be and each of them is hereby authorized and empowered to do and perform such other acts and things, and to make, execute, acknowledge, procure and deliver all such other instruments and documents, on behalf of this corporation as may be necessary or be by such officer, agent or employee deemed appropriate to comply with, or to evidence compliance with, the terms, conditions or provisions of said Equipment Lease Agreement, Equipment Financing Agreement or other agreement, any such commitment or any said further agreement and to consummate the transactions from time to time contemplated thereby.

RESOLVED FURTHER: That this corporation hereby ratifies and confirms the acts of the officers, agents or employees of this corporation in heretofore entering into any Equipment Lease Agreement, Equipment Financing Agreement, commitment or other agreement with Lessor/Secured Party together with any other acts performed in relation thereto.

RESOLVED FURTHER: That the Secretary of this corporation be and he/she is hereby authorized and directed to execute, acknowledge and deliver a certified copy of these resolutions to Lessor/Secured Party and any other person or agency which may require a copy of these resolutions.

RESOLVED FURTHER: That the following are the true names and specimen signatures of the incumbent officers of this corporation authorized by these resolutions to so execute, acknowledge and deliver said Equipment Lease Agreement, Equipment Financing Agreement or other agreement, said commitments and said further agreements.

(Type names below)	(For Signature)		
	, President	X	
	, Vice Pres.	X	
Mark J. Miller	, Secretary	X	/s/ Mark J. Miller
Gregory Monahan	, Vice President, Administration	X	/s/ Gregory Monahan
	(Title)		

RESOLVED FURTHER, That Lessor/Secured Party is authorized to act upon these resolutions until written notice of the revocation thereof is delivered to Lessor/Secured Party, any such revocation in no way to affect the obligations of this corporation to Lessor/Secured Party under any agreements entered into by this corporation pursuant to the terms of these resolutions prior to receipt by Lessor/Secured Party of such notice of revocation.

IN WITNESS WHEREOF, the undersigned has executed this Certificate the 19th day of September, 1994.

/s/ Mark J. Miller

Mark J. Miller (Secretary)

(Corporate Seal Must Be Affixed
But Failure Not To Affect
Validity Or Reliance)

Heritage Leasing Capital
5775 Chesapeake Court
San Diego, CA 92123

CERTIFICATE OF SECRETARY
AS TO ADOPTION OF RESOLUTIONS
(Corporate Customer)

The undersigned, Mark J. Miller
(Corporate Secretary)

hereby certifies that he/she is now, and at all times herein mentioned has been, the duly elected, qualified and acting Secretary of VIASAT, INC.
(Name of Corporation)

a duly organized and existing corporation, and in charge of the minute book and corporate records of said corporation; that the following is a full, true and correct copy of certain resolutions adopted by the Board of Directors of said corporation at a meeting thereof duly held on _____, at which meeting a
(Date)

quorum of said Board was at all times present and acting; and that said resolutions have not been modified nor rescinded and are at the date of this certificate in full force and effect:

WHEREAS it is in the best interest of this corporation to enter into a certain Equipment Lease Agreement, Equipment Financing Agreement or other agreement with HERITAGE LEASING CAPITAL ("Lessor/ Secured Party") and, where appropriate, commitments now or hereafter contemplating the receipt by this corporation of financial accommodation from Lessor/ Secured Party under the terms and conditions of said Equipment Lease Agreement, Equipment Financing Agreement or other agreement and may in the future be in this corporation's best interests to enter into further such agreements or other agreements with Lessor/Secured Party.

NOW THEREFORE BE IT RESOLVED: That the officers of this corporation listed below, and each of them, are hereby authorized and directed to execute, acknowledge and deliver in the name of and on behalf of this corporation said Equipment Lease Agreement, Equipment Financing Agreement or other agreement, said commitments and any such further agreement.

RESOLVED FURTHER: That the officers, agents and employees of this corporation be and each of them is hereby authorized and empowered to do and perform such other acts and things, and to make, execute, acknowledge, procure and deliver all such other instruments and documents, on behalf of this corporation as may be necessary or be by such officer, agent or employee deemed appropriate to comply with, or to evidence compliance with, the terms, conditions or provisions of said Equipment Lease Agreement, Equipment Financing Agreement or other agreement, any such commitment or any said further agreement and to consummate the transactions from time to time contemplated thereby.

RESOLVED FURTHER: That this corporation hereby ratifies and confirms the acts of the officers, agents or employees of this corporation in heretofore entering into any Equipment Lease Agreement, Equipment Financing Agreement, commitment or other agreement with Lessor/Secured Party together with any other acts performed in relation thereto.

RESOLVED FURTHER: That the Secretary of this corporation be and he/she is hereby authorized and directed to execute, acknowledge and deliver a certified copy of these resolutions to Lessor/Secured Party and any other person or agency which may require a copy of these resolutions.

RESOLVED FURTHER: That the following are the true names and specimen signatures of the incumbent officers of this corporation authorized by these resolutions to so execute, acknowledge and deliver said Equipment Lease Agreement, Equipment Financing Agreement or other agreement, said commitments and said further agreements.

FROM: VIASAT, INC.
2290 Cosmos Court
Carlsbad, CA 92009

TO: Mr. Carl Rosen
E. J. PHELPS & COMPANY
2250 Fourth Avenue, Suite 200
San Diego, CA 92101

Phone: (619) 231-1643
Fax: (619) 231-0432

Dear Mr. Rosen:

We have entered into an equipment financing agreement arranged by HERITAGE LEASING CAPITAL, for the equipment shown below or on the attached schedule.

EQUIPMENT LOCATION: Same as above

EQUIPMENT DESCRIPTION: Computer and Laboratory Equipment

Please provide Heritage with an insurance certificate with the following endorsements:

LENDER'S LOSS PAYABLE: BANK OF THE WEST

EFA #: 16439

EQUIPMENT COST: $400,000.00

Please FAX A COPY of the Certificate of Insurance to Heritage Leasing at 619/277-0302, and forward the original to:

BANK OF THE WEST
1450 TREAT BOULEVARD
WALNUT CREEK, CA 94596

Very truly yours,

VIASAT, INC.

By: /s/ Gregory Monahan

Gregory Monahan
Vice President of Administration

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IMPORTANT--READ INSTRUCTIONS ON BACK BEFORE FILLING OUT FORM

This FINANCING STATEMENT is presented for filing and will remain effective with certain exceptions for a period of five years from the date of filing pursuant to section 9403 of the California Uniform Commercial Code.

16439

1. DEBTOR (LAST NAME FIRST--IF AN INDIVIDUAL) — 1A. SOCIAL SECURITY OR FEDERAL TAX NO.

VIASAT, INC. — 33-0174996

1B. MAILING ADDRESS: 2290 Cosmos Court — 1C. CITY, STATE: Carlsband, CA — 1D. ZIP CODE: 92009

2. ADDITIONAL DEBTOR (IF ANY) (LAST NAME FIRST--IF AN INDIVIDUAL — 2A. SOCIAL SECURITY OR FEDERAL TAX NO.

2B. MAILING ADDRESS — 2C. CITY, STATE — 2D. ZIP CODE

3. DEBTOR'S TRADE NAMES OR STYLES (IF ANY) — 3A. FEDERAL TAX NUMBER

4. SECURED PARTY — 4A. SOCIAL SECURITY NO., FEDERAL TAX NO. OR BANK TRANSIT AND A.B.A. NO.

NAME: HERITAGE LEASING CAPITAL
MAILING ADDRESS: 5775 Chesapeake Court — 33-0098465
CITY: San Diego STATE CA ZIP CODE 92123

5. ASSIGNEE OF SECURED PARTY (IF ANY) — 5A. SOCIAL SECURITY NO., FEDERAL TAX NO. OR BANK TRANSIT AND A.B.A. NO.

NAME: Bank of the West, Equipment Leasing
MAILING ADDRESS: P.O. Box 8188 — 94-0475440
CITY: Walnut Creek STATE CA ZIP CODE 94596

6. This FINANCING STATEMENT covers the following types or items of property (INCLUDE DESCRIPTION OF REAL PROPERTY ON WHICH LOCATED AND OWNER OF RECORD WHEN REQUIRED BY INSTRUCTION 4).

All equipment and other property now or hereafter covered by that certain Equipment Financing Agreement between Secured Party and Debtor, EFA Number 16439 dated as of September 19, 1994 and all accessions and additions to, modifications of and replacements and substitutions for such equipment and other property. Such equipment includes property of the following type or types:

COMPUTER AND LABORATORY EQUIPMENT

7. CHECK IF APPLICABLE [x] — 7A. [ ] PRODUCTS OF COLLATERAL ARE ALSO COVERED — 7B. DEBTOR(S) SIGNATURE NOT REQUIRED IN ACCORDANCE WITH INSTRUCTION 5(a) ITEM: [ ] (1) [ ] (2) [ ] (3) [ ] (4)

8. CHECK IF APPLICABLE [x] [ ] DEBTOR IS A "TRANSMITTING UTILITY" IN ACCORDANCE WITH UCC SEC. 9105(1)(n)

9. DATE: 9-19-94

-- /s/ GREGORY MONAHAN
Gregory Monahan, V.P. of Administration
SIGNATURE(S) OF DEBTOR(S)

VIASAT, INC. 1

TYPE OR PRINT NAMES(S) OF DEBTOR(S) 2

-- 3

SIGNATURE(S) OF SECURED PARTY(IES) 4

HERITAGE LEASING CAPITAL 5

TYPE OR PRINT NAME(S) OF SECURED PARTY(IES) 6

C O D E — 10. THIS SPACE FOR USE OF FILING OFFICER (DATE, TIME, FILE NUMBER AND FILING OFFICER)

11. Return copy to: 7

NAME [ ]
[ ] 8
ADDRESS [ ]
[ ] 9
CITY [ ]
[ ] 0
STATE [ ]
[ ]

ZIP CODE [ ]

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FORM UCC-1
APPROVED BY THE SECRETARY OF STATE

EXHIBIT 10.18

HERITAGE LEASING CAPITAL

EQUIPMENT FINANCING COMMITMENT EFA No. 16492

Subject to the terms set forth in this commitment, the following equipment financing transaction is agreed to by the undersigned Debtor and HERITAGE LEASING CAPITAL ("Secured Party") in connection with the terms of the Equipment Financing Agreement herein referenced (the "Agreement").

Equipment Financing Agreement: dated as of DECEMBER 6, 1994.

Equipment (all Equipment to be acceptable to Secured Party): COMPUTER AND LABORATORY EQUIPMENT

Commitment Amount: $400,000.00

Installment Payments: FORTY-EIGHT (48) payments of 2.542% of advance payable MONTHLY in ADVANCE. FIRST AND LAST SUCH PAYMENTS ARE DUE AT TIME OF SCHEDULING.

Commitment Expiration Date: FEBRUARY 2, 1995. As more fully explained below, Secured Party has no obligation to make any advance with respect to Equipment not covered by a Schedule to the Agreement executed by Secured Party and Debtor on or prior to this date.

Debtor will comply with, procure, execute and/or have executed, acknowledge, have acknowledged, deliver to Secured Party, record and file any documents set forth in Exhibit A or accompanying this commitment. The form, substance and sufficiency of all documents and showings employed in documenting the contemplated financing transaction must be acceptable to Secured Party and its counsel. Debtor will do likewise as to such further documents and showings as Secured Party and its counsel may now or hereafter deem necessary or advisable to protect Secured Party's rights under the Agreement and interest in the Equipment. Debtor will pay as directed by Secured Party or reimburse Secured Party for all searches, filings, title reports, attorney's services and other charges incurred by Secured Party in connection with all such documents and showings and any similar documents and showings Secured Party may procure.

Secured Party may, at its option, terminate its obligations to Debtor hereunder with respect to any and all unscheduled Items of Equipment: (a) at or subsequent to the Commitment Expiration Date, (b) upon the advent of a material adverse change in Debtor's financial condition or Debtor's probable ability to perform its obligations under the Agreement, (c) if the Agreement or any other agreement under which Debtor has obligations to Secured Party is in default or an event which with the giving of notice or lapse of time or both would constitute such a default has occurred and is continuing or (d) with respect to which more than fifteen percent (15%) would be advanced for shipping costs, installation charges and design costs by giving Debtor written notice of such termination.

ACCEPTED AND AGREED TO:	ACCEPTED AND AGREED TO:
December 6, 1994	December 6, 1994
HERITAGE LEASING CAPITAL (Secured Party)	VIASAT, INC. (Debtor)
By: /s/ Ronald L. Wagner President	By: /s/ Gregory Monahan Vice President of Administration
Ronald L. Wagner (Title)	Gregory Monahan (Title)
Address: 5775 Chesapeake Court San Diego, CA 92123	Address: 2290 Cosmos Court Carlsbad, CA 92009

EXHIBIT A TO EQUIPMENT FINANCING COMMITMENT

Accepted by Debtor as of December 6, 1994

These provisions hereby become part of the Equipment Financing Commitment dated December 6, 1994, between HERITAGE LEASING CAPITAL and its assignee(s), Secured Party, and VIASAT, INC., Debtor.

In addition to the terms of the Agreement, Debtor further agrees to the following additional provisions:

1. UCC SEARCH/RELEASES
The Secured Party may search all public records of Debtor to locate and identify any conflicting liens against the above referenced Equipment. Releases from any intervening parties holding a security interest in said Equipment shall be required prior to funding provided herein.

2. TYPE OF FINANCING
This is a net equipment financing transaction whereby maintenance, insurance, property taxes, and all items of a similar nature are for the account of the Debtor.

3. EXPENSES
All expenses associated with the completion of this Agreement including, but not limited to, UCC filing fees and searches, documentation costs, legal expenses, and equipment verification costs are for the account of the Debtor.

4. MASTER AGREEMENT
This is a Master Equipment Financing Agreement whereby Schedules may be funded as equipment is delivered. Each Schedule to the Agreement, however, shall cover equipment with a minimum aggregate cost of $20,000.00.

5. INSTALLMENT PAYMENT AMOUNT
The installment payment amount of $25.42 per $1,000.00 of advance payable monthly in advance is based on the yield of two-year Treasury Notes yielding 7.38% as published in the Wall Street Journal on Friday, December 2, 1994 (the "Index") and will apply for all schedules funded by January 2, 1995. If a financing schedule is funded after January 2, 1995 the rate shall be increased proportionally to any increase in the Index. No downward adjustment will be made below the floor index rate of 7.38%. Once a schedule is funded, however, the rate will then be fixed for the term of the agreement.

6. COMMITMENT EXPIRATION DATE
The commitment expiration date of February 2, 1995 may be extended sixty (60) days upon review by Secured Party of the Debtor's then current financial condition. Debtor agrees to provide Secured Party such financial information and other information Secured Party may reasonably request to evaluate Debtor's financial condition for purposes of granting such extension.

INITIAL
[GM]

[HERITAGE LEASING CAPITAL LOGO] HERITAGE LEASING CAPITAL

EQUIPMENT FINANCING AGREEMENT

EFA NO. 16492

THIS EQUIPMENT FINANCING AGREEMENT ("agreement") is dated as of the date set forth at the foot hereof and is between HERITAGE LEASING CAPITAL ("Secured Party") and the debtor designated at the foot hereof ("Debtor").

1. EQUIPMENT; SECURITY INTEREST. The terms and conditions of this agreement cover each item of machinery, equipment and other property (individually an "Item" or "Item of Equipment" and collectively the "Equipment") described in a schedule now or hereafter executed by the parties hereto and made a part hereof (individually a "Schedule" and collectively the "Schedules"). Debtor hereby grants Secured Party a security interest in and to all Debtor's right, title and interest in and to the Equipment under the Uniform Commercial Code, such grant with respect to an Item of Equipment to be as of Debtor's execution of a related equipment financing commitment referencing this agreement or, if Debtor then has no interest in such Item, as of such subsequent time as Debtor acquires an interest in the Item. Such security interest is granted by Debtor to secure performance by Debtor of Debtor's obligations to Secured Party hereunder and under any other agreements under which Debtor has or may hereafter have obligations to Secured Party. Debtor will ensure that such security interest will be and remain a sole and valid first lien security interest subject only to the lien of current taxes and assessments not in default but only if such taxes are entitled to priority as a matter of law.

2. DEBTOR'S OBLIGATIONS. The obligations of Debtor under this agreement respecting an Item of Equipment, except the obligation to pay installment payments with respect thereto which will commence as set forth in paragraph 3 below, commence upon the grant to Secured Party of a security interest in the Item. Debtor's obligations hereunder with respect to an Item of Equipment and Secured Party's security interest therein will continue until payment of all amounts due, and performance of all terms and conditions required, hereunder with respect thereto; provided, however, that if this agreement is then in default said obligations and security interest will continue during the continuance of said default. Upon termination of Secured Party's security interest in an Item of Equipment, Secured Party will execute such release of interest with respect thereto as Debtor reasonably requests.

3. INSTALLMENT PAYMENTS AND OTHER PAYMENTS. Debtor will repay advances Secured Party makes on account of the Equipment together with interest in installment payments in the amounts and at the times set forth in the Schedules, whether or not Secured Party has rendered an invoice therefor, at the office of Secured Party set forth at the foot hereof, or to such person and/or at such other place as Secured Party may from time to time designate on notice to Debtor. Any other amounts required to be paid Secured Party by Debtor hereunder are due upon Debtor's receipt of Secured Party's invoice therefor and will be payable as directed in the invoice. Payments under this agreement may be applied to Debtor's then accrued obligations to Secured Party in such order as Secured Party may choose.

4. NET AGREEMENT; NO OFFSET; SURVIVAL. This agreement is a net agreement, and Debtor will not be entitled to any abatement of installment payments or other payments due hereunder or any reduction thereof under any circumstances or for any reason whatsoever. Debtor hereby waives any and all existing and future claims, as offsets, against any installment payments or other payments due hereunder and agrees to pay the installment payments and other amounts due hereunder as and when due regardless of any offset or claim which may be asserted by Debtor or on its behalf. The obligations and liabilities of Debtor hereunder will survive the termination of this agreement.

5. FINANCING AGREEMENT. THIS AGREEMENT IS SOLELY A FINANCING AGREEMENT. DEBTOR ACKNOWLEDGES THAT THE EQUIPMENT HAS OR WILL HAVE BEEN SELECTED AND ACQUIRED SOLELY BY DEBTOR FOR DEBTOR'S PURPOSES, THAT SECURED PARTY IS NOT AND WILL NOT BE THE VENDOR OF ANY EQUIPMENT AND THAT SECURED PARTY HAS NOT MADE AND WILL NOT MAKE ANY AGREEMENT, REPRESENTATION OR WARRANTY WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALIFICATION OR FITNESS FOR A PARTICULAR PURPOSE OR VALUE OF THE EQUIPMENT OR ANY OTHER MATTER WITH RESPECT THERETO IN ANY RESPECT WHATSOEVER.

6. NO AGENCY. DEBTOR ACKNOWLEDGES THAT NO AGENT OF THE MANUFACTURE OR OTHER SUPPLIER OF AN ITEM OF EQUIPMENT OR OF ANY FINANCIAL INTERMEDIARY IN CONNECTION WITH THIS AGREEMENT IS AN AGENT OF SECURED PARTY. SECURED PARTY IS NOT BOUND BY A REPRESENTATION OF ANY SUCH PARTY AND, AS CONTEMPLATED IN PARAGRAPH 27 BELOW, THE ENTIRE AGREEMENT OF SECURED PARTY AND DEBTOR CONCERNING THE FINANCING OF THE EQUIPMENT IS CONTAINED IN THIS AGREEMENT AS IT MAY BE AMENDED AS PROVIDED IN THAT PARAGRAPH.

7. ACCEPTANCE. Execution by Debtor and Secured Party of a Schedule covering the Equipment or any Items thereof will conclusively establish that such Equipment has been included under and will be subject to all the terms and conditions of this agreement. If Debtor has not furnished Secured Party with a Schedule by the earlier of fourteen (14) days after receipt thereof or expiration of the commitment period set forth in the applicable equipment financing commitment, Secured Party may

terminate its obligation to advance funds as to the applicable Equipment.

8. LOCATION; INSPECTION; USE. Debtor will keep, or in the case of motor vehicles, permanently garage and not remove from the United States, as appropriate, each Item of Equipment in Debtor's possession and control at the Equipment Location designated in the applicable Schedule, or at such other location to which such Item or Equipment may have been moved with the prior written consent of Secured Party. Whenever requested by Secured Party, Debtor will advise Secured Party as to the exact location of an Item of Equipment. Secured Party will have the right to inspect the Equipment and observe its use during normal business hours and to enter into and upon the premises where the Equipment may be located for such purpose. The Equipment will at all times be used solely for commercial or business purposes and operated in a careful and proper manner and in compliance with all applicable laws, ordinances, rules and regulations, all conditions and requirements of the policy of insurance required to be carried by Debtor under the terms of this agreement and all manufacturer's instructions and warranty requirements. Any modifications or additions to the Equipment required by any such governmental edict or insurance policy will be promptly made by Debtor.

9. ALTERATIONS; SECURITY INTEREST COVERAGE. Without the prior written consent of Secured Party, Debtor will not make any alterations, additions or improvements to any Item of Equipment which detract from its economic value or functional utility, except as may be required pursuant to paragraph 8 above. Secured Party's security interest in the Equipment will include all modifications and additions thereto and replacements and substitutions therefor, in whole or in part. Such reference to replacements and substitutions will not grant Debtor greater rights to replace or substitute than are provided in paragraph 11 below or as may be allowed upon the prior written consent of Secured Party.

10. MAINTENANCE. Debtor will maintain the Equipment in good repair, condition and working order. Debtor also will cause each Item of Equipment for which a service contract is generally available to the covered by such a contract which provides coverages typical as to property of the type involved and is issued by a competent servicing entity.

11. LOSS AND DAMAGE; CASUALTY VALUE. In the event of the loss of, theft of, requisition of, damage to or destruction of an Item of Equipment ("Casualty Occurrence") Debtor will give Secured Party prompt notice thereof and will thereafter place such Item in good repair, condition and working order; provided, however, that if such Item is determined by Secured Party to be lost, stolen, destroyed or damaged beyond repair, is requisitioned or suffers a constructive total loss as defined in any applicable insurance policy carried by Debtor in accordance with paragraph 14 below, Debtor, at Secured Party's option, will (a) replace the Item with like equipment in good repair, condition and working order whereupon such replacement equipment will be deemed such Item for all purposes hereof or (b) pay Secured Party the "Casualty Value" of such Item which will equal the total of (i) all installment payments and other amounts due from Debtor to Secured Party at the time of such payment and (ii) each future installment payment due with respect to such Item with each such payment other than any final uneven payment discounted at eight percent (8%) per annum simple interest from the date due to the date of such payment. Any final uneven payment will be due without discount. The discounting contemplated in this paragraph will be in accordance with the Financial Compound Interest and Annuity Tables, Sixth Edition published by the Financial Publishing Company. Upon such replacement or payment, as appropriate, this agreement and Secured Party's security interest will terminate with, and only with, respect to the Item of Equipment so replaced or as to which such payment is made in accordance with paragraph 2 above.

12. TITLING; REGISTRATION. Each Item of Equipment subject to title registration laws will at all times be titled and/or registered by Debtor as Secured Party's agent and attorney-in-fact with full power and authority to register (but without power to affect title to) the Equipment in such manner and in such jurisdiction or jurisdictions as Secured Party directs. Debtor will promptly notify Secured Party of any necessary or advisable retitling and/or reregistration of an Item of Equipment in a jurisdiction other than one in which such Item is then titled and/or registered. Any and all documents of title will be furnished or caused to be furnished Secured Party by Debtor within sixty (60) days of the date any titling or registering or retitling or reregistering, as appropriate, is directed by Secured Party.

13. TAXES. Debtor will make all filings as to and pay when due all personal property and other ad valorem taxes and all other taxes, fees, charges and assessments based on the ownership or use of the Equipment and will pay as directed by Secured Party or reimburse Secured Party for all taxes, including, but not limited to, gross receipts taxes (exclusive of federal and state taxes based on Secured Party's net income, unless such net income taxes are in substitution for or relieve Debtor from any taxes which Debtor would otherwise be obligated to pay under the terms of this paragraph 13), fees, charges and assessments whatsoever, however designated, whether based on the installment payments or other amounts due hereunder, levied, assessed or imposed upon the Equipment or otherwise related hereto or to the Equipment, now or hereafter levied, assessed or imposed under the authority of a federal, state or local taxing jurisdiction, regardless of when and by whom payable. Filings with respect to such other amounts will, at Secured Party's option, be made by Secured Party or by Debtor as directed by Secured Party.

14. INSURANCE. Debtor will procure and continuously maintain all risk insurance against loss of or damage to the Equipment from any cause whatsoever for not less than the full replacement value thereof naming Secured Party as Loss Payee. Such insurance must be in a form and with companies approved by Secured Party, must provide at least thirty (30) days advance written notice to Secured Party of cancellation, change or modification in any term, condition or amount of protection provided therein, must provide full breach of warranty protection and must provide that the coverage is "primary coverage" (does not require contribution from any other applicable coverage). Debtor will provide Secured Party with an original policy or certificate evidencing such insurance. In the event of an assignment of this agreement by Secured Party of which Debtor has notice, Debtor will cause such insurance to provide the same protection to the assignee as its interest may appear. The proceeds of such insurance, at the option of Secured Party or such assignee, as appropriate, will be applied toward (a) the repair or replacement of the appropriate Item or Items of Equipment, (b) payment of the Casualty Value thereof or (c) payment of, or as provision for, satisfaction of any other accrued obligations of Debtor hereunder. Debtor hereby appoints Secured Party as Debtor's attorney-in-fact with full power and authority to do all things, including, but not limited to, making claims, receiving payments and endorsing documents, checks or drafts, necessary to secure payments due under any policy contemplated hereby on account of a Casualty Occurrence. Debtor and Secured Party contemplate that the jurisdictions where the Equipment will be located will not impose any liability upon Secured Party for personal injury and/or property damage resulting out of the possession, use, operation or condition of the Equipment. In the event Secured Party determines that such is not or may not be the case with respect to a given jurisdiction, Debtor will provide Secured Party with public liability and property damage coverage applicable to the Equipment in such amounts and in such form as Secured Party requires.

15. SECURED PARTY'S PAYMENT. If Debtor fails to pay any amounts due hereunder or to perform any of its other obligations under this agreement, Secured Party may, at its option, but without any obligation to do so, pay such amounts or perform such obligations, and Debtor will reimburse Secured Party the amount of such payment or cost of such performance.

16. INDEMNITY. Debtor does hereby assume liability for and does agree to indemnify, defend, protect, save and keep harmless Secured Party from and against any and all liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including court costs and legal expenses, of whatever kind and nature, imposed on, incurred by or asserted against Secured Party (whether or not also indemnified against by any other person) in any way relating to or arising out of this agreement or the manufacture, financing, ownership, delivery, possession, use, operation, condition or disposition of the Equipment by Secured Party or Debtor, including, without limitation, any claim alleging latent and other defects, whether or not discoverable by Secured Party or Debtor, and any other claim arising out of strict liability in tort, whether or not in either instance relating to an event occurring while Debtor remains obligated under this agreement, and any claim for patent, trademark or copyright infringement. Debtor agrees to give Secured Party and Secured Party agrees to give Debtor notice of any claim or liability hereby indemnified against promptly following learning thereof.

17. DEFAULT. Any of the following will constitute an event of default here under: (a) Debtor's failure to pay when due any installment payment or other amount due hereunder, which failure continues for ten (10) days after the due date thereof; (b) Debtor's default in performing any other obligation, term or condition of this agreement or any other agreement between Debtor and Secured Party or default under any further agreement providing security for the performance by Debtor of its obligations hereunder, provided such default has continued for more than twenty (20) days, except as provided in (c) and (d) hereinbelow, or, without limiting the generality of subparagraph (1) hereinbelow, default under any lease or any mortgage or other instrument contemplating the provision of financial accommodation applicable to the real estate where an Item of Equipment is located; (c) any writ or order of attachment or execution or other legal process being levied on or charged against any Item of Equipment and not being released or satisfied within ten (10) days; (d) Debtor's failure to comply with its obligations under paragraph 14 above or any transfer by Debtor in violation of paragraph 21 below; (e) a non-appealable judgement for the payment of money in excess of $100,000 being rendered by a court of record against Debtor which Debtor does not discharge or make provision for discharge in accordance with the terms thereof within ninety (90) days from the date of entry thereof; (f) death or judicial declaration of incompetency of Debtor, if an individual; (g) the filing by Debtor of a petition under the Bankruptcy Act or any amendment thereto or under any other insolvency law or law providing for the relief of debtors, including, without limitation, a petition for reorganization, arrangement or extension, or the commission by Debtor of an act of bankruptcy; (h) the filing against Debtor of any such petition not dismissed or permanently stayed within thirty (30) days of the filing thereof; (i) the voluntary or involuntary making of an assignment of substantial portion of its assets by Debtor for the benefit of creditors, appointment of a receiver or trustee for Debtor or for any of Debtor's assets, institution by or against Debtor or any other type of insolvency proceeding (under the Bankruptcy Code or otherwise) or of any formal or informal proceeding for dissolution, liquidation, settlement of claims against or winding up of the affairs of Debtor, Debtor's cessation of business activities or the making by Debtor of a transfer of all or a material portion of Debtor's assets or inventory not in the ordinary course of business; (j) the occurrence of any event described in parts (e), (f), (g), (h) or (i) hereinabove with respect to any guarantor or other party liable for payment or performance of this agreement; (k) any certificate, statement, representation, warranty or audit heretofore or hereafter furnished with respect hereto by or on behalf of Debtor or any guarantor or other party liable for payment or performance of this agreement proving to have been false in any material respect at the time as of which the facts therein set forth were stated or certified or having omitted any substantial contingent or unliquidated liability or claim against Debtor or any such guarantor or other party; (l) breach by Debtor of any lease or agreement providing financial accommodation under which Debtor or its property is bound or (m) a transfer of effective control of Debtor, if an organization.

18. REMEDIES. Upon the occurrence of an event of default, Secured Party will have the rights, options, duties and remedies of a secured party, and Debtor will have the rights and duties of a debtor, under the Uniform Commercial Code (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and, without limiting the foregoing, Secured Party may exercise any one or more of the following remedies: (a) declare the Casualty Value or such lesser amount as may be set by law immediately due and payable with respect to any or all Items of Equipment without notice or demand to Debtor; (b) sue from time to time for and recover all installment payments and other payments then accrued and which accrue during the pendency of such action with respect to any or all Items of Equipment; (c) take possession of and, if deemed appropriate, render unusable any or all Items of Equipment, without demand or notice, wherever same may be located, without any court order

or other process of law and without liability for any damages occasioned by such taking of possession and remove, keep and store the same or use and operate or lease the same until sold; (d) require Debtor to assemble any or all Items of Equipment at the Equipment Location therefor, such location to which such Equipment may have been moved with the written consent of Secured Party or such other location in reasonable proximity to either of the foregoing as Secured Party designates; (e) upon ten days notice to Debtor or such other notice as may be required by law, sell or otherwise dispose of any Item of Equipment, whether or not in Secured Party's possession, in a commercially reasonable manner at public or private sale at any place deemed appropriate and apply the net proceeds of such sale, after deducting all costs of such sale, including, but not limited to, costs of transportation, repossession, storage, refurbishing, advertising and broker's fees, to the obligations of Debtor to Secured Party hereunder or otherwise, with Debtor remaining liable for any deficiency and with any excess being returned to Debtor; (f) upon thirty (30) days notice to Debtor, retain any repossessed or assembled Items of Equipment as Secured Party's own property in full satisfaction of Debtor's liability for the installment payments due hereunder with respect thereto, provided that Debtor will have the right to redeem such Items by payment in full of its obligations to Secured Party hereunder or otherwise or to require Secured Party to sell or otherwise dispose of such Items in the manner set forth in subparagraph (e) hereinabove upon notice to Secured Party within such thirty (30) day period or (g) utilize any other remedy available to Secured Party under the Uniform Commercial Code or similar provision of law or otherwise at law or in equity.

No right or remedy conferred herein is exclusive of any other right or remedy conferred herein or by law; but all such remedies are cumulative of every other right or remedy conferred hereunder or at law or in equity, by statute or otherwise, and may be exercised concurrently or separately from time to time. Any sale contemplated by subparagraph (e) of this paragraph 18 may be adjourned from time to time by announcement at the time and place appointed for such sale, or for any such adjourned sale, without further published notice, and Secured Party may bid and become the purchaser at any such sale. Any sale of an Item of Equipment, whether under said subparagraph or by virtue of judicial proceedings, will operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of

Debtor in and to said Item and will be a perpetual bar to any claim against such Item, both at law and in equity, against Debtor and all persons claiming by, through or under Debtor.

19. DISCONTINUANCE OF REMEDIES. If Secured Party proceeds to enforce any right under this agreement and such proceedings are discontinued or abandoned for any reason or are determined adversely, then and in every such case Debtor and Secured Party will be restored to their former positions and rights thereunder.

20. SECURED PARTY'S EXPENSES. Debtor will pay Secured Party all costs and expenses, including attorney's fees and court costs and sales costs not offset against sales proceeds under paragraph 18 above, incurred by Secured Party in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions or provisions hereof. This obligation includes the payment or reimbursement of all such amounts whether an action is ultimately filed and whether an action filed is ultimately dismissed.

21. ASSIGNMENT. Without the prior written consent of Secured Party, Debtor will not sell, lease, pledge or hypothecate, except as provided in this agreement, an Item of Equipment or any interest therein or assign, transfer, pledge or hypothecate this agreement or any interest in this agreement or permit the Equipment to be subject to any lien, charge or encumbrance of any nature except the security interest of Secured Party contemplated hereby. Debtor's interest herein is not assignable and will not be assigned or transferred by operation of law. Consent to any of the foregoing prohibited acts applies only in the given instance and is not a consent to any subsequent like act by Debtor or any person.

All rights of Secured Party hereunder may be assigned pledged, mortgaged, transferred or otherwise disposed of, either in whole or in part, without notice to Debtor but always, however, subject to the rights of Debtor under this agreement. If Debtor is given notice of any such assignment, Debtor will acknowledge receipt thereof in writing. In the event Secured Party assigns this agreement or the installment payments due or to become due hereunder or any other interest herein, whether as security for any of its indebtedness or otherwise, no breach or default by Secured Party hereunder or pursuant to any other agreement between Secured Party and Debtor, should there be one, will excuse performance by Debtor of any provision hereof, it being understood that in the event of such default or breach by Secured Party that Debtor will pursue any rights on account thereof solely against Secured Party. No such assignee, unless such assignee agrees in writing, will be obligated to perform any duty, covenant or condition required to be performed by Secured Party in connection with this agreement.

Subject always to the foregoing, this agreement insures to the benefit of, and is binding upon, the heirs, legatees, personal representatives, successors and assigns of the parties hereto.

22. MARKINGS; PERSONAL PROPERTY. If Secured Party supplies Debtor with labels, plates, decals or other markings stating that Secured Party has an interest in the Equipment, Debtor will affix and keep the same prominently displayed on the Equipment or will otherwise make the Equipment or its then location or locations, as appropriate, at Secured Party's request to indicate Secured Party's security interest in the Equipment. The Equipment is, and at all times will remain, personal property notwithstanding that the Equipment or any Item thereof may now be, or hereafter become, in any manner affixed or attached to, or embedded in, or permanently resting upon real property or any improvement thereof or attached in any manner to what is permanent as by means of cement, plaster, nails, bolts, screws or otherwise. If requested by Secured Party, Debtor will obtain and deliver to Secured Party waivers of interest or liens in recordable form satisfactory to Secured Party from all persons claiming any interest in the real property on which an Item of Equipment is or is to be installed or located.

23. LATE CHARGE. If Debtor fails to pay any installment payment or any other sum to be paid by Debtor to Secured Party within seven (7) days of when due, Debtor will pay to Secured Party (a) Secured Party's collection costs paid third parties relevant to the collection thereof and (b) interest on such unpaid installment or other amount at the rate of eighteen percent (18%) per annum, or at such greater or lesser contract rate as may be applicable, computed from the date due to the date paid.

24. NON-WAIVER. No covenant or condition of this agreement can be waived except by the written consent of Secured Party. Forbearance or indulgence by Secured Party in regard to any breach hereunder will not constitute a waiver of the related covenant or condition to be performed by Debtor.

25. ADDITIONAL DOCUMENTS. In connection with and in order to perfect and evidence the security interest in the Equipment granted Secured Party hereunder Debtor will execute and deliver to Secured Party such financing statements and similar documents as Secured Party requests. Debtor authorizes Secured Party where permitted by law to make filings of such financing statements without Debtor's signature. Debtor further will furnish Secured Party (a) a fiscal year end financial statement including balance sheet and profit and loss statement within one hundred twenty (120) days of the close of each fiscal year, (b) any other information normally provided by Debtor to the public and (c) such other financial data or information relative to this agreement and

the Equipment, including, without limitation, copies of vendor proposals and purchase orders and agreements, listings of serial numbers or other identification data and confirmations of such information, as Secured Party may from time to time reasonably request. Debtor will procure and/or execute, have executed, acknowledge, have acknowledged, deliver to Secured Party, record and file such other documents and showings as Secured Party deems necessary or desirable to protect its interest in and rights under this agreement and interest in the Equipment. Debtor will pay as directed by Secured Party or reimburse Secured Party for all filing, search, title report, legal and other fees incurred by Secured Party in connection with any documents to be provided by Debtor pursuant to this paragraph or paragraph 22 and any further similar documents Secured Party may procure.

26. DEBTOR'S WARRANTIES. Debtor certifies and warrants that the financial data and other information which Debtor has submitted, or will submit, to Secured Party in connection with this agreement is, or will be at time of delivery, as appropriate, a true and complete statement of the matters therein contained. Debtor further certifies and warrants that (a) this agreement has been duly authorized by Debtor and when executed and delivered by the person signing on behalf of Debtor below will constitute the legal, valid and binding obligation, contract and agreement of Debtor enforceable against Debtor in accordance with its respective terms; (b) this agreement and each and every showing provided by or on behalf of Debtor in connection herewith may be relied upon by Secured Party in accordance with the terms thereof notwithstanding the failure of Debtor or other applicable party to ensure proper attestation thereto, whether by absence of a seal or acknowledgement or otherwise; (c) Debtor has the right, power and authority to grant a security interest in the Equipment to Secured Party

for the uses and purposes herein set forth and (d) each Item of Equipment will, at the time such Item becomes subject hereto, be in good repair, condition and working order.

27. ENTIRE AGREEMENT. This instrument constitutes the entire agreement between Secured Party and Debtor and will not be amended, altered or changed except by a written agreement signed by the parties.

28. NOTICES. Notices under this agreement must be in writing and must be mailed by United States mail, certified mail with return receipt requested, duly addressed, with postage prepaid, to the party involved at its respective address set forth at the foot hereof or at such other address as such party may provide on notice to the other from time to time. Notices will be effective when deposited. Each party will promptly notify the other of any change in the first party's address.

29. GENDER; NUMBER; JOINT AND SEVERAL LIABILITY. Whenever the context of this agreement requires, the neuter gender includes the feminine or masculine and the singular number includes the plural; and whenever the words "Secured Party" are used herein, they include all assignees of Secured Party, it being understood that specific reference to "assignee" in paragraph 14 above is for further emphasis. If there is more than one Debtor named in this agreement, the liability of each will be joint and several.

30. TITLES. The titles to the paragraphs of this agreement are solely for the convenience of the parties and are not an aid in the interpretation of the instrument.

31. GOVERNING LAW; VENUE. This agreement will be governed and construed in accordance with the law of the State of California. Venue for any action related to this agreement will be in an appropriate court in San Diego County, California, to which Debtor consents, or in another court selected by Secured Party which has jurisdiction over the parties. In the event any provision hereof is declared invalid, such provision will be deemed severable from the remaining provisions of this agreement which will remain in full force and effect.

32. TIME. Time is of the essence of this agreement and each and all of its provisions.

IN WITNESS WHEREOF, the undersigned have executed this agreement as of this 6th day of December, 1994.

HERITAGE LEASING CAPITAL (Secured Party)	VIASAT, INC. (Debtor)
By: _____ (Title)	By: /s/ Gregory Monahan Gregory Monahan Vice President of Administration (Title)
	By: _____ (Title)
Address: 5775 Chesapeake Court San Diego, CA 92123	Address: 2290 Cosmos Court Carlsbad, CA 92009

8

IMPORTANT--READ INSTRUCTIONS ON BACK BEFORE FILLING OUT FORM

This FINANCING STATEMENT is presented for filing and will remain effective with certain exceptions for a period of five years from the date of filing pursuant to section 9403 of the California Uniform Commercial Code.

16492

1. DEBTOR (LAST NAME FIRST--IF AN INDIVIDUAL) | 1A. SOCIAL SECURITY OR FEDERAL TAX NO.

VIASAT, INC. | 33-0174996

1B. MAILING ADDRESS | 1C. CITY, STATE | 1D. ZIP CODE

2290 Cosmos Court | Carlsbad, CA | 92009

2. ADDITIONAL DEBTOR (IF ANY) (LAST NAME FIRST--IF AN INDIVIDUAL) | 2A. SOCIAL SECURITY OR FEDERAL TAX NO.

2B. MAILING ADDRESS | 2C. CITY, STATE | 2D. ZIP CODE

3. DEBTOR'S TRADE NAMES OR STYLES (IF ANY) | 3A. FEDERAL TAX NUMBER

4. SECURED PARTY | 4A. SOCIAL SECURITY NO., FEDERAL TAX NO. OR BANK TRANSIT AND A.B.A. NO.

NAME HERITAGE LEASING CAPITAL
MAILING ADDRESS 5775 Chesapeake Court | 33-0098465
CITY San Diego STATE CA ZIP CODE 92123

5. ASSIGNEE OF SECURED PARTY (IF ANY) | 5A. SOCIAL SECURITY NO., FEDERAL TAX NO. OR BANK TRANSIT AND A.B.A. NO.

NAME ORIX USA CORPORATION
MAILING ADDRESS 600 Wilshire Boulevard, Suite 1460
CITY Los Angeles STATE CA ZIP CODE 90017

6. This FINANCING STATEMENT covers the following types or items of property (INCLUDE DESCRIPTION OF REAL PROPERTY ON WHICH LOCATED AND OWNER OF RECORD WHEN REQUIRED BY INSTRUCTION 4).

All equipment and other property now or hereafter covered by that certain Equipment Financing Agreement between Secured Party and Debtor, EFA Number 16492 dated as of December 6, 1994 and all accessions and additions to, modifications of and replacements and substitutions for such equipment and other property. Such equipment includes property of the following type or types:

COMPUTER AND LABORATORY EQUIPMENT.

7. CHECK IF APPLICABLE [x] 7A. [ ] PRODUCTS OF COLLATERAL ARE ALSO COVERED | 7B. DEBTOR(S) SIGNATURE NOT REQUIRED IN ACCORDANCE WITH INSTRUCTION 5(a) ITEM: [ ] (1) [ ] (2) [ ] (3) [ ] (4)

8. CHECK IF APPLICABLE [x] [ ] DEBTOR IS A "TRANSMITTING UTILITY" IN ACCORDANCE WITH UCC SEC. 9105(1)(n)

9. DATE: 12-6-94 | COPY | 10. THIS SPACE FOR USE OF FILING OFFICER (DATE, TIME, FILE NUMBER AND FILING OFFICER)

-- /s/ GREGORY MONAHAN
Gregory Monahan, V.P. of Administration
SIGNATURE(S) OF DEBTOR(S) By:

VIASAT, INC. 1

TYPE OR PRINT NAMES(S) OF DEBTOR(S) 2

-- /s/ [SIG ILLEGIBLE] 3

SIGNATURE(S) OF SECURED PARTY(IES) 4

HERITAGE LEASING CAPITAL 5

TYPE OR PRINT NAME(S) OF SECURED PARTY(IES) 6

11. Return copy to: 7

NAME [ ]
[P6-0000-262-0] 8
ADDRESS [Heritage Leasing Capital]
[5775 Chesapeake Court] 9
CITY [San Diego, CA 92123]
[ ] 0
STATE [ ]
[ ]
ZIP CODE [ ]

[ ]

FORM UCC-1
APPROVED BY THE SECRETARY OF STATE

(4) FILE COPY--DEBTOR

INSTRUCTIONS (REV. 1/1/91)

1. PLEASE TYPE THIS FORM USING BLACK TYPEWRITER RIBBON.

2. If the space provided for any item is inadequate:
   a. Note "Cont'd." in the appropriate space(s).
   b. Continue the item(s) preceded by the Item No. on an additional 8 1/2" x 11" sheet.
   c. Head each additional sheet with the Debtor's name (last name first for individuals) appearing in Item No. 1 of this form. Be sure to attach a copy of the additional sheet to each copy of the form.

3. NUMERICAL IDENTIFICATION:
   a. If the Debtor, Secured Party or Assignee is an individual, include Social Security number in the appropriate space. Disclosure of Social Security number is optional for the filing of this statement. It will be used to assist in correctly identifying individuals with similar names. (UCC Section 9403[5])
   b. If the Debtor, Secured Party or Assignee is other than an individual or a bank, show Federal Taxpayer Number in the appropriate space.
   c. If the Secured Party or Assignee is a bank, show Transit and ABA number in the appropriate space. This must be the complete 10 digit number.

4. COLLATERAL DESCRIPTION--Item 6
   a. If the financing statement covers crops growing or to be grown, the statement must also contain a description of the real estate concerned in accordance with UCC Section 9402(1).
   b. If the financing statement covers timber to be cut or covers minerals or the like, oil or gas or accounts subject to UCC Section 9103(5), the statement must show that it covers this type of collateral and the statement must also show it is to be recorded in the real estate records, and the financing statement must contain a description of the real estate sufficient if it were contained in a mortgage of the real estate to give constructive notice of the mortgage under the law of this State. If the debtor does not have an interest of record in the real estate, the financing statement must show the name of a record owner in Item No. 6.

5. SIGNATURES:
   Before mailing, be sure that the financing statement has been properly signed. A financing statement requires the signature of the debtor only except under the following circumstances. If any of these circumstances apply, check the appropriate box in item 7B and enter required information in Item 6.
   a. Under the provisions of UCC Section 9402(2) a financing statement is sufficient when it is signed by the secured party alone if it is filed to perfect a security interest in:
      (1) collateral already subject to a security interest in another jurisdiction when it is brought into this State or when the debtor's location is changed to this State. Such a financing statement must state that the collateral was brought into this State or that the debtor's location was changed to this State.
      (2) proceeds under UCC Section 9306, if the security interest in the original collateral was perfected. Such a financing statement must describe the original collateral and give the date of filing and the file number of the prior financing statement.
      (3) collateral as to which the filing has lapsed. Such a financing statement must include a statement to the effect that the prior financing statement has lapsed and give the date of filing and the file number of the prior financing statement.
      (4) collateral acquired after a change of name, identity or corporate structure of the debtor. Such a financing statement must include a statement that the name, identity or corporate structure of the debtor has been changed and give the date of filing and the file number of the prior financing statement and the name of the debtor as shown in the prior financing statement.

6. FILING FEE -- PROPER PLACE TO FILE:
   Enclose filing fee of dollars payable to the appropriate Filing Officer. Financing statements and related papers pertaining to consumer goods should be filed with the County Recorder in the county of the debtor's residence, or if the debtor is not a resident of this State, then in the office of the County Recorder of the county in which the goods are kept. When the collateral is crops growing or to be grown, timber to be cut, or minerals or the like (including oil and gas), or accounts subject to UCC Section 9103(5), then filing is with the County Recorder where the property is located. In all other cases, filing is with the Secretary of State.

7. REMOVE SECURED PARTY AND DEBTOR COPIES.
   Send the original and first copy with interleaved carbon paper to the Filing Officer with the correct filing fee. The original will be retained by the Filing Officer. The copy will be returned with the filing date and time stamped thereon. Indicate the name and mailing address of the person or firm to whom the copy is to be returned in Item No. 11.

EXHIBIT 10.19

[LOGO]

BUSINESS REAL ESTATE BROKERAGE COMPANY

- ---

July 21, 1993

Mr. Brian Strange
Iliff Thorn & Company
2386 Faraday Avenue, Suite 100
Carlsbad, CA 92008

RE: VIASAT, INC. -- FINAL COUNTER PROPOSAL TO LEASE
WHITTAKER BUILDING

Dear Mr. Strange:

The following is our understanding of the final agreement counter offer for the above referenced lease proposal.

Viasat's offer is subject to mutually agreeable sublease documentation and approval by Viasat's board of directors.

1. BUILDING:

Whittaker Building, 2290 Cosmos Court.

2. AREA:

Approximately 37,000 square feet of office and lab space. All measurements are to be based upon BOMA standards of usable and rentable square feet and are subject to architectural review.

3. INITIAL TERM:

The initial term of this Lease shall be approximately five (5) years and four months and shall terminate upon expiration of the Master Lease.

4. COMMENCEMENT:

Sublease shall commence on September 1, 1993.

5. PRIOR OCCUPANCY:

Sublessee shall be permitted to enter the Building and Premises fifteen (15) days prior to the anticipated commencement date for the purpose of installing furniture, fixtures and special improvements. Sublessee shall not be charged for use of elevators, for move-in, electrical consumption or other costs during construction.

6. RENTAL RATE:

Per your verbal offer, we are accepting your last proposal as follows:

Months 1-4: Rent shall be abated.
Months 5-64: $24,605/month, flat, net of separately metered utilities and interior janitorial. Sublessor shall be responsible for all other operating expenses for the project including all future increases. This Sublessor cost shall include but not be limited to taxes, insurance, all interior and exterior maintenance (Sublessee shall pay the first $5,000 annually for all maintenance costs. Sublessor shall be responsible thereafter.) and landscaping. The building shall be maintained in a first class manner. The first month's rent shall be due upon execution of the sublease.

7. RIGHT TO CANCEL:

None.

8. ESCALATIONS:

None.

9. OPTION TO RENEW:

Sublessee shall have the option to renew the Lease for the Premises for up to one (1) additional term of five (5) years in accordance with the terms of the Master Lease.

10. SPACE PLANNING:

Sublessee shall have the right to engage a space planner of its choice relative to the preparation of preliminary working drawings and design with the cost of such services to be the Sublessor's responsibility to pay to Sublessee $10,000 upon lease execution in addition to tenant improvement allowance. Sublessee may use any excess funds for purposes it deems necessary in its sole discretion. Sublessee will be responsible for review and code compliance of Sublessee's preliminary working drawings.

11. ENGINEERING:

None.

12. ARBITRATION:

The lease shall provide that any disputes shall be resolved under the rules of the American Arbitration Association or such other procedures as are mutually acceptable to both parties.

13. TENANT BUILDOUT:

Sublessor shall provide Sublessee with $50,000 for the alteration of the existing improvements upon execution of this Sublease. The tenant improvement allowance shall be utilized by Sublessee at any time during the term for tenant improvements.

In the event that Sublessor fails to pay any allowance or fee (tenant improvements, moving, space planner, and brokerage fees) in the manner and within the time required pursuant to the Sublessee workletter or lease document, as contained in the fully executed Lease. Sublessee shall be entitled to pay such Contractor(s) directly and any amount so paid by Sublessee shall be credited against Sublessee's first obligations to pay rent under the Lease with interest from the date of payment until the date of rental credit.

14. MOVING EXPENSES:

Sublessor shall provide a moving allowance of Thirty Thousand and 00/100 Dollars ($30,000.00) in addition to any tenant improvement allowance. Said allowance shall be paid to Sublessee upon occupancy of the premises.

15. PARKING:

Sublessee shall have the right to use not less than all the parking spaces at no expense to Sublessee.

16. BUILDING SIGNAGE:

The Landlord and Sublessor shall permit Sublessee to install its name and logo on a highly visible prominent location on the exterior of the building. Please specify the exact location as well as the allowable square footage and sign details. Sublessee shall have the right to utilize any unused tenant improvement dollars for the fabrication and installation of said signage.

17. RIGHT TO SUBLEASE:

Sublessee shall be permitted to sublease or assign all or any portion of Sublessee's Premises, subject to Landlord's consent, which consent will not be unreasonably withheld, conditioned or delayed, and Sublessee shall retain 50% of all profit realized from such subletting or assignment after all cost to sublease have been subtracted from the gross rental. Landlord shall have no rights to recapture any space during the initial term or any renewal period.

18. SECURITY DEPOSIT:

Upon execution of this lease, Sublessee shall deliver to Sublessor an amount equal to $30,000 to be held as a security deposit.

19. NON-DISTURBANCE:

With respect to any first lien mortgages, deeds of trust or other liens entered into by and between Landlord and any beneficiary of any deed of trust or other such lien granted by Landlord (collectively referred to as "Landlord's Mortgagee"), Landlord shall secure and deliver to Sublessee a Non-Disturbance Agreement from, and executed by, Landlord's Mortgagee for the benefit of Sublessee prior to the effective date of the Lease. Sublessee shall also secure a non-disturbance agreement from the Landlord, acknowledging that in the event of a default on the part of Whittaker this Sublease shall remain in full force and effect.

20. HAZARDOUS MATERIALS:

Sublessor has no knowledge of the presence of any hazardous substances on the subject property. Sublessor and Sublessee agree to work toward mutually acceptable language on this issue prior to execution of this proposed sublease.

21. A.D.A. INDEMNIFICATION:

Sublessor has no knowledge of the presence of any code violation on the subject property. Sublessor and Sublessee agree to work toward mutually acceptable language on this issue prior to execution of this proposed sublease.

22. SUBLEASE PREPARATION:

Upon execution of this document both parties agree to diligently pursue negotiation and execution of a mutually agreeable final sublease document incorporating the terms agreed to herein. The executed sublease document shall represent the legally binding sublease agreement. Sublessor agrees to forego other opportunities during negotiation of the final sublease agreement for a period of fifteen (15) days.

Viasat is most interested in arriving at a final decision regarding its corporate headquarters. Therefore, we request that you RESPOND IN WRITING BY JULY 21, 1993.

Please feel free to contact me at (619) 431-4208 should you have any questions.

Very truly yours,

BUSINESS REAL ESTATE
BROKERAGE COMPANY

/s/ RICK W. REEDER
- -------------------------
Rick W. Reeder
Office Properties Division

RWR:jrb
080720.a3

AGREED AND ACCEPTED:

SUBLESSEE	SUBLESSOR
By: ----------	By: ----------
Date: 7/21/93 ----------	Date: 7/21/93 ----------

SUBLEASE

This Sublease ("Sublease") is made and entered into as of the 20th day of August, 1993 by and between Whittaker Corporation, a Delaware corporation ("Sublessor"), whose address is 10880 Wilshire Boulevard, Los Angeles, California 90024, and Viasat, Inc., a California corporation ("Sublessee"), whose address for the purpose of this Sublease shall be 2290 Cosmos Court, Carlsbad, California 92009.

RECITALS

A. Sublessor leases a certain building located at 2290 Cosmos Court, Carlsbad, California 92009 pursuant to that certain Lease dated September 14, 1987 by and between Andrex Development Co. as lessor, and Sublessor as lessee, which Lease has been supplemented and amended pursuant to an amendment dated May 10, 1988. The Lease, together with the amendment thereto, are collectively hereinafter referred to as the "Master Lease", a copy of which is attached hereto as Exhibit A. Fujita Corporation USA is the successor-in-interest to Andrex Development Co. as the lessor under the Master Lease and is hereinafter referred to as the "Master Landlord".

B. Sublessor desires to sublease to Sublessee the property currently leased to Sublessor under the Master Lease, and Sublessee desires to sublease the property from Sublessor.

NOW, THEREFORE, Sublessor and Sublessee agree as follows:

1. Leasing and Description of Property. Subject to the terms, conditions and covenants set forth in this Sublease, Sublessor hereby leases to Sublessee, and Sublessee hereby leases from Sublessor, the property located at 2290 Cosmos Court, Carlsbad, California 92009, as more particularly described in

Exhibit A to the Master Lease, together with all improvements located thereon (the "Subleased Premises").

2. Term. The term of this Sublease shall commence on September 15, 1993 and shall end on November 29, 1998, unless sooner terminated in accordance with the terms of this Sublease. At any time after September 1, 1993, Sublessee shall be allowed to enter the Subleased Premises for the sole purpose of installing Sublessee's personal property and otherwise preparing the Subleased Premises for Sublessee's occupancy. Sublessee shall be allowed such access to the Subleased Premises without the obligation to pay rent or charges for electrical consumption and other similar operating costs. Sublessee hereby agrees to indemnify and hold Sublessor harmless from and against any and all claims, losses, liabilities and expenses (including reasonable attorneys' fees) that arise in any way from Sublessee's early occupancy of the Subleased Premises.

2.2 Termination of Master Lease. If the Master Lease shall terminate for any reason whatsoever, then this Sublease shall thereupon immediately and automatically terminate; provided, however, no such automatic termination shall relieve either party from its responsibility for damages, if any, in the event that a breach of this Sublease by a party hereto leads to such termination.

3. Rent.

3.1 Base Rent. From September 15, 1993 to and including January 14, 1994, Sublessee shall be allowed to occupy the Subleased Premises without paying "base rent". From January 15, 1994 to and including the end of the initial term of this Sublease, Sublessee shall pay to Sublessor as base rent for the Subleased Premises a monthly rental equal to $24,605. Upon the consent hereto of Master Landlord, Sublessee shall pay to Sublessor $24,605

as a prepayment of base rent for the period January 15, 1994 to February 14, 1994. On February 15, 1994, Sublessee shall pay to Sublessor $12,302.50 as base rent for the period February 15, 1994 to February 28, 1994. Thereafter, base rent shall be payable on the first day of each calendar month during the term of this Sublease.

3.2 Additional Rent. In addition to base rent, Sublessee shall pay to Sublessor, as "additional rent", all additional items of expense that Sublessee is required, pursuant to any provision of this Sublease, to pay to Sublessor. Sublessee shall pay amounts of additional rent to Sublessor within 10 days of Sublessee's receipt of Sublessor's bill therefor.

3.3 Manner of Payment. All base rent and additional rent shall be paid to Sublessor at the address set forth in the first paragraph of this Sublease or at any other place designated in writing by Sublessor. All base rent and additional rent shall be paid hereunder without notice, demand, deduction, abatement, setoff or counterclaim, in lawful money of the United States of America, except where this Sublease specifically provides for the granting of a rent credit to Sublessee.

4. Security Deposit. Sublessee shall deposit with Sublessor upon the consent hereto of Master Landlord the sum of $30,000 as a security deposit for Sublessee's faithful performance of Sublessee's obligations hereunder. If Sublessee fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Sublease, Sublessor may use, apply or retain all or any portion of said deposit for the payment of any rent or other charges in default or for the payment of any other sum to which Sublessor may become obligated by reason of Sublessee's default, or to compensate Sublessor for any loss or damage which Sublessor may suffer thereby. If Sublessor so uses or applies all or any portion of said deposit, Sublessee shall within

10 days after written demand therefor deposit cash with Sublessor in an amount sufficient to restore said deposit to the full amount hereinabove stated and Sublessee's failure to do so shall be a breach of this Sublease, and Sublessor may at its option thereupon terminate this Sublease. Sublessor shall not be required to keep said deposit separate from its general accounts and Sublessee shall not be entitled to interest on said deposit. Within 10 days after the expiration of this Sublease, on condition Sublessee has vacated the Property and has fully and faithfully performed every provision of this Sublease to be performed by it, the security deposit or any balance thereof shall be returned to Sublessee.

5. Maintenance and Repairs.

5.1 Sublessee's Obligations. During the term of this Sublease, Sublessee shall be responsible for paying all charges connected with (i) window cleaning, whether internal or external, and janitorial services provided to the interior of the Subleased Premises and all supplies necessary in connection therewith including, without limitation, cleaning supplies, toiletries and light bulbs; (ii) repairs and maintenance to any fixtures installed by Sublessee in the Subleased Premises and any signs, whether internal or external, installed by Sublessee on the Subleased Premises, regardless of whether the cost of such installations is paid for by Sublessor; (iii) repairs to the Subleased Premises resulting from any damage caused thereto by Sublessee, any of its employees, invitees or agents; and (iv) in addition to those items enumerated in (i) - (iii), above, all other items of maintenance and repair required to be performed by Sublessor pursuant to paragraph 7.1 of the Master Lease provided, however, Sublessee's obligation to pay for such charges pursuant to this subparagraph (iv) shall be limited to a capped amount ("Sublessee's Current Contribution Cap") during various periods during the term of this Sublease. During the three-month period commencing on September 1, 1993, Sublessee's Current Contribution

Cap shall be $1,250. During each 12-month period thereafter, commencing on December 1, 1993 and continuing through the expiration of the this Sublease, Sublessee's Current Contribution Cap shall be $5,000 per period.

5.2 Sublessor's Obligations. Except for those maintenance and repair obligations to be performed by Sublessee pursuant to paragraph 5.1 (i) - (iii) hereof, Sublessor shall be responsible for discharging all items of maintenance and repair ("Sublessor's Maintenance") required to be performed by Sublessor pursuant to paragraph 7.1 of the Master Lease. Pursuant to paragraph 5.1 (iv) hereof, Sublessor shall have the right from time to time to bill Sublessee for the reimbursement of expenses incurred by Sublessor in the discharge of Sublessor's Maintenance, up to Sublessee's Current Contribution Cap, and each such bill shall by payable by Sublessee to Sublessor as "additional rent".

5.3 Performance of Sublessor's Maintenance. If Sublessee determines at any time that it is reasonably appropriate for a particular item of Sublessor's Maintenance to be undertaken, then Sublessee may provide Sublessor with written notice of such determination. If Sublessor does not commence performance of such Sublessor's Maintenance within seven business days after receipt of such written notice and thereafter diligently pursue the same to completion, then Sublessee may take steps reasonably appropriate to complete such Sublessor's Maintenance. Sublessee shall submit to Sublessor a bill, together with copies of receipts for payment, for any amounts expended by Sublessee in performing such work, and any such bill (i) first shall be credited against Sublessee's Current Contribution Cap until same is satisfied for the then current period, and (ii) thereafter shall be reimbursed to Sublessee by Sublessor within 10 days of Sublessor's receipt of Sublessee's bill. Notwithstanding the foregoing, Sublessee shall not be required to provide Sublessor with prior written notice before Sublessee undertakes Sublessor's Maintenance which is immediately

necessary to avoid damage to person or property, provided that written notice of same shall be provided to Sublessor as soon as reasonably practicable. Any such Sublessor's Maintenance so undertaken by Sublessee shall be reimbursed to Sublessee in accordance with this paragraph 5.3.

6. Moving Allowance. Sublessor shall provide to Sublessee a moving allowance equal to $30,000. Such allowance shall be paid to Sublessee upon Sublessee's taking occupancy of the Subleased Premises or upon Master Landlord's consent hereto, whichever shall last occur.

7. Tenant Improvements. In order to prepare the Subleased Premises for its occupancy, Sublessee wishes to make certain alterations and/or additions to the Subleased Premises including, without limitation, the construction and installation of a building sign identifying Sublessee's name and/or logo and the additional alterations and/or additions described on Exhibit B attached hereto, which alterations and/or additions Sublessor hereby consents to. Sublessee shall make such alterations and/or additions subject to, and in accordance with the terms and conditions of, the Master Lease.

7.1 Space Planning. In connection with such alterations and/or additions, Sublessor shall provide to Sublessee an allowance for space planning services equal to $10,000. Such allowance shall be paid to Sublessee upon the consent hereto of the Master Landlord.

7.2 Tenant Improvement Allowance. Sublessor shall provide to Sublessee an allowance for alterations and/or additions to be made to the Subleased Premises equal to $50,000. Such allowance shall be paid to Sublessee upon the consent hereto of the Master Landlord. Sublessee shall be responsible for paying all parties providing materials and/or services in connection with such

alterations and/or additions. Further, Sublessor shall have no responsibility for the performance of work by such parties and any delays caused by such parties shall be at Sublessee's risk. Sublessor's sole responsibility hereunder shall be to pay such $50,000 allowance for alterations and/or additions to be made to the Subleased Premises.

8. Sublessor's Representations. Sublessor hereby represents and warrants to Sublessee as follows:

8.1 Hazardous Materials. As of the date hereof, no Hazardous Materials (as such terms are defined in the Master Lease) have been located on, disposed upon or released from the Subleased Premises, nor shall any Hazardous Materials be located on, disposed upon or released from the Subleased Premises prior to Sublessee's occupancy hereunder.

8.2 Compliance With Law. As of the date hereof, there is no violation of any applicable building code, regulation or ordinance with respect to the Subleased Premises, and the Subleased Premises are in compliance with the Americans with Disabilities Act. Nothing herein contained shall be construed as a warranty by Sublessor with respect to any improvements to be made to the Subleased Premises by Sublessee or the use by Sublessee of the Sublease Premises.

8.3 Prior Assignments, Etc. As of the date hereof, Sublessor has not assigned, conveyed, encumbered, hypothecated or otherwise transferred any interest which it has in the Subleased Premises or the Master Lease.

8.4 Indemnification. Sublessor shall indemnify, defend, protect and hold harmless Sublessee from and against any losses, claims, actions, liabilities, obligations, costs or expenses incurred by Sublessee (including reasonable attorneys' fees) as a

consequence of a breach of any of the representations and warranties set forth in paragraphs 8.1, 8.2 or 8.3 hereof.

9. Quiet Enjoyment. Sublessor covenants that Sublessee shall be entitled to quiet enjoyment of the Subleased Premises, provided that Sublessee complies with the terms of this Sublease.

10. Condition of the Subleased Premises. Subject to paragraphs 5, 7 and 8 hereof, (i) Sublessee agrees that its act of taking possession of the Subleased Premises will be an acknowledgement that the Subleased Premises are in a tenantable and good condition; (ii) Sublessor shall deliver to Sublessee the Subleased Premises in an "AS-IS" condition, without representation or warranty of any kind or character; and (iii) Sublessee has examined the Subleased Premises and Sublessee shall accept the Premises "AS-IS". The provisions of this paragraph 10 shall not be construed as limiting Sublessor's obligations hereunder to undertake and pay for Sublessor's Maintenance.

11. Applicability of Master Lease. This Sublease is subject to and subordinate to the terms and conditions of the Master Lease. Sublessee shall not commit or permit to be committed any act (including acts of omission) which shall violate any term or condition of the Master Lease. All of the terms and conditions contained in the Master Lease are hereby incorporated herein by this reference as if fully set forth herein (with each reference therein to Lessor and Lessee being deemed to be references, respectively, to Sublessor and Sublessee herein), except for the following:

(i) Paragraph 3, relating to "Term";

(ii) Paragraphs 4.1 - 4.4, relating to "Rent";

(iii) Paragraph 5, relating to "Lessee Improvements";

(iv) Paragraph 6.3, relating to "Condition of Premises";

(v) Paragraph 7.1, relating to "Lessor's and Lessee's Obligations";

(vi) Paragraph 7.3, relating to "Limitation on Lessor's Obligations";

(vii) Paragraph 8.1, relating to "Insurance at Lessee's Expense" (it being understood that Sublessor, at Sublessor's expense, shall obtain all insurance referenced in such paragraph);

(viii) Paragraph 8.3, relating to "Property Insurance" (it being understood that Sublessor, at Sublessor's expense, shall obtain all insurance referenced in such paragraph);

(ix) Paragraphs 10.1 and 10.2, relating to "Real Property Taxes" (it being understood that Sublessor shall pay, prior to delinquency, all such taxes);

(x) Paragraph 15, relating to "Brokers";

(xi) Paragraph 17, relating to "Lessor's Liability" (it being understood that Sublessor shall not further assign, convey, encumber, hypothecate or otherwise transfer any interest in the Subleased Premises or the Master Lease, or amend any of the terms of the Master Lease, except with the prior written consent of Sublessee, which consent shall not be unreasonably withheld; provided, however, nothing herein shall be deemed to require Sublessee's consent to the sale of substantially all of Sublessor's stock or assets);

(xii) Paragraph 22, relating to "Notices";

(xiii) Paragraph 24, relating to "Recording" (it being

understood, however, that if the Master Landlord permits same that Sublessee shall have the right to record a short form memorandum of this Sublease, and that Sublessor shall cooperate with Sublessee in this regard);

(xiv) Paragraph 38, relating to "Option to Purchase and Right of First Refusal";

(xv) Paragraph 39, relating to "Temporary Space";

(xvi) Paragraph 40, relating to "Carlsbad and Hawthorne Leases"; and

(xvii) the time periods for the giving of any notice by Sublessor to Sublessee required or permitted hereunder shall be three (3) business days less than is provided in the Master Lease for the giving of notice by Master Landlord to Lessee thereunder, and the time periods for the giving of any notice by Sublessee to Sublessor required or permitted hereunder shall be three (3) business days more than is provided in the Master Lease for the giving of notice by Lessee to Master Landlord thereunder. In addition, Sublessee waives, with respect to this Sublessee, all rights, statutes and benefits which Sublessor has waived pursuant to the Master Sublease.

12. Sublessor's Obligations. Sublessor agrees to maintain the Master Lease during the Term of this Sublease subject, however, to any earlier termination of the Master Lease without the fault of Sublessor. Sublessor also agrees to comply with or perform all of its obligations under the Master Lease, except for those Sublessee has agreed to perform under this Sublease.

13. Brokers and Finders. Sublessee represents and warrants to Sublessor that it has dealt with no broker or finder in

connection with this Sublease and/or the Subleased Premises other than Cushman & Wakefield of California, Inc. and Iliff Thorn & Company, representing Sublessor, and Business Real Estate Brokerage Company, representing Sublessee. The fees of such brokers will be paid by Sublessor.

14. Notices. Every notice, demand, request, consent, approval or other communication (herein without distinction sometimes referred to as "notices") which Sublessor or Sublessee is respectively required or desires to give or make or communicate upon or to the other shall be in writing and shall be given or made or communicated by personally delivering same, sent by fax, or by mailing the same by registered or certified mail, first class postage and fees prepaid, return receipt requested, to the address set forth in the first paragraph hereof, or at such other address or addresses as any party hereto may designate from time to time and at any time by notice given as herein provided. All notices so sent shall be deemed to have been delivered, effective, made or communicated, as the case may be, at the time that the same and the required copies, if any, shall have been personally delivered, sent by fax, or deposited, registered or certified, properly addressed, as aforesaid, postage and fees prepaid, return receipt requested, in the United States mail.

15. Execution in Counterparts. This Sublease may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

16. Assignment and Subletting. In addition to the provisions of paragraph 12 of the Master Lease, as incorporated herein by reference, in the event of any permitted assignment or sublease of the Subleased Premises, Sublessor and Sublessee shall equally share in any profits derived from such transaction. Profits shall be deemed to be base rent paid to Sublessee, less the sum of (i) Sublessee's out of pocket costs in effecting such transaction

including, without limitation, free rent granted by Sublessee, if any, and (ii) base rent paid by Sublessee to Sublessor hereunder from and after the date that Sublessee vacates the portion of the Subleased Premises so assigned or sublet. A determination as to whether any profits have been derived from such transaction shall be made on a monthly basis during the term of this Sublease in the event of any permitted assignment or sublease of the Sublease Premises (it being understood, however, that Sublessee first shall be permitted to recoup any previously unrecouped costs, expenses or rent of the type described in clauses (i) or (ii) of the immediately preceding sentence).

17. Arbitration. Any controversy or claims between the parties hereto involving the construction or application of any of the terms, covenants, or conditions of this Sublease shall be submitted to arbitration in San Diego, California by a retired or former California or Federal judge (selected in the same manner as arbitrators are selected in American Arbitration Association arbitrations) on the request of any party to this Sublease, and such arbitration shall comply with and be governed by the provisions of the California Arbitration Act, Sections 1280 through 1294.2 of the California Code of Civil Procedure. The arbitrators in any such arbitration shall have the power to determine any dispute as to the arbitrability of any dispute and to order and grant all remedies permitted at law or equity, including without limitation, provisional and equitable remedies. The exercise by a party of non-judicial or self-help remedies permitted by law or equity shall not constitute a waiver by that party of its right to compel arbitration of controversies hereunder. The parties shall maintain the proceedings in a confidential manner in accordance with California Evidence Code Section 1152.5, provided that judgment on the arbitration award may be entered in any court having jurisdiction. Notwithstanding any provisions of this Sublease to the contrary, if a third party indispensable to the resolution of a controversy hereunder refuses and cannot be

compelled by either party to participate in the arbitration proceeding, then the parties hall not be compelled to submit said controversy to arbitration and instead my pursue any other resolutions of said controversy available at law or equity.

18. Consent by Landlord. The effectiveness of this Sublease is subject to the condition that on or before September 1, 1993, the Master Landlord under the Master Lease shall have consented hereto by executing and delivering to Sublessor a consent in the form affixed hereto. In addition, on or before September 1, 1993, Sublessor shall exercise its best efforts to obtain a consent to this Sublease (as evidenced by the execution of a Consent of Fee Lender in the form affixed hereto) from the holder (the "Fee Lender") of the indebtedness secured by that certain deed of trust dated December 15, 1981, executed by Andrex Development Company, a California general partnership, in favor of Continental Illinois National Bank and Trust Company of Chicago, a National Banking Association, and recorded December 30, 1981 as Instrument No. 81- 405883 in the Official Records of the County Recorder for San Diego County, California. Sublessor agrees to indemnify, protect, defend and hold harmless Sublessee from and against any losses, liabilities, actions, claims, obligations, costs or expenses (including reasonable attorneys' fees) if and to the extent that Sublessor fails to obtain the consent of the Fee Lender and the Fee Lender interfers with Sublessee's right to possession of the Subleased Premises when Sublessee is not in default hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the date specified in the first paragraph of this Sublease.

WHITTAKER CORPORATION	VIASAT, INC.
By /s/ Illegible	By /s/ Illegible
Title: Vice President	Title: Vice President

CONSENT OF MASTER LANDLORD

THIS CONSENT is made as of _____, 1993 for good and valuable consideration by the Master Landlord in favor of Sublessor. This Consent is executed in connection with the execution and delivery of the Sublease to which it is affixed. Capitalized terms used herein without definition shall have the meanings assigned in the Sublease. Master Landlord agrees as follows:

1. Consent. Master Landlord consents to the execution, delivery and performance of the Sublease.

2. Nondisturbance. Master Landlord reserves the right to exercise all rights and remedies under the Master Lease in the event of a default by Sublessor thereunder. Notwithstanding the foregoing, Master Landlord agrees that for so long as Sublessee performs its obligations under the Sublease, Sublessee shall continue to have the right to quiet enjoyment and occupancy of the Subleased Premises in accordance with the terms of the Sublease (without giving effect to any provisions of the Sublease which provide for termination of the Sublease upon a termination of, or a default under, the Master Lease). Nothing herein shall be construed as limiting Master Landlord's right to hold Sublessor liable for a default under the Master Lease.

3. Miscellaneous. If Sublessor commits any act or omission which constitutes a default under the Master Lease, Master Landlord promptly shall provide Sublessee with written notice thereof. In the event of a dispute hereunder, the prevailing party shall be entitled to an award of its attorneys' fees and other costs. Master Landlord agrees to cooperate in any arbitration involving disputes under the Sublease. This Consent shall be governed by California law. This Consent shall be binding upon Master Landlord's successors and assigns. Master Landlord acknowledges that Sublessee is relying upon this Consent in entering into and performing under the Sublease.

IN WITNESS WHEREOF, Master Landlord has executed this Consent as of the date set forth above.

FUJITA CORPORATION USA,
a _____ corporation

By: _____
Name: _____
Title:_____

CONSENT OF FEE LENDER

THIS CONSENT is made as of _____, 1993 for good and valuable consideration by the undersigned (the "Fee Lender") in favor of Sublessor. This Consent is executed in connection with the execution and delivery of the Sublease to which it is affixed. Capitalized terms used herein without definition shall have the meanings assigned in the Sublease. Fee Lender agrees as follows:

FIRST AMENDMENT TO SUBLEASE

This First Amendment to Sublease (the "Amendment") is made and entered into as of the 10th day of September, 1993 by and between Whittaker Corporation, a Delaware corporation ("Sublessor"), and Viasat, Inc., a California corporation ("Sublessee"), with reference to the following facts:

A. Sublessor and Sublessee are parties to that certain Sublease dated as of August 20, 1993 (the "Sublease") concerning certain real property and improvements commonly known as 2290 Cosmos Court, Carlsbad, California 92009.

B. Sublessor and Sublessee now desire to enter into this Amendment in order to clarify certain provisions of, and to effect certain changes to, the Sublease.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Consent of Master Landlord. Attached hereto as Exhibit A is the consent of the Master Landlord to the Sublease. Notwithstanding that such consent is not in the form attached to the Sublease, Sublessee hereby acknowledges and agrees that such consent satisfies the requirements of paragraph 18 of the Sublease.

2. Personal Property. Attached hereto as Exhibit B is a list of personal property currently situated in the Subleased Premises. Sublessor hereby agrees that Sublessee may use such personal property in its business during the term of the Sublease and shall have no duty to account for such personal property or the condition thereof at the end of the term of the Sublease.

3. Adjustment in Base Rent. Paragraph 3.1 of the Sublease is hereby deleted in its entirety and the following is substituted in lieu thereof;

> "3.1 Base Rent. From September 15, 1993 to and including January 14, 1994, Sublessee shall be allowed to occupy the Subleased Premises without paying "base rent". Upon the consent hereto of Master Landlord, Sublessee shall pay to Sublessor $24,605 as a prepayment of base rent for the period January 15, 1994 to and including February 14, 1994. On February 15, 1994, Sublessee shall pay to Sublessor $6,151.25 as base rent for the period February 15, 1994 to and including February 28, 1994. Thereafter, on the first day of each calendar month during the term of this Sublease, Sublessee shall pay to Sublessor as base rent for the Subleased

Premises a monthly rental amount equal to $24,605."

4. Effect of Termination of Master Lease. Paragraph 2.2 of the Sublease is hereby amended by adding at the end thereof the following:

"In furtherance of the foregoing, the parties hereto acknowledge and agree (i) that a default by Sublessor under the Master Lease, which default has not been caused by Sublessee's failure to perform hereunder, will constitute a breach by Sublessor of its obligations to Sublessee under paragraphs 9 and 12 of this Sublease, and (ii) that a default by Sublessor under the Master Lease, which default has been caused by Sublessee's failure to perform hereunder, will constitute a breach by Sublessee of its obligations to Sublessor under paragraph 11 of this Sublease. In any such event, the non-defaulting party shall be entitled to recover from the other party who is in default hereunder all damages (including reasonable attorneys' fees) incurred by such non-defaulting party as a result of such default, if any, irrespective of the termination of this Sublease due to the termination of the Master Lease."

5. Miscellaneous. Any capitalized term which is used but not defined herein shall have the meaning given to such term in the Sublease. Except as specifically supplemented and amended hereby, the Sublease is incorporated herein by this reference as if fully set forth herein in full, and is reaffirmed by the parties hereto as continuing to evidence their respective obligations thereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date specified in the first paragraph of this Amendment.

WHITTAKER CORPORATION	VIASAT, INC.
By /s/ Gordon J. Loutit	By /s/
----------	----------
Title: Gordon J. Loutit Vice President	Title: V.P.

EXHIBIT 10.20

FIRST AMENDMENT TO LEASE AGREEMENT

This First Amendment to Lease Agreement ("Amendment") is entered into as of January __, 1996, by and between The Campus, LLC, a California limited liability company ("Landlord"), and Viasat, Inc., a California corporation ("Tenant"), with reference to the following:

A. Landlord and Tenant entered into that certain Lease Agreement dated December 8, 1994 ("Lease"), for the lease of certain Premises commonly described as 5966 La Place Court, Suite 150, Carlsbad, California, as more particularly described in the Lease ("Premises"). The Premises are a part of an industrial building project known as The Campus, in Carlsbad, California ("Project").

B. The parties desire to amend the Lease in certain particulars, as described herein.

NOW, THEREFORE, in consideration of the foregoing recitals, the covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Premises does not include the East Wing as defined in Section 2.5 of the Lease. The Premises consists only of the West Wing as defined in Section 2.5 of the Lease, which as of the date of the Lease consisted of Thirty One Thousand Nine Hundred Ninety One (31,991) rentable square feet. Landlord and Tenant have constructed certain improvements and amended the size of the Premises contained in the West Wing to reduce the size of the Premises to Thirty Thousand Nine Hundred Fourteen (30,914) rentable square feet.

2. The Premises were constructed and occupied in two phases. Phase 1 of the Premises consists of Eighteen Thousand Nine Hundred Fourteen (18,914) rentable square feet and Phase 2 consists of Twelve Thousand (12,000) rentable square feet.

3. Due to certain structural additions to portions of the Project not contained within the Building, the Project Rentable Area has increased. Pursuant to the increase in the rentable area of the Project and the revision to the rentable area of the Premises as described above, Section 6 of the Summary of Basic Lease Information is hereby amended to read as follows:

6. Premises (Section 2.1 of Lease):	Suite number: 150 Project Rentable Area: 157,886 square feet Building Rentable Area: 49,675 square feet Premises Rentable Area: 30,914 square feet Tenant's Building Proportional Share: 62.23% Tenant's Project Proportional Share: 19.58%

4. Tenant exercised the option to change the Lease Term from sixty months (60) to forty-eight (48) months as set forth in Section 2.5 of the Lease. Accordingly, Section 8 of the Summary of Basic Lease Information is revised to reflect that the Lease Term is forty-eight (48) months and that the Lease expiration date is July 31, 1999, for the entire Premises.

5. Because of the reduction in the rentable area of the Premises, Section 9 of the Summary of Basic Lease Information is revised to reflect that the Initial Base Monthly Rent is sixty-seven cents ($.67) per rentable square foot of the Premises, or Twenty Thousand Seven Hundred Twelve Dollars and Thirty-Eight Cents ($20,712.38) per month, and that the Initial Base Annual Rent is Two Hundred Forty-Eight Thousand Five Hundred Forty-Eight Dollars and Fifty-Six Cents ($248,548.56).

6. The revised Initial Base Monthly Rent, the revised Initial Base Annual Rent, the revised Tenant's Building Proportional Share and the revised Tenant's Project Proportional

Share became effective July 19, 1995, for Phase 1 of the Premises and July 27, 1995 for Phase 2 of the Premises.

7. Section 4.1 of the Lease is amended to provide that the Base Monthly Rent and the Base Annual Rent shall be increased in accordance with the following schedule:

Lease Year	Base Monthly Rent	Base Annual Rent
2	$21,639.80	$259,677.60
3	$23,185.50	$278,226.00
4	$23,803.78	$285,645.36

8. Exhibit "E" to the Lease is deleted and in its place is inserted Exhibit "E-1" attached hereto and by this reference incorporated herein. For all purposes, the Premises will be as described in this Amendment and as shown on Exhibit "E-1."

9. All initial capitalized terms which are not otherwise defined in this Amendment shall have the meanings set forth in the Lease.

10. Except as set forth in this Amendment, the Lease is unmodified and in full force and effect.

Landlord:

THE CAMPUS, LLC, a California limited liability company

By: NEWPORT NATIONAL CORPORATION, a California corporation, Member

By:_____
Its:_____

Tenant:

VIASAT, INC., a California corporation

By:_____
Its:_____

By:_____
Its:_____

SECOND AMENDMENT TO LEASE AGREEMENT

This Second Amendment to Lease Agreement ("Amendment") is entered into as of April __, 1996, by and between The Campus, LLC, a California limited liability company ("Landlord"), and ViaSat, Inc., a California corporation ("Tenant"), with reference to the following:

A. Landlord and Tenant entered into that certain Lease Agreement dated December 8, 1994, amended by a First Amendment to Lease Agreement ("First Amendment") dated as of January 12, 1996 (as amended, the "Lease"), for the lease of certain Premises commonly described as 5964 La Place Court, Suite 150, Carlsbad, California, as more particularly described in the Lease ("Original Premises"). The Original Premises are a part of an industrial building project known as The Campus, in Carlsbad, California ("Project").

B. Tenant desires to expand its occupancy of space in the Project, and the parties have agreed to amend the Lease to add the additional space described as 5964 La Place Court, Suite 100, Carlsbad, California, as further described in this Amendment ("Additional Premises"), pursuant to certain terms and conditions as described herein.

NOW, THEREFORE, in consideration of the foregoing recitals, the covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Upon execution hereof, the Lease shall be deemed amended as set forth in this Amendment.

2. The Premises shall, for all purposes except as specifically set forth in this Amendment, be deemed to include the Original Premises and the Additional Premises.

3. Section 6 of the Summary of Base Lease Information is hereby amended to read as follows:

6. Premises (Section 2.1 of Lease):	Suite Numbers: 100 and 150 Project Rentable Area: 157,886 square feet Building Rentable Area: 49,675 square feet Premises Rentable Area: 49,675 square feet Original Premises Rentable Area: 30,914 square feet Additional Premises Rentable Area: 18,761 square feet Tenant's Building Proportional Share: 100% Tenant's Project Proportional Share: 31.46%

4. Section 8 of the Summary of Basic Lease Information is hereby amended to read as follows:

8. Lease Term (Article 3 of Lease):	Lease Term: The expiration date for the entire Premises is the later to occur of July 31, 1999, or three (3) years after the Commencement Date for the payment of Rent for the Additional Premises as set forth in Section 3.2 of the Lease.

5. Section 9 of the Summary of Basic Lease Information is hereby amended to read as follows:

9. Rent (Article 4 of Lease):	Base Rent: Original Premises: Subject to adjustment as set forth in Section 4.1, Initial Base Monthly Rent (from the effective date set forth in the First Amendment) equal to $0.67 per rentable square foot of the Original Premises, or Twenty Thousand Seven Hundred Twelve Dollars and Thirty-Eight Cents ($20,712.38), and Initial Base Annual Rent equal to Two Hundred Forty-Eight Thousand Five Hundred Forty-Eight Dollars and Fifty-Six Cents ($248,548.56). Additional Premises: Subject to adjustment as set forth in Section 4.1, Initial Base Monthly Rent equal to $0.68 per rentable square foot of the Additional Premises, or Twelve Thousand Seven Hundred Fifty-Seven Dollars and Forty- Eight Cents ($12,757.48), and Initial Base Annual Rent of One Hundred Fifty-Three Thousand Eighty-Nine Dollars and Seventy- Six Cents ($153,089.76). Late Charge: Ten percent (10%) of the overdue amount. Lease Interest Rate: Ten percent (10%) per annum.

6. Section 12 of the Summary of Basic Lease Information is hereby amended to read as follows:

12. Brokers (Section 19.17 of Lease):	Landlord's Broker: Newport National Corporation Tenant's Broker: Rick Reeder, Business Real Estate Brokerage Company.

7. Section 14 of the Basic Lease Information is hereby amended to read as follows:

14. Tenant Improvement Allowance (See Work Letter-- Exhibit C for Original Premises and Work Letter - Additional Premises - Exhibit C-1 for Additional Premises):	Ten Dollars ($10.00) per rentable square foot of the Original Premises and zero ($0.00) for the Additional Premises.

8. Section 1.27 of the Lease is deemed amended so that "Work Letter" means either the Work Letter for the Original Premises which was attached to the Lease as Exhibit "C" or the Work Letter - Additional Premises for the Additional Premises which is attached hereto as Exhibit "C-1," as the case may be.

9. Section 2.4 of the Lease is deemed amended so that it applies only to the Original Premises. As set forth in the Work Letter-Additional Premises attached, Tenant is performing all of the tenant improvement work within the Additional Premises and Landlord shall have no responsibility or liability therefor, except as expressly set forth in the Work Letter - Additional Premises. Tenant specifically acknowledges that Tenant is accepting the Additional Premises from Landlord in their present condition, "As Is," and without any representation or warranty from Landlord as to the condition of the Additional Premises; provided, however, that Landlord hereby warrants to Tenant that the HVAC System serving the Additional Premises shall be in good

condition and proper working order for ninety (90) days following the Commencement Date with regards to the payment of Rent relating to the Additional Premises (as described below). Tenant waives any claims against and releases Landlord from any liability or responsibility for the condition of the Additional Premises, whether such condition is latent or patent, except as specifically aforesaid or as set forth in the Work Letter Additional Premises.

10. Section 2.6.2 of the Lease is deemed amended so that Landlord's obligation to deliver an Option Expansion Notice shall be one time each calendar quarter.

11. Section 3.2 of the Lease is deemed amended to acknowledge that the Commencement Date with regards to the Original Premises has occurred. The Commencement Date with regards to the payment of Rent relating to the Additional Premises shall be the earlier of (a) completion by Tenant of the Tenant Improvements in the Additional Premises pursuant to the Work Letter - Additional Premises, or (b) August 15, 1996; provided, however, that to the extent the Additional Premises Possession Date (as hereinafter defined) is later than July 1, 1996, then the date set forth in (b) in this sentence shall be extended by the same number of days. All of Tenant's other obligations with respect to the Additional Premises set forth in the Lease (including, but not limited to, obtaining insurance) shall commence as of the date Landlord makes the Additional Premises available to Tenant for purposes of Tenant constructing the Tenant Improvements in the Additional Premises pursuant to the Work Letter - Additional Premises ("Additional Premises Possession Date").

12. Section 3.3 of the Lease is amended to provide that a delay in the Additional Premises Possession Date shall affect only the portion of the Lease relating to the Additional Premises. If the Additional Premises Possession Date has not occurred by October 1, 1996 ("Termination Date"), due to the previous occupant of such space not timely moving out or for any other reason except a Tenant Delay (in which case the Termination Date shall be extended for the period of such Tenant Delay), then Tenant may terminate this Lease as to the Additional Premises only by written notice thereof to Landlord by the date which is thirty (30) days after the Termination Date. If Tenant fails to

timely deliver such notice of termination, Tenant's right to terminate this Lease as to the Additional Premises shall be deemed waived. If Tenant does timely terminate this Lease as to the Additional Premises pursuant to the foregoing, Landlord shall have no liability or responsibility to Tenant for the delay or as a result of such termination. The parties agree that Tenant and Landlord will acknowledge in writing the Additional Premises Possession Date within five (5) days after such date has occurred.

13. Section 3.4 is deemed amended so that it does not apply to the Additional Premises.

14. Except as hereinafter set forth, Section 3.5 of the Lease is amended so that it applies to the entire Premises. The Base Annual Rent for the first year of each Extension Term shall be equal to (a) ninety-five percent (95%) of the fair market rental for a two (2) year lease with regards to the Original Premises only, and (b) one hundred percent (100%) of the fair market rental for a two (2) year lease with regard to the Additional Premises. The Extension Options may only be exercised with regards to the entire Premises, and the Fair Market Rental Calculation shall contain two portions, one relating to the Original Premises and one relating to the Additional Premises. All other parts of the process described in Section 3.5 shall apply.

15. The parties acknowledge that Lease Year 2 under the Lease commences (a) August 1, 1996 for the Original Premises, and (b) the Commencement Date (as defined in Section 12 above) with regard to the payment of Rent for the Additional Premises. Given the foregoing, Section 4.1 of the Lease is amended to provide that the Base Monthly Rent and the Base Annual Rent shall be increased in accordance with the following schedule:

Lease Year	Original Premises Base Monthly Rent	Additional Premises Base Monthly Rent	Total Premises Base Monthly Rent
2	$21,639.80	$12,757.48	$34,397.28
3	23,185.50	13,320.31	36,505.81
4	23,803.78	13,883.14	37,686.92

Lease Year	Original Premises Base Monthly Rent Base Annual Rent	Additional Premises Base Monthly Rent Base Annual Rent	Total Premises Base Monthly Rent Base Annual Rent
2	$259,677.60	$153,089.76	$412,767.36
3	278,226.00	159,843.72	438,069.72
4	285,645.36	166,597.68	452,243.04

16. Section 5.5.3 of the Lease is amended so that the limitation contained therein on Tenant's obligation to pay Common Area Maintenance Charges, Property Taxes and Project Insurance Charges shall apply only to such charges incurred with respect to the Original Premises. Tenant shall be liable without limitation for all such charges with regards to the Additional Premises.

17. Section 11.1 of the Lease is amended to provide that Landlord shall respond within five (5) days of Tenant's request for approval of any such Alterations.

18. A typographical error in Section 11.6 of the Lease is hereby corrected so that the reference in the third line from the end is to "this Section 11.6."

19. Section 18.1 of the Lease is amended so that Tenant shall be required to surrender the Original Premises to Landlord broom clean and in the same condition as received except for ordinary wear and tear, which Tenant was not otherwise obligated to remedy under any provision of this Lease. Tenant shall be required to surrender the Additional Premises to Landlord broom clean and in the condition improved with the Tenant Improvements contemplated by the Work Letter - Additional Premises but without the Tenant Improvements identified by Landlord for removal at the expiration of the Lease Term during the Construction Documents approval process as set out in Section 1.3 of the Work Letter Additional Premises, except for ordinary wear and tear which Tenant was not otherwise obligated to remedy under any provision of this lease. Thirty (30) days prior to the expiration of the Lease, Landlord and Tenant will inspect the Premises for the purposes of Landlord identifying in writing within ten (10) days

of such inspection which improvements are to remain and which improvements are to be removed by Tenant prior to the expiration of the Lease Term pursuant to the terms of the Lease and the Work Letter - Additional Premises. Tenant's obligation to remove those improvements identified by Landlord for removal must be completed prior to the termination of the Lease. If Tenant enters or should enter any portion of the Premises after the termination of the Lease for the purpose of removing such improvements, then such entry (or requirement to enter) shall be deemed to be holding over the entire Premises pursuant to the provisions of Section 18.5 below. Section 18.2 of the Lease shall be deemed amended to be consistent with the foregoing requirements.

20. Exhibit "E-1" to the Lease is deleted and in its place is inserted Exhibit "E-2" attached hereto and by this reference incorporated herein. For all purposes, the Premises will be as described in this Amendment and as shown on Exhibit "E-2."

21. All initial capitalized terms which are not otherwise defined in this Amendment shall have the meanings set forth in the Lease.

22. Except as set forth in this Amendment, the Lease is unmodified and in full force and effect.

Landlord:

THE CAMPUS, LLC, a California limited liability company

By: NEWPORT NATIONAL CORPORATION, a California corporation, Member

By:_____
Its:_____

Tenant:

VIASAT, INC., a California corporation

By:_____
Its:_____

By:_____
Its:_____

LEASE AGREEMENT

THE CAMPUS

LANDLORD

THE CAMPUS, LLC, A CALIFORNIA
LIMITED LIABILITY COMPANY

TENANT

VIASAT, INC., A CALIFORNIA CORPORATION

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LEASE AGREEMENT

SUMMARY OF BASIC LEASE INFORMATION

1.	Lease Date:	December 8, 1994
2.	Landlord:	The Campus, LLC, a California limited liability company
3.	Address of Landlord:	c/o Newport National Corporation 5050 Avenida Encinas, Suite 350 Carlsbad, CA 92008 Attn: Mr. Scott Brusseau
4.	Tenant:	ViaSat, Inc., a California corporation
5.	Address of Tenant:	2290 Cosmos Court Carlsbad, CA 92009-1585
6.	Premises (Section 2.1 of Lease):	Suite No.: 150 Project Rentable Area: 156,436 square feet Building Rentable Area: 49,675 square feet Premises Rentable Area: Approximately 49,675 square feet. The Premises are comprised of the East Wing and the West Wing as set forth in Section 2.5. The East Wing and the West Wing will be delivered to Tenant on separate dates as set forth in Section 3.3 and the Work Letter. The East Wing consists of approximately 17,684 rentable square feet and the West Wing consists of approximately 31,991 rentable square feet. The West Wing consists of two phases, the First Phase and the Second Phase. The First Phase contains approximately (20,000) square feet. The Second Phase consists of approximately twelve thousand (12,000) square feet. Tenant's Building Proportional Share: 100% Tenant's Project Proportional Share: 31.75%
7.	Project:	The Campus, Carlsbad
	Building:	5964 La Place Court, Carlsbad, California 92008
8.	Lease Term (Article 3 of Lease):	Lease Term: Sixty (60) months Estimated Lease Commencement Date: May 1, 1995

Landlord Initials /s/ _____

Tenant Initials /s/ _____

		Estimated Lease Expiration Date: April 30, 2000
9.	Rent	Base Rent:
	(Article 4 of Lease)	$.67 per rentable square foot of the Premises, subject to adjustment as set forth in Section 4.1
		Initial Base Monthly Rent: $33,282.25
		Initial Base Annual Rent: $399,387.00
		First Month's Base Monthly Rent due upon the date Landlord acquires title to the Project pursuant to Section 3.2
		Late Charge: Ten percent (10%) of the overdue amount
		Lease Interest Rate: Ten percent (10%)
10.	Use (Article 6 of Lease):	General Office, Assembly and Manufacturing
11.	Security Deposit (Article 4 of Lease):	None
12.	Brokers (Section 19.17 of Lease):	Landlord's Broker: None Tenant's Broker: Rick Reeder, Business Real Estate
13.	Lease Guarantors:	None
14.	Tenant Improvement Allowance (See Work Letter - Exhibit "C")	Ten Dollars ($10.00) per rentable square foot of the Premises

15. Exhibits and Addenda: The following exhibits and addenda are attached hereto and incorporated into this Lease:

EXHIBITS:

Exhibit "A".....Site Plan

Exhibit "B".....Rules and Regulations

Exhibit "C".....Work Letter

Exhibit "D" .....Acceptance Letter

Exhibit "E".....CADD Diagram

12/18/94 Landlord Initials /s/

Tenant Initials /s/

OTHER EXHIBITS

None

ADDENDA:

None

The foregoing Summary of Basic Lease Information is hereby incorporated into and made a part of this Lease. Each reference in this Lease to the Summary of Basic Lease Information shall mean the information set forth above and shall be construed to incorporate all of the terms provided under the particular lease paragraph pertaining to such information. In the event of a conflict between the Summary of Basic Lease Information and the Lease, the terms of the Lease shall prevail.

LANDLORD:

The Campus, LLC, a California limited liability company

By: Newport National Corporation, a California corporation
Its: Manager

By:/s/ Scott R. Brusseau

Name: Scott R. Brusseau
Title: President

TENANT:

ViaSat, Inc., a California corporation

By: /s/ Greg Monahan

Name: Greg Monahan

Title:Vice President

By:_____
Name:_____
Title:_____

Landlord Initials /s/

Tenant Initials /s/

LEASE

This Lease, which includes the Basic Terms (as hereinafter defined) ("Lease"), is made as of December 8, 1994, by and between The Campus, LLC, a California limited liability company ("Landlord") and ViaSat, Inc., a California corporation ("Tenant").

ARTICLE 1

DEFINITIONS

In addition to the defined terms set forth elsewhere in this Lease, unless the context otherwise requires, the following terms shall have the meanings set forth below.

1.1 ADDITIONAL RENT. "Additional Rent" refers collectively to the Tenant's Proportional Share of Common Area Maintenance Charges, Property Taxes and Project Insurance Charges and any other charges due and payable by Tenant under this Lease other than Base Monthly Rent or Base Annual Rent.

1.2 BASE ANNUAL RENT. "Base Annual Rent" means the Base Monthly Rent calculated on an annual basis.

1.3 BASE MONTHLY RENT. "Base Monthly Rent" means the rental specified in Article 4 of this Lease.

1.4 BASIC TERMS. "Basic Terms" means the Summary of Basic Lease Information set forth at the beginning hereof.

1.5 BUSINESS DAYS. "Business Days" means any day on which business is conducted by federal savings banks in San Diego County, California.

1.6 COMMON AREA MAINTENANCE CHARGES. "Common Area Maintenance Charges" means the costs and expenses described in Section 5.4.2 of this Lease.

1.7 DECLARATIONS. "Declarations" means any Declaration or Declarations of Covenants, Conditions and Restrictions which have been or may be recorded against all or a portion of the Project, including but not limited to, the Declaration of Restrictions recorded April 22, 1982 in the San Diego County Recorder's Office as Instrument No. 82-114942 and recorded May 12, 1982 as Instrument No. 82- 141190, as amended from time to time.

1.8 ESTIMATED COMMENCEMENT DATE. "Estimated Commencement Date" refers to the date specified in Item 8 of the Basic Terms.

1.9 HAZARDOUS MATERIALS. The term "Hazardous Material(s)" shall mean any toxic or hazardous substance, material or waste or any pollutant or contaminant or infectious or radioactive material which are, or in the future become, regulated under applicable local, state or federal law for the protection of health or the environment, or which are classified as hazardous or toxic substances, materials or wastes, pollutants or contaminants, as defined, listed or regulated by any federal, state or local law, regulation or order or by common law decision, including, without limitation, (i) trichloroethylene, tetrachloroethylene, perchloroethylene and other chlorinated solvents, (ii) any petroleum products or

fractions thereof, (iii) asbestos, (iv) polychlorinated biphenyls, (v) flammable explosives, (vi) urea formaldehyde and (vii) radioactive materials and waste.

1.10 HAZARDOUS MATERIALS LAWS. The term "Hazardous Materials Law(s)" shall mean any federal, state or local laws, ordinances, codes, statutes, regulations, administrative rules, policies and orders, and other authority, existing now or in the future, which classify, regulate, list or define hazardous substances, materials, wastes contaminants, pollutants and/or the Hazardous Materials.

1.11 LANDLORD. "Landlord" means the person or entity described in Item 2 of the Basic Terms.

1.12 LANDLORD'S INDEMNITEES. "Landlord's Indemnitees" shall refer collectively to Landlord's agents, partners, members, managers, shareholders, officers, directors, employees, successors and/or assigns.

1.13 LEASE INTEREST RATE. "Lease Interest Rate" means the interest rate specified in Item 9 of the Basic Terms.

1.14 LEASE TERM. "Lease Term" means the entire period commencing with the Commencement Date and continuing for the period specified in Item 8 of the Basic Terms, plus any extensions, renewals or holding over periods.

1.15 LEASE YEAR. "Lease Year" or "lease year" shall mean a consecutive twelve (12) month period during the Lease Term commencing on the Commencement Date provided that the Lease Year may be adjusted by Landlord to commence on the first day of a calendar month after the Commencement Date.

1.16 PREMISES. "Premises" means the space described in Section 2.1 and delineated on the Site Plan.

1.17 PROJECT. "Project" means the office and industrial project commonly known as The Campus at Carlsbad, and is more particularly described in Exhibit "A," together with all fixtures, equipment and personal property owned by Landlord, now or hereafter situated or located therein or thereupon and used in connection with the operation and maintenance thereof.

1.18 PROJECT COMMON AREA. "Project Common Area" means all areas, space, equipment and special services which are from time-to-time provided by Landlord for the common or joint use and benefit of the occupants of the Project and Building, their employees, agents, servants, customers and other invitees, including without limitation, parking areas, access roads, driveways, retaining walls, landscaped areas, truck service-ways, stairs, ramps, sidewalks, pools, patios, hardscapes, electrical rooms, mailrooms, common area restrooms and locker rooms and hallways.

1.19 PROPERTY TAXES. "Property Taxes" means: (i) general real property and improvements taxes, any form of assessment, special assessment or reassessment, any fee, license fee, license tax, business license fee, commercial rental tax, levy, charge, assessment, penalty or other tax imposed by any authority having the direct or indirect power to tax, including any city, county, state or federal government, or any school, agriculture, lighting, drainage or other improvement district thereof, as against any legal or equitable interest of Landlord in the Project; (ii) any tax on the Landlord's right to receive, or the receipt of, rent or income from the Project or against Landlord's business of leasing the Project; (iii) any tax or charge for fire protection, streets, sidewalks, road maintenance, refuse or other services provided to the Project by any governmental agency; (iv) any tax imposed upon this transaction or based upon a reassessment of the Project due to a change in ownership or transfer of all or part of Landlord's interest in

the Project; and (v) any charge or fee replacing any tax previously included within the definition of Property Taxes. "Property Taxes" does not, however, include Landlord's Federal or State income, franchise, inheritance or estate taxes.

1.20 RENT. "Rent" and/or "rent" shall mean the Base Monthly Rent, Additional Rent and any other amounts Tenant is required to pay under this Lease.

1.21 RULES AND REGULATIONS. "Rules and Regulations" mean the rules and regulations set forth in Exhibit "B" attached to this Lease.

1.22 SITE PLAN. "Site Plan" refers to the Site Plan attached as Exhibit "A."

1.23 TENANT. "Tenant" means the person or entity described in Item 4 of the Basic Terms.

1.24 TENANT IMPROVEMENTS. "Tenant Improvements" shall refer to the Tenant Improvements as defined in the Work Letter attached hereto as Exhibit "C."

1.25 TENANT'S INDEMNITEES. "Tenant's Indemnitees" shall refer collectively to Tenant's agents, partners, members, managers, shareholders, officers, directors, employees, successors and/or assigns.

1.26 TENANT'S PROPORTIONAL SHARE. "Tenant's Proportional Share" shall mean both Tenant's Building Proportional Share and Tenant's Project Proportional Share. Tenant's Building Proportional Share shall be the percentage obtained by dividing the square footage of the Premises by the total square footage of the Building and Tenant's Project Proportional Share shall be the percentage obtained by dividing the square footage of the Premises by the total leasable square footage of the Project. Tenant's Building Proportional Share and Tenant's Project Proportional Share shall initially be as set forth in Item 6 of the Basic Lease Provisions.

1.27 WORK LETTER. "Work Letter" means the Work Letter which is attached to this Lease as Exhibit "C."

ARTICLE 2

PREMISES

2.1 PREMISES. Upon and subject to the terms, covenants and conditions hereinafter set forth, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises. The Premises are located in the Building. The Building is, in turn, located in and constitutes a portion of the Project. Landlord reserves the right to change the shape, size, location, number and extent of the improvements shown on the Site Plan and eliminate or add any improvements to any portion of the Project as provided in Article 5. The rentable area of the Premises, Building and Project are set forth on the CADD Diagram attached hereto and incorporated herein as Exhibit "E." In the first thirty (30) days after the Commencement Date, Landlord and Tenant shall verify the rentable area of the Premises, Building and/or Project and a change shall be made to such rentable area amounts only to the extent the Tenant Improvements are constructed in a configuration other than as set forth on the CADD Diagram. In the event that Landlord determines during such thirty (30) day period that the rentable area of either the Premises, Building, and Project differ from the amount set forth in Item 6 of the Basic Terms, all amounts, percentages and figures appearing or referred to in this Lease, including, without limitation, Tenant's Proportional Share, based upon such incurred amount shall be revised accordingly and such revised figures shall be deemed to be the rentable area of the Premises, Building or Project, respectively. In such case, the Base Monthly Rent and any other payments due hereunder which are based on a rentable

square footage basis shall be increased or decreased accordingly. The purpose of the Site Plan is to show the approximate location of the Premises. Notwithstanding any other provision contained in this Lease except Section 9.1 with respect to the provision of a minimum number of parking spaces, Landlord reserves the right at any time to vary and adjust the size of the various buildings, the location of any other tenant, automobile parking areas, and other common areas as shown on said Site Plan, provided, however, that said parking area (including landscaped common areas) shall at all times provide for not less than the minimum parking required by the local jurisdiction in which the Project is located and the minimum requirements established under any deed restrictions or covenants, conditions and restrictions encumbering the Premises.

2.2 LEASE OF THE PREMISES. Tenant acknowledges that this Lease is subordinate and subject to the Declarations, all liens, encumbrances, deeds of trust, reservations, restrictions and other matters affecting the Project or the Premises and any law, regulation, rule, order or ordinance of any governmental entity applicable to the Project or the Premises or the use or occupancy thereof, in effect on the execution of this Lease or thereafter promulgated. Landlord grants Tenant during the Lease Term the concurrent right to use the Project Common Area on a nonexclusive basis and subject to the provisions of this Lease. Easements for light and air are not included in the leasing of these Premises to Tenant. Landlord further reserves the exclusive right of access to the roof, except for any rights of access specifically granted to Tenant under the terms of this Lease or any rights of access approved by Landlord, in its sole discretion, in writing.

2.3 SUITABILITY OF PREMISES. Tenant acknowledges that, except as expressly set forth herein, Landlord has made no representation or warranty regarding the condition of the Premises or the Project or the suitability of such Premises or the Project for the operation or conduct of Tenant's business thereon or for any other purpose. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Project were acceptable to Tenant and in satisfactory condition to conduct business at such time.

2.4 LANDLORD'S WORK IN THE PREMISES. The Premises shall be completed as set forth in the Work Letter. Except as specifically set forth in this Lease and the Work Letter, Landlord shall not provide or pay for any interior improvement work or services related to the improvement of the Premises.

2.5 REDUCTION IN PREMISES AND LEASE TERM. In the event that Landlord does not obtain assurances acceptable to Landlord and Tenant, each acting in their own reasonable discretion, on or before March 15, 1995 from Torrey Pines Research ("Existing Tenant") that Existing Tenant will abandon that portion of the Premises shown on Exhibit "A" attached hereto and incorporated herein and identified as the "East Wing," on or before October 1, 1995, then (a) the area of the "Premises" for purpose of this Lease shall be automatically reduced by the area of the East Wing so that the Premises only includes that portion of the Premises shown on Exhibit "A" as the "West Wing," and the provisions set forth in the Summary of Basic Lease Provisions which are determined by the rentable square footage of the Premises, including Tenant's Building Proportionate Share, Tenant's Project Proportional Share, Base Rent, and the Security Deposit, shall be reduced proportionally in accordance with the percent reduction in the rentable area of the Premises and (b) Tenant shall have the option, which option may be exercised in Tenant's sole discretion, to give notice to Landlord on or before July 1, 1995 electing to change the Lease Term from sixty (60) months to forty-eight (48) months. For purposes of this Section 2.5, the parties agree that the rentable square footage of the East Wing is seventeen thousand six hundred eighty-four (17,684) rentable square feet. In the event that Landlord obtains assurances acceptable to Landlord that the Existing Tenant will abandon by October 1, 1995 the East Wing then Landlord shall provide notice thereof to Tenant together with such assurances and Tenant, within ten (10) days thereafter, shall deliver notice to Landlord whether such assurances are acceptable. If Tenant fails to deliver such notice, Tenant shall be deemed to approve the assurances provided by Landlord. If Tenant delivers notice to Landlord that such

assurances are not acceptable, the parties shall meet within four (4) days thereafter to discuss the assurances provided and determine what additional assurances are reasonably necessary, if any. On the date that such assurances are reasonably approved by Tenant or deemed approved by Tenant, the provisions of the Work Letter shall be triggered for the East Wing. After the Lease Date and until March 15, 1995, Landlord shall use its best efforts to cause Existing Tenant to agree before March 15, 1995 to abandon the East Wing on or before October 1, 1995, provided, however, that Landlord shall not be required to incur any cost, expense or liability to obtain such agreement. In the event that Landlord is unable to obtain reasonable assurances on or before March 15, 1995 and the Premises are reduced as provided herein, but Existing Tenant abandons the East Wing on or before July 1, 1995 without the requirement of payment or any other consideration by Landlord to do so, Landlord shall give written notice to Tenant thereof. Within five (5) Business Days after such notice, Tenant may elect, by written notice to Landlord, to lease the East Wing on the terms and conditions contained in this Lease, provided, however, that the Lease Term shall be sixty (60) months regardless of whether or not Tenant has delivered a notice under subsection (b) above.

2.6 RIGHT OF FIRST REFUSAL/OPTION TO EXPAND.

2.6.1 GRANT OF RIGHT OF FIRST REFUSAL. Subject to the conditions set forth herein, Landlord hereby grants to Tenant a right of first refusal ("Right of First Refusal") to lease certain rentable space within the Project. If at any time during the Lease Term, Landlord receives an offer to lease (the "Offer") all or any of the rentable space in the Project ("Expansion Space"), Landlord shall notify Tenant that Landlord has received an offer to lease such Expansion Space, which notice shall specify the amount of Base Monthly Rent for such Expansion Space, the allowance for tenant improvements for such Expansion Space, the term of the lease for such Expansion Space and the other terms and conditions contained in the Offer ("Refusal Expansion Notice"). Tenant agrees that the term "Offer" shall not include any exercise of an option or right of first refusal held by any third party as of the Lease Date. Within thirty (30) days after the satisfaction of the contingencies contained in Section 3.2, Landlord shall provide Tenant with a list of those parties holding a right of first refusal or an option to expand for any portion of the Project as of the Lease Date.

a. If Tenant, within four (4) Business Days after receipt of the Refusal Expansion Notice, indicates in writing its agreement to lease such Expansion Space, such Expansion Space shall be included within the Premises and leased to Tenant pursuant to the terms and conditions contained in the Offer, including, but not limited to, with respect to the building located at 5962 La Place Court, any requirement in the Offer that Tenant use Landlord's standard form of lease agreement for such Expansion Space which standard form shall be commercially reasonable given the particularities of the Project and such Expansion Space.

b. If Tenant does not notify Landlord in writing within such four (4) Business Day period of its agreement to lease the Expansion Space, or if Tenant delivers notice of its intent to lease the Expansion Space but Tenant fails to execute an Amendment of Lease or New Lease as described in Section 2.6.4 below within five (5) Business Days of delivery of such Amendment of Lease or ten (10) Business Days after delivery of the New Lease by Landlord to Tenant (or five (5) Business Days to the extent Landlord and Tenant have previously negotiated the form of and entered into a New Lease), then this Right of First Refusal shall expire. If Tenant fails to exercise its Right of First Refusal and thereafter Landlord fails to execute a lease for such Expansion Space within one hundred twenty (120) days after delivery of Landlord's Refusal Expansion Notice with the prospective tenant identified in the Offer, then this Right of First Refusal shall be reinstated and Tenant shall have the right to exercise the Right of First Refusal on the same terms as set forth in this Section 2.6.1.

2.6.2 OPTION TO EXPAND. Subject to the conditions set forth herein, Landlord hereby grants to Tenant an Option to Expand ("Option to Expand") to lease the Expansion Space. If at any time during the Lease Term, Landlord determines that a portion of the Expansion Space will become available for lease at any time within the next twelve (12) months and that no third party has a right of first refusal or option to lease such Expansion Space or upon the failure of any such third party to exercise any right of first refusal or option to lease such Expansion Space, Landlord shall notify Tenant that such Expansion Space is available for lease ("Option Expansion Notice"). Tenant may, in its sole discretion, elect to exercise the Option to Expand only by delivery of written notice to Landlord ("Notice of Intention to Expand") within seventy-two (72) days after receiving the Option Expansion Notice. The parties acknowledge and agree that this Option to Expand is subordinate to the Right of First Refusal. Accordingly, if Landlord receives an Offer pursuant to Section 2.6.1 at any time prior to Tenant's notice to institute the arbitration procedure pursuant to Section 2.6.2(b) below, Tenant shall have the Right of First Refusal with respect to such Offer but shall have no further Option to Expand with respect to such Expansion Space except to the extent Landlord fails to enter into a lease with respect to the Expansion Space in the time period prescribed in Section 2.6.1(b).

a. In the event Tenant gives a Notice of Intention to Expand for such Expansion Space, Tenant shall be subject to all the terms and conditions of this Lease other than the Business Terms (as such term is defined below) with respect to any lease of Expansion Space at 5966 La Place Court or the Building or the terms and conditions of a New Lease (as defined in Section 2.6.4) with respect to any Expansion Space located at 5962 La Place Court with respect to such Expansion Space; provided, however, that Base Annual Rent for such Expansion Space shall be equal to ninety-five percent (95%) of the fair market rental for the Expansion Space if the Expansion Space is located at 5964 La Place Court or in the Building and ninety-eight percent (98%) of the fair market rental for the Expansion Space if the Expansion Space is located at 5962 La Place Court. For purposes of this Lease, fair market rental ("Fair Market Rental") shall be the market rental for such Expansion Space, taking into account the quality of such Expansion Space, the lease term, the quality and nature of existing tenant improvements, the cap on the tenant improvement set forth in subsection (b) below, the financial strength of Tenant, the square footage of such Expansion Space, the other amenities in the Project and any other Business Terms (as defined in subsection b below).

b. Concurrently with the delivery of the Notice of Intention to Expand, Tenant shall deliver to Landlord, Tenant's good faith determination of Tenant's calculation of the Fair Market Rental ("Fair Market Rental Calculation") and Tenant's other proposed business terms for the lease of the Expansion Space, including, but not limited to, the lease term (which shall not be less than eighteen (18) months), the desired tenant improvement allowance (which shall not be greater than Five Dollars ($5.00) per rentable square foot except on the East Wing, in the event that the area of the Premises is reduced pursuant to the terms of Section 2.5 of this Lease, which shall not be greater than Ten Dollars ($10.00) per rentable square foot), the proposed use of such Expansion Space (which use shall be consistent with the Permitted Uses or otherwise consistent with the Project), or any limitation or cap on Tenant's obligation to pay Tenant's share of common area maintenance or other common charges applicable to the Project (collectively, "Business Terms"). Such Fair Market Rental Calculation shall include a narrative explanation of the reasons justifying Tenant's determination, information regarding rental rates paid at other comparable projects in the vicinity of the Project and any other information reasonably requested by Landlord. Landlord shall have the right, in its reasonable discretion, to accept or reject Tenant's calculation of Fair Market Rental or the proposed Business Terms. Landlord shall deliver notice of acceptance or rejection within five (5) Business Days of receipt of Tenant's calculation of the Fair Market Rental ("Landlord's Notice"). If Landlord rejects Tenant's calculation of Fair Market Rental or the other proposed Business Terms, Landlord and Tenant shall meet and negotiate in good faith to attempt to reach agreement on the Fair Market Rental and the Business Terms. If Landlord and Tenant are unable to reach agreement within ten (10) days of the delivery of Landlord's Notice ("Negotiation

Period"), (a) in the case such Expansion Space is less than one thousand five hundred (1,500) rentable square feet, Tenant's Expansion Option for such Expansion Option shall expire and be of no further force and effect until the expiration of any future lease for such Expansion Space but Tenant shall retain its Right of First Refusal with respect to such Expansion Space or (b) in the case such Expansion Space is one thousand five hundred (1,500) or more rentable square feet, Tenant may elect, by written notice to Landlord within one (1) Business Day of the expiration of the Negotiation Period, to elect to institute the arbitration procedure set forth in Subsection (c) below. In the event Tenant fails to give such notice, Tenant shall be deemed to waive its rights to institute the arbitration procedure and the Option to Expand for such Expansion Space shall expire and be of no further force and effect until the expiration of any future lease for such Expansion Space but Tenant shall retain its Right of First Refusal with respect to such Expansion Space.

c. Within five (5) days after delivery by Tenant of its notice to institute the arbitration procedure, Landlord and Tenant shall meet and appoint a mutually acceptable appraiser to determine the Business Terms and Fair Market Rental based upon the Business Terms, taking into account the quality of such Expansion Space, the quality and nature of existing tenant improvements, the financial strength of Tenant, the square footage of such Expansion Space and the other amenities in the Project. The appraiser shall be an appraiser with at least five (5) years experience in appraising similar projects in San Diego County and an employee or principal of either Lipman, Stevens & Marshall, Inc. (San Diego office) or D.F. Davis Real Estate, Inc. (San Diego office). If Landlord and Tenant are unable to select a mutually agreeable appraiser from either of such companies within such five (5) day period, the President (or officer of similar stature) of Lipman, Stevens & Marshall, Inc. (San Diego office) shall choose an appraiser from such company who meets the above experience requirement and such appraiser appointed shall be the appraiser for purposes of this subsection (c). If Lipman, Stevens & Marshall, Inc. (San Diego office) is dissolved or not otherwise in business in San Diego County at the time the appraisal procedure is implemented, the President (or officer of similar stature) of D.F. Davis Real Estate, Inc. (San Diego office) shall select an appraiser from such company. The appraiser shall not have any financial or personal interest in the result of the appraisal and shall disclose any circumstances likely to create a presumption of bias or prevent a prompt meeting with the parties. After selection or appointment of the appraiser, Landlord and Tenant shall submit information regarding the proposed Business Terms and Fair Market Rental to the appraiser. To the extent that the parties are able to stipulate to any or all of the Business Terms, such stipulation shall also be submitted to the appraiser, otherwise no evidence of negotiations between the parties shall be submitted to the appraiser. Within fifteen (15) days after submission of information by Landlord and Tenant to the appraiser, the appraiser shall determine any remaining Business Terms and the Fair Market Rental for the Expansion Space. The fees for the arbitrator shall be paid by the party whose calculation of Fair Market Rental (given the Business Terms) varied the most from the Fair Market Rental as determined by the arbitrator.

2.6.3 ABSENCE OF DEFAULT. Notwithstanding the foregoing, if Tenant is in default under this Lease Term, Tenant may not exercise the Option to Expand or the Right of First Refusal. In addition to the foregoing, all rights of Tenant to the Option to Expand or the Right of First Refusal shall terminate and be of no further force and effect, even after Tenant's due and timely exercise thereof, if, after such exercise, but prior to the commencement date of the lease for the applicable Expansion Space: (a) Tenant fails more than three (3) times during the Lease Term to pay to Landlord a monetary obligation of Tenant for a period of ten (10) days after such obligation has become due; (b) Tenant fails to cure a material nonmonetary default in a timely fashion after receiving notice with respect thereto from Landlord as set forth in Section 16.2.5; or (c) Landlord gives to Tenant three (3) or more notices of default after defaults by Tenant, whether or not such defaults are ultimately cured. Landlord's waiver of its right to terminate this Lease due to Tenant's default in any instance shall not be deemed a waiver of the foregoing conditions precedent and conditions subsequent to the exercise of the Option to Expand and Right of First Refusal.

Landlord Initials /s/

Tenant Initials /s/

2.6.4 NEW LEASE OR AMENDMENT TO LEASE. Tenant shall, within five (5) Business Days after delivery to Tenant, execute a new lease upon the applicable terms and conditions for any Expansion Space located in the building at 5962 La Place Court ("New Lease") (except to the extent that Landlord and Tenant have not previously negotiated the form of and executed a lease for the building at 5962 La Place Court in which event Tenant shall execute within ten (10) Business Days) or an amendment to this Lease for any Expansion Space located in the building located at 5966 La Place Court or in the Building upon the applicable terms and conditions and only including the Business Terms in this Lease for the Expansion Space to the extent determined as set forth in Section 2.6.2 ("Amendment to Lease").

2.6.5 OPTION TO EXPAND AND RIGHT OF FIRST REFUSAL PERSONAL. The Option to Expand and Right of First Refusal granted to Lessee in this Lease are personal to the original Lessee and may be exercised only by the original Lessee while occupying the Premises, and may not be exercised or be assigned, voluntarily or involuntarily, by or to any person or entity. The Option to Expand and Right of First Refusal herein granted to Lessee are not assignable separate and apart from this Lease, nor may the Option to Expand or Right of First Refusal be separated from the Lease in any manner, either by reservation or otherwise.

ARTICLE 3

LEASE TERM

3.1 LEASE TERM. The term of this Lease ("Lease Term") shall be for the period of time specified in the Basic Terms, but shall be extended to include any fraction of a calendar month between the commencement of the Lease Term and the first day of the first full calendar month thereof. Notwithstanding the Lease Term, this Lease is a binding contract between Landlord and Tenant from and after the date of full execution and delivery hereof by both parties, enforceable in accordance with its terms.

3.2 COMMENCEMENT DATE; CONDITION PRECEDENT TO EFFECTIVENESS. The commencement date of the Lease Term ("Commencement Date") shall be the later to occur of the Substantial Completion of the First Phase of the West Wing (as defined in the Work Letter) or April 15, 1995. The date of Substantial Completion of the East Wing or the Second Phase of the West Wing shall not in any way affect the Commencement Date of this Lease and the expiration date for the lease of the East Wing and Second Phase of the West Wing shall be the same date as the expiration date for the lease of the First Phase of the West Wing. The parties agree that this Lease shall not be effective unless and until Landlord acquires the Project pursuant to the terms and conditions of that certain Purchase and Sale Agreement dated October 26, 1994 by and between Metropolitan Life Insurance Company, as Seller, and NTN Communications, as Buyer, as amended from time to time. In the event Landlord has not acquired the Project on or before January 6, 1995, this Lease shall terminate and be of no further force and effect.

3.3 DELAY IN COMMENCEMENT. If Landlord, for any reason whatsoever, cannot deliver possession of the Premises to Tenant by the Estimated Commencement Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom provided, however, that in the event that the existing tenant in the West Wing, Greenfield Environmental Systems, Inc. ("Greenfield"), does not vacate the West Wing on or before May 31, 1995, Landlord shall give written notice thereof to Tenant. During the two (2) months after delivery of such notice, Tenant can elect, by written notice to Landlord, to terminate this Lease if Greenfield has not abandoned the West Wing as of the date of such notice and neither party shall have any further

obligations hereunder or be liable for any loss or damage resulting from such termination. If Greenfield has not abandoned the West Wing on or before July 31, 1995, this Lease shall automatically terminate and neither party shall have any further obligations hereunder or be liable for any loss or damages resulting from such termination. The parties also acknowledge and agree that any delay by Greenfield in abandoning the West Wing on or before May 31, 1995 will result in similar delays in Landlord's ability to deliver the West Wing and the parties ability to meet certain of the Tenant Improvement deadlines set forth herein. Landlord agrees to use commercially reasonable efforts to prosecute an unlawful detainer action against Greenfield in the event Greenfield does not abandon the space occupied by Greenfield at the expiration of Greenfield's lease. In addition to the above, Tenant may terminate this Lease on or before fifteen (15) days after the Latest Delivery Date (as defined below) by written notice thereof to Landlord in the event Landlord is unable to deliver possession of the West Wing after Substantial Completion thereof (as defined in the Work Letter) on or before August 1, 1995, as such date shall be extended for the period of any Tenant Delays (as defined in the Work Letter) or Force Majeure ("Latest Delivery Date"). Furthermore, the parties recognize that any delay in the Commencement Date will result in the adjustment of certain dates in this Lease that are dependent upon or tied to the Commencement Date. Upon delivery of possession of the Premises to Tenant, Tenant shall, within five (5) days of request therefor by Landlord, execute an acceptance letter ("Acceptance Letter") in substantially the form of the Acceptance Letter attached hereto as Exhibit "D"; provided, however, that the failure of Tenant to execute such Acceptance Letter shall not affect any obligation of Tenant hereunder or Landlord's determination of the Commencement Date. If the Tenant fails to execute and deliver such Acceptance Letter in the form proposed by Landlord, then Landlord and any prospective purchaser or encumbrancer may conclusively presume and rely upon the following facts: (i) that the Premises were in an acceptable condition and were delivered in compliance with all requirements of the Work Letter and (ii) the Commencement Date is the date specified in the Acceptance Letter proposed by Landlord. In addition to the above, the parties recognize and acknowledge that the Premises are comprised of the East Wing and the West Wing and that possession to the East Wing will be delivered to Tenant subsequent to the delivery of the West Wing. During the period prior to Substantial Completion of the East Wing, the Rent associated with the East Wing, including the Base Monthly Rent and Tenant's Proportional Share, shall be abated and waived.

3.4 EARLY OCCUPANCY. Landlord shall notify Tenant of the anticipated Commencement Date at least twenty (20) days but not more than forty (40) days prior to the Commencement Date. Tenant shall have the right, but not the obligation, to enter the Premises, from and after the date which is fifteen (15) days prior to the anticipated Commencement Date set forth in the Landlord's notice for the purpose of installing furniture, fixtures and special improvements on the terms and conditions contained in the Work Letter; provided however, Tenant shall not unreasonably interfere with Landlord's construction and installation of Tenant Improvements. If Tenant enters or occupies the Premises prior to the Commencement Date solely for the purpose of preparing the Premises for the conduct of business thereon and not for the purposes of conducting business thereon, Tenant's entry and/or occupancy of the Premises shall be subject to all of the provisions of this Lease and the Work Letter with the exception of the payment of Base Annual Rent and Additional Rent, which obligations shall commence as of the Commencement Date. Tenant shall not be charged for electrical consumption during any period prior to the Commencement Date. If requested by Landlord, Tenant shall execute a hold harmless agreement in a form prepared by Landlord. Early occupancy of the Premises shall not advance the expiration date of this Lease.

3.5 OPTION TO EXTEND. Landlord hereby grants to Tenant two (2) options (individually, an "Extension Option") to extend the term of this Lease for one (1) period of two (2) years each (individually, an "Extension Term"). Tenant shall be required to give written notice of the exercise of each Extension Option ("Notice of Intention to Extend") to Landlord not later than nine (9) months eighteen (18) days prior to the expiration date of the Lease, or, if applicable, prior to the expiration of the then effective Extension Term.

3.5.1 In the event Tenant elects to exercise an Extension Option, Tenant shall be subject to all the terms and conditions of this Lease during the term of the Extension Term; provided, however, that Base Annual Rent for the first year of each Extension Term shall be equal to ninety-five percent (95%) of the fair market rental for a two (2) year lease. For purposes of this Lease, fair market rental shall be the market rental for the Premises, taking into account the quality of space leased to the Tenant, the length of the Extension Term, the quality of the existing Tenant Improvements, the financial strength of Tenant, the square footage of the Premises, the other amenities in the Project and the other terms of this Lease ("Fair Market Rental").

3.5.2 Concurrently with the delivery of the Notice of Intention to Extend, Tenant shall deliver to Landlord, Tenant's good faith determination of Tenant's calculation of the Fair Market Rental ("Fair Market Rental Calculation") based upon this Lease and the terms, covenants, and rights provided for in the Lease. Such Fair Market Rental Calculation shall include a narrative explanation of the reasons justifying Tenant's determination, information regarding rental rates paid at other comparable projects in the vicinity of the Project and any other information requested by Landlord.

3.5.3 Landlord shall have the right, exercised in good faith, to accept or reject Tenant's calculation of Fair Market Rental, provided, however, that Landlord may only reject Tenant's calculation if Landlord reasonably determines that Tenant's calculation of Fair Market Rental does not reflect at least ninety-five percent (95%) of the Fair Market Rental for the Premises. Landlord shall deliver notice of acceptance or rejection within five (5) Business Days of receipt of Tenant's calculation of the Fair Market Rental ("Landlord's Notice"). If Landlord delivers Landlord's Notice, Landlord and Tenant shall meet to attempt to reach agreement on the Fair Market Rental. If Landlord and Tenant are unable to reach agreement within ten (10) days of the delivery of Landlord's Notice, Tenant may elect, by written notice to Landlord within One (1) Business Day of the expiration of the Negotiation Period, to elect to institute the arbitration procedure set forth in Subsection (c) below. In the event Tenant fails to give such notice, Tenant shall be deemed to waive its rights to institute the arbitration procedure and the Option to Extend shall expire and be of no further force and effect.

a. Within five (5) days after delivery by Tenant of its notice to institute the arbitration procedure, Landlord and Tenant shall meet and appoint a mutually acceptable appraiser to determine the Fair Market Rental, taking into account the quality of such Expansion Space, the quality and nature of existing tenant improvements, the financial strength of Tenant, the square footage of the Premises and the other amenities in the Project. The appraiser shall be an appraiser with at least five (5) years experience in appraising similar projects in San Diego County and an employee or principal of either Lipman, Stevens & Marshall, Inc. (San Diego office) or D.F. Davis Real Estate, Inc. (San Diego office). If Landlord and Tenant are unable to select a mutually agreeable appraiser from either of such companies within such five (5) day period, the President (or officer of similar stature) of Lipman, Stevens & Marshall, Inc. (San Diego office) shall choose an appraiser from such company who meets the above experience requirement and such appraiser appointed shall be the appraiser for purposes of this subsection (c). If Lipman, Stevens & Marshall, Inc. (San Diego office) is dissolved or not otherwise in business in San Diego County at the time the appraisal procedure is implemented, the President (or officer of similar stature) of D.F. Davis Real Estate, Inc. (San Diego office) shall select an appraiser from such company. The appraiser shall not have any financial or personal interest in the result of the appraisal and shall disclose any circumstances likely to create a presumption of bias or prevent a prompt meeting with the parties. After selection or appointment of the appraiser, Landlord and Tenant shall submit information regarding the Fair Market Rental to the appraiser. No evidence of negotiations between the parties shall be submitted to the appraiser. Within fifteen (15) days after submission of information by Landlord and Tenant to the appraiser, the appraiser shall determine the Fair Market Rental for the Premises. The fees for the arbitrator shall be paid by the party whose calculation of Fair Market Rental varied the most from the Fair Market Rental, as determined by the arbitrator.

3.5.4 In the event Landlord and Tenant reach agreement on the Fair Market Rental, Landlord and Tenant shall execute an amendment to this Lease within five (5) days thereafter extending the Lease Term for the period of the Extension Term at ninety-five percent (95%) of the Fair Market Rental.

3.5.5 Notwithstanding the foregoing, if Tenant is in default under this Lease Term, Tenant may not exercise the Extension Option. In addition to the foregoing, all rights of Tenant to the Extension Option shall terminate and be of no further force and effect, even after Tenant's due and timely exercise thereof, if, after such exercise, but prior to the commencement date of the Extension Term: (a) Tenant fails more than three (3) times during the Lease Term to pay to Landlord a monetary obligation of Tenant for a period of ten (10) days after such obligation has become due; (b) Tenant fails to cure a material nonmonetary default in a timely fashion after receiving notice with respect thereto from Landlord as set forth in Section 16.2.5; or (c) Landlord gives to Tenant three (3) or more notices of default after defaults by Tenant, whether or not such defaults are ultimately cured. Landlord's waiver of its right to terminate this Lease due to Tenant's default in any instance shall not be deemed a waiver of the foregoing conditions precedent and conditions subsequent to the exercise of the Extension Option.

ARTICLE 4

RENTAL AND OTHER PAYMENTS

4.1 BASE MONTHLY RENT. Subject to Sections 2.5 and 3.3 hereof, from and after the Commencement Date, Tenant shall pay to Landlord in advance, on the first day of each and every calendar month during the Lease Term, the Base Monthly Rent.

Subject to Sections 2.5 and 3.3 hereof, commencing as of the first (1st) anniversary of the Commencement Date and continuing on every subsequent anniversary of the Commencement Date, Base Monthly Rent shall be increased in accordance with the following schedule:

Lease Year	Base Monthly Rent	Base Annual Rent
2	$34,772.50	$417,270.00
3	$37,256.25	$447,075.00
4	$38,249.75	$458,997.00
5	$39,243.25	$470,919.00

The Base Monthly Rent for any fraction of a month at the beginning of the Lease Term will be prorated and paid within three (3) days of the Commencement Date. Payment of the Base Monthly Rent, Additional Rent and all other charges deemed to be Rent under this Lease shall be without prior notice, deduction, offset or demand, shall be in lawful money of the United States of America and shall be made at the address set forth for Landlord in the Basic Terms or at such other place as Landlord may direct. Base Monthly Rent payable for any period of less than one (1) month shall be prorated based upon a thirty (30) day month. Tenant shall pay to Landlord as prepaid Base Monthly Rent, upon Landlord's acquisition of the Project (in addition to the security deposit required), the amount specified in the Basic Terms, which sum shall be applied to the first calendar month of the Lease Term for which payment of Base Monthly Rent is due. Notwithstanding the provisions of this Section 4.1, (a) in the event the area of the Premises has not been reduced pursuant to the terms of Section 2.5 of this Lease, Base Monthly Rent shall be waived for the East Wing until the later to occur of (i) Substantial Completion of the East Wing

or (ii) December 1, 1995 and (b) Base Monthly Rate shall be waived for the Second Phase of the West Wing until the later to occur of (i) Substantial Completion of the Second Phase or (ii) July 1, 1995.

4.2 INTEREST ON PAST DUE OBLIGATIONS. Any amount owed by Tenant to Landlord which is not paid when due shall bear interest from the due date at the Lease Interest Rate but if such Lease Interest Rate exceeds the maximum interest rate permitted by law, such Lease Interest Rate shall be reduced to the highest rate allowed by law under the circumstances. Interest shall not be payable on late charges to be paid by Tenant under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Tenant under this Lease and the parties agree that such amounts are a reasonable estimate of the costs Landlord will incur as a result of its loss of the use of its money due to such late payment by Tenant.

4.3 LATE CHARGES. Tenant's failure to pay any Rent promptly may cause Landlord to incur unanticipated costs. The exact amount of such costs are impractical or extremely difficult to ascertain. Such costs may include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord under any mortgage or trust deed encumbering the Premises. Therefore, if Landlord does not receive any Rent payment within ten (10) days after it becomes due, Tenant shall pay Landlord a late charge in the amount specified in Item 9 of the Basic Terms. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment. Acceptance of such late charge by Landlord shall, in no event, constitute a waiver of Tenant's default with respect to such overdue amount. The late charge shall be deemed Rent and the rights to require it shall be in addition to all of Landlord's rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner.

4.4 SECURITY DEPOSIT.

4.4.1 DEPOSIT OF FUNDS. Upon Landlord's acquisition of the Project as set in Section 3.2, Tenant shall deposit with Landlord a cash security deposit ("Security Deposit") in the amount set forth in Item 11 of the Basic Terms. Landlord may, but shall not be obligated to, apply all or part of the Security Deposit to any unpaid Rent or other charges due from Tenant or to cure any other defaults of Tenant. If Landlord uses any part of the Security Deposit, Tenant shall restore the Security Deposit to its full amount within ten (10) days after Landlord delivers a written request to Tenant. Tenant's failure to do so shall be a default under this Lease. No interest shall be paid on the Security Deposit. Landlord shall not be required to keep the Security Deposit separate from its other accounts and no trust relationship is created with respect to the Security Deposit.

4.4.2 TRANSFER OF SECURITY DEPOSIT. Landlord may deliver the funds deposited hereunder by Tenant to a purchaser of Landlord's interest in the Premises, in the event that such interest be sold; and thereupon Landlord shall be discharged from any further liability with respect to such Security Deposit, except as may otherwise be agreed upon in writing.

ARTICLE 5

OTHER CHARGES PAYABLE BY TENANT

5.1 ADDITIONAL RENT AND RENT. All Additional Rent and Rent under this Lease, other than Base Monthly Rent, shall, unless this Lease expressly provides otherwise, be paid with the next installment of Base Monthly Rent falling due.

5.2 PROPERTY TAXES. Tenant agrees to pay to Landlord, as Additional Rent, Tenant's Proportional Share of all Property Taxes. Tenant shall pay said portion of Property Taxes in accordance

with the requirements of Section 5.5 of this Lease. All Property Taxes for the year in which this Lease commences shall be prorated by Landlord.

5.2.1 TENANT RIGHT TO CONTEST TAXES. Tenant may attempt to have the assessed valuation of the Project or Building reduced or may initiate proceedings to reasonably contest the Property Taxes. Landlord agrees to cooperate with Tenant's reasonable requests in any proceedings brought by Tenant. However, Tenant shall pay all costs of the proceedings, including any reasonable costs or fees incurred by Landlord, and shall pay Tenant's Proportional Share of any Property Taxes prior to delinquency which are the subject of the proceedings. Landlord shall provide Tenant with an estimate of such costs or fees to be incurred by Landlord at the time such proceeding is commenced. Any increase to the Property Taxes which results from Tenant's contest shall be paid by Tenant and Landlord shall have no responsibility for the payment of such an increase.

5.2.2 CONSULTATION REGARDING TAXES. Upon the reasonable request of Tenant, Landlord shall consult with Tenant or Tenant's tax advisor(s) from time to time regarding the assessment or payment of Property Taxes.

5.2.3 LANDLORD RIGHT TO CONTEST TAXES; TAX CONSULTING SERVICE. Tenant agrees to cooperate with Landlord's reasonable requests in any proceedings brought by Landlord to contest the Property Taxes. Notwithstanding any other provision in this Lease, Tenant shall not be liable for the proportionate share of any costs incurred by Landlord for the use of a tax consulting service when such costs are pursuant to a contingency or utility or similar fee, unless Landlord obtains Tenant's written consent, which shall not be unreasonably withheld, prior to entering into such an arrangement or incurring such costs. Such costs, however, shall be deducted from any savings obtained by the tax consulting service prior to including any such savings in the calculation of Property Taxes.

5.2.4 LIABILITY FOR PENALTIES/INTEREST. Neither party shall be liable for any penalties or interest which become due as a result of the other party's failure to timely pay, file or otherwise comply with applicable law regarding the payment of taxes.

5.3 INSURANCE CHARGES. Tenant agrees to pay to Landlord, as Additional Rent, Tenant's Proportional Share of all premiums for liability, property damage, fire and other types of casualty insurance maintained by Landlord on the Project Common Area and all improvements within the Project, Building and the Premises and any other insurance obtained by Landlord under this Lease ("Project Insurance Charges").

5.4 COMMON AREA MAINTENANCE CHARGES.

5.4.1 TENANT TO BEAR PROPORTIONAL SHARE OF COMMON AREA MAINTENANCE CHARGES. Tenant agrees to pay to Landlord, as further Additional Rent, its Proportional Share of the Common Area Maintenance Charges.

5.4.2 LANDLORD'S COMMON AREA MAINTENANCE CHARGES. For the purpose of this Lease the "Common Area Maintenance Charges" means the total cost and expense incurred by Landlord in operating, maintaining, managing and repairing the Project Common Area, including, without limitation, costs and expenses for the following: gardening and landscaping; maintenance and repair of the roof; pest extermination services; utilities, water and sewer charges (other than with respect to utilities separately metered and paid directly by Tenant or other tenants in the Project); maintenance of parking areas; fees, charges and other costs (including, without limitation, consulting, accounting and legal fees, but excluding legal and accounting fees directly attributable to other tenants) reasonably necessary to manage the Building and Project (including a fee to Landlord for management of the Project and Project Common

Areas not to exceed four percent (4%) of the aggregate basic monthly rent collected from tenants in the Project); costs of compliance with any and all governmental laws, ordinances, and regulations applicable to the Building and Project which were not imposed as of the Commencement Date; installation, maintenance and replacement of signs identifying the Building and Project (other than Tenant's signs); all personal property taxes levied on or attributable to personal property used in connection with the Building and Project Common Area; rental or lease payments paid by Landlord for rented or leased personal property used in the operation or maintenance of the Building and Project Common Area; fees for required licenses and permits; repairing, resurfacing, repaving, maintaining, painting, lighting, cleaning, refuse removal, security, and similar items; reserves; a fee to Landlord not to exceed ten percent (10%) of the total of all other Common Area Maintenance Charges (exclusive of the 4% management fee) for Landlord's supervision and administration of the Building and Project; the amortized costs (as reasonably determined by Landlord over the appropriate useful life) to repair, maintain or install capital improvements to comply with governmental regulations or undertaken in good faith with a reasonable expectation of reducing operating costs; and costs to repair or maintain other buildings within the Building and Project leased to other tenants. Landlord may cause any or all of such services to be provided by an independent contractor. For purposes of this Lease, "Common Area Maintenance Charges" shall not include items or services for which Tenant or any other tenant of the Building or Project reimburses Landlord (other than its or their pro rata share of Common Area Maintenance Charges) or which Landlord provides for the exclusive use of one or more tenants (other than Tenant) without reimbursement. Landlord shall reasonably allocate general Project expenses to the entire Project and building specific expenses to each building in the Project. In addition, no deferred maintenance charges shall be included in Common Area Maintenance Charges.

5.4.3 CHARGES UNDER DECLARATIONS. Tenant acknowledges that certain aspects of the maintenance and repair of Project Common Area and payment of Property Taxes may be controlled by the Declarations and Tenant agrees that charges imposed for such items under the Declarations shall be included in Common Area Maintenance Charges and Property Taxes for purposes of this Lease. Tenant agrees to abide by the rules and requirements imposed under the Declarations. Tenant shall also pay to Landlord as Additional Rent any special assessments imposed under the Declarations due to Tenant's use or activities. Tenant shall pay to Landlord all amounts under this Section at least ten (10) days before such amounts are due under the Declarations.

5.5 PAYMENT OF COMMON AREA MAINTENANCE CHARGES, PROPERTY TAXES AND PROJECT INSURANCE CHARGES. Tenant shall pay Tenant's annual Proportional Share of all estimated Common Area Maintenance Charges, Property Taxes and Project Insurance Charges, in advance, in monthly installments on the first day of each month during the Lease Term (prorated for any fractional month). Landlord shall provide to Tenant a written estimate of the Common Area Maintenance Charges, Property Taxes and Project Insurance Charges, approximately thirty (30) days prior to the commencement of each calendar year (which amount may be re-estimated from time to time by Landlord during the calendar year) and an estimate of Tenant's share thereof for the ensuing year or portion thereof. Tenant shall pay to Landlord, monthly in advance, one-twelfth (1/12th) of the estimate of each of such charges as Additional Rent, provided, however, that if Tenant is not in default under this Lease, any installment of Property Taxes shall be collected from Tenant no earlier than thirty (30) days prior to the applicable due date for such installment of Property Taxes. Similarly, for any partial calendar year at the commencement or the end of the Lease Term, Tenant shall pay the Common Area Maintenance Charges, Property Taxes and Project Insurance Charges, in equal monthly installments. If, for any reason, Landlord is unable to provide to Tenant the estimate of any of such charges at least thirty (30) days prior to the commencement of any calendar year during the Lease Term, then Tenant shall continue to pay monthly the same amount of any of such charges as was applicable for the most recent previous month ("Previous Charges") until thirty (30) days after receipt of such estimate at which time Tenant shall commence paying as of the first day of the first calendar month after delivery of such new estimate, the new estimated amounts. Tenant shall also

pay, together with its next installment, the difference between the Previous Charges and the amount of the new estimated Common Area Maintenance Charges, Property Taxes and Project Insurance Charges for such preceding months. Any delay by Landlord in delivering the new estimated charges shall not be deemed a waiver of any such Common Area Maintenance Charges, Property Taxes and Project Insurance Charges.

5.5.1 YEAR-END ADJUSTMENTS. Within one hundred twenty (120) days after the end of each calendar year during the Lease Term, Landlord shall provide Tenant with a written statement showing in reasonable detail the actual Common Area Maintenance Charges, Property Taxes and Project Insurance Charges incurred by Landlord for such year with a written statement of Tenant's Proportional Share of each of such charges based thereon. Landlord and Tenant shall, within thirty (30) days thereafter, make any payment or credit necessary to bring Tenant's previously estimated Common Area Maintenance Charges, Property Taxes and Project Insurance Charges, into conformance with the actual Common Area Maintenance Charges, Property Taxes and Project Insurance Charges incurred by Landlord, as reasonably determined by Landlord pursuant to this Lease. Any amount due Tenant as a credit shall be credited against installments next coming due from Tenant under the Lease and any amounts owed to Landlord shall be paid with the next installment of Base Monthly Rent; provided, however, that if the Lease Term has terminated and no other amounts are then owing to Landlord from Tenant pursuant to this Lease, any such amount due Tenant or Landlord shall be remitted to the party owed such amount within thirty (30) days of the date Landlord calculates and notifies Tenant of the amount of such adjustment.

5.5.2 DISPUTES REGARDING CHARGES. In the event of any dispute as to the amount of Property Taxes, Project Insurance Charges and Common Area Maintenance Charges for any Lease Year (collectively, "Charges"), Tenant shall have the right, after reasonable notice and at reasonable times (and in any event no more than once in any Lease Year), to inspect at Landlord's office Landlord's records which pertain to the amounts of any such Charges. If after such inspection, Tenant still disputes the amount of the Charges, and such dispute relates to the calculation of the amount of the Charge, a certification as to the proper amount shall be made, at Tenant's expense, by an independent certified public accountant reasonably acceptable to both Landlord and Tenant, which certification shall be final, conclusive and binding as to the calculation of the amount of such item. If such certification shows that Landlord's calculation of the aggregate Charges was in error to the detriment of Tenant by more than five percent (5%), Landlord shall pay the cost of the independent certified public accountant. Disputes regarding any issue other than the amount of the Charges shall not be decided by the independent certified public accountant.

5.5.3 LIMITATION ON INCREASE IN CHARGES. Notwithstanding any provision in this Lease, with respect to calendar years 1996 and beyond Tenant shall not be liable for Tenant's annual Proportional Share of the aggregate of Common Area Maintenance Charges, Property Taxes and Project Insurance Charges in excess of one hundred four percent (104%) of Tenant's annual Proportional Share of the aggregate of such items for the previous calendar year. For purposes of this limitation, increases in Property Taxes due to a reassessment of the Project or any portion thereof pursuant to a change of ownership of the Project or any portion thereof shall not be included in the calculation of such limitation. Tenant acknowledges that the limitation contained in this Section 5.5.3 shall not be applicable to any portion of the Expansion Space except to the extent contained in any Offer (with respect to the Right of First Refusal) or included as part of the Business Terms (with respect to the Option to Expand).

5.6 PERSONAL PROPERTY TAXES.

5.6.1 PAYMENT PRIOR TO DELINQUENCY. Tenant shall pay prior to delinquency all taxes charged against trade fixtures, furnishings, equipment or any other personal property belonging to Tenant. Tenant shall use its best efforts to have such personal property taxed separately from the

Premises. If any of Tenant's personal property is taxed with the Premises or Project, Tenant shall pay Landlord the taxes for the personal property within fifteen (15) days after Tenant receives a written statement from Landlord for such personal property taxes.

5.6.2 CONTEST OF PERSONAL PROPERTY TAXES. If any such taxes on Tenant's personal property are levied against Landlord or Landlord's property, or if the assessed value of the Premises is increased by the inclusion therein of a value placed upon such personal property or trade fixtures of Tenant, then Landlord shall have the right to pay the taxes based upon such increased assessments, regardless of the validity thereof and any amounts paid by Landlord allocable to Tenant's personal property or trade fixtures shall be reimbursed to Landlord as Additional Rent, within ten (10) days after delivery of a statement therefor from Landlord. Tenant may request that Landlord protest the assessment of such personal property taxes, which request Landlord may grant or deny in Landlord's sole discretion. If Landlord shall agree to protest such taxes, then Tenant shall, upon demand, repay to Landlord the taxes levied against Landlord, or the proportion of such taxes resulting from such increase in the assessment, together with the costs incurred by Landlord as a result of any contest of taxes on behalf of Tenant. In any such event, however, Tenant, at Tenant's sole cost and expense, shall have the right to bring suit in any court of competent jurisdiction to recover the amount of any such taxes so paid under protest. Any amount so recovered shall belong to Tenant.

ARTICLE 6

USE OF PROPERTY

6.1 PERMITTED USES. Tenant shall use the Premises only for the Permitted Uses set forth in Item 10 of the Basic Terms and for no other use or purpose without the prior written consent of Landlord, which consent may be withheld in the sole, absolute and/or arbitrary discretion of Landlord.

6.2 MANNER OF USE.

6.2.1 INTERFERENCE WITH USE/NUISANCE. Tenant shall not do or permit anything to be done in or about the Premises which will in any way unreasonably obstruct or interfere with or infringe on the rights of other occupants or customers of the Project, or injure or annoy them, or use or allow the Premises to be used for any improper, immoral, or objectionable purposes; nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises or commit or suffer to be committed any waste in, on or about the Premises. Tenant shall keep the Premises, and every part thereof, in a clean condition, free from any noises, vibrations, music volumes, lighting (including, without limitation, strobe lighting), speakers, videos, odors or nuisances reasonably deemed objectionable by Landlord, and shall comply with all health and police regulations in all respects. Tenant shall not display or sell merchandise, or place carts, portable signs, devices or any other objects, outside the defined exterior walls or roof and permanent doorways of the Premises or in corridors, without the prior written consent of Landlord.

6.2.2 VIOLATION OF LAW/INSURANCE PROVISIONS. Tenant shall not use or occupy the Premises in violation of any law, ordinance, regulation or requirement or other directive of any federal, state or local governmental or quasi-governmental authority having or exercising jurisdiction over the Project. Tenant shall, at its sole cost and expense, fully comply with all laws, ordinances, regulations, requirements and other directives of any federal, local, governmental or quasi-governmental authority having jurisdiction over the Premises and the Project, including, without limitation, operational and other requirements imposed upon either owners or operators of any public accommodation under the Americans with Disabilities Act 42 U.S.C. Section 12101 et. seq. (subject to Landlord's obligations set forth in Section 10.3), and shall immediately discontinue any use of the Premises which is declared by any governmental authority having or exercising jurisdiction thereover to be a violation of any law, ordinance, regulation or directive.

If requested by Landlord, Tenant shall provide evidence satisfactory to Landlord of Tenant's compliance. Tenant shall not do or permit to be done anything which will (i) increase the premium of any insurance policy covering the Premises or the Project and/or the property located therein; (ii) cause a cancellation of or be in conflict with any such insurance policies; or (iii) result in a refusal by insurance companies in good standing to issue or continue any such insurance in amounts satisfactory to Landlord. Tenant shall, at Tenant's expense, comply with all rules, orders, regulations and requirements of insurers and of the American Insurance Association or any other organization performing a similar function. Tenant shall promptly, upon demand, reimburse Landlord for any additional premium charges for such policy or policies caused by reason of Tenant's failure to comply with the provisions of this Section . Additionally, Tenant agrees at its sole cost to install any improvements, changes or alterations in the Premises authorized in writing by Landlord and required by any governmental authority as a result of Tenant's proposed use of the Premises or its manner of operation thereunder, and Tenant's failure to perform same shall constitute a default by Tenant hereunder.

6.2.3 PERMITS. Tenant shall obtain and pay for all permits required for Tenant's occupancy of the Premises and shall promptly take all substantial and non-substantial actions necessary to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements regulating the use by Tenant of the Premises, including the Occupational Health and Safety Act.

6.3 RULES AND REGULATIONS. Tenant shall comply with the Rules and Regulations and any reasonable amendments, modifications and/or additions thereto as may hereafter be adopted and published by Landlord which do not unreasonably interfere with the Permitted Uses. Landlord shall not be liable to Tenant for any violation of such Rules and Regulations or the breach in any provision in any lease by any other tenant or other party however, Landlord shall use reasonable efforts to enforce the Rules and Regulations. In the event of any inconsistency between the Rules and Regulations and this Lease, this Lease shall prevail.

6.4 LANDLORD'S ACCESS. Tenant holds a security clearance from the United States Government. Landlord and its agents, independent contractors and designated representatives, may enter the Premises at all reasonable times to post notices of non-responsibility, to make repairs and/or to show the Premises to holders of any encumbrances, potential buyers, mortgagees, investors or tenants or other parties, or for any other purpose Landlord deems reasonably necessary. Landlord shall give Tenant written notice of such entry at least twenty-four (24) hours before such entry, except in the case of an emergency, in which case no prior notice need be given. Tenant shall have the right to escort any such entrant and to limit Landlord's access to the Premises as Tenant in good faith determines is beneficial or necessary for national defense purposes. Any entry to the Premises by Landlord in the event of an emergency shall not, under any circumstances, be construed or deemed to be a forcible or unlawful entry onto the Premises or to be an eviction of Tenant from the Premises or any part thereof. Landlord may place customary "For Lease" signs on the exterior of the Premises during the last one hundred eighty (180) days of the Lease Term.

6.5 QUIET POSSESSION. If Tenant pays the Rent and complies with all other terms of this Lease, Tenant may occupy and enjoy the Premises for the full Lease Term, subject to the provisions of this Lease and to any mortgages or deeds of trust encumbering the Project. Landlord acknowledges and agrees that Landlord's obligation to comply with applicable laws with respect to the Project and Landlord's obligations under this Lease is an integral part of Tenant's right of quiet enjoyment of the Premises.

ARTICLE 7

HAZARDOUS MATERIALS

7.1 PROHIBITION OF STORAGE.

a. Tenant shall not cause or permit any Hazardous Materials to be brought upon, kept, or used in connection with the Premises or Project by Tenant, its agents, employees, contractors or invitees, in a manner or for a purpose prohibited by or which reasonably would be expected to result in liability under any applicable law, regulation, rule or ordinance, including without limitation, the Hazardous Materials Laws. Tenant shall, at its own expense, at all times and in all respects comply with all Hazardous Materials Laws, including, without limitation, any Hazardous Materials Laws relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, disposal or transportation of any Hazardous Materials.

b. Tenant shall, at its own expense, procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals relating to the presence of Hazardous Materials within, on, under or about the Premises or required for Tenant's use of any Hazardous Materials in or about the Premises in conformity with all applicable Hazardous Materials Laws and prudent industry practices regarding management of such Hazardous Materials.

c. Upon termination or expiration of the Lease, Tenant shall, at its own expense, cause all Hazardous Materials placed in or about the Premises by Tenant or at Tenant's direction to be removed from the Premises and Project and transported for use, storage or disposal in accordance and compliance with all applicable Hazardous Materials Laws.

d. Landlord recognizes and agrees that Tenant may use materials in normal quantities that are applicable to Tenant's permitted use and that such use by Tenant shall not be deemed a violation of this Section , so long as the levels are not in violation of any Hazardous Materials Laws. Landlord acknowledges that it is not the intent of this Article 7 to prohibit Tenant from operating its business as described in Section 6.1 above. Tenant may operate its business according to the custom of the industry so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all applicable governmental requirements.

7.2 DISCLOSURE AND WARNING OBLIGATIONS. Tenant shall comply with all laws, ordinances and regulations in the State where the Premises is located regarding the disclosure of the presence or danger of Hazardous Materials. Tenant acknowledges and agrees that all reporting and warning obligations required under the Hazardous Materials Laws are the sole responsibility of Tenant, whether or not such Hazardous Materials Laws permit or require Landlord to provide such reporting or warnings, and Tenant shall be solely responsible for complying with Hazardous Materials Laws regarding the disclosure of, the presence or danger of Hazardous Materials, including, without limitation, all notices or other requirements under California Health and Safety Code Section 25915 et. seq., and 25249.5 et. seq. and California Code of Regulations Section 12000 et. seq.

7.3 NOTICE OF ACTIONS; HAZARDOUS MATERIALS LIST. Tenant shall immediately notify Landlord in writing of (a) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials Laws; (b) any claim made or threatened by any person against Landlord, or the Premises, relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Materials; (c) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in, on or about the Premises or with respect to any Hazardous Materials removed from the Premises,

including, any complaints, notices, warnings, reports or asserted violations in connection therewith; and (d) any release of a Hazardous Material that Tenant knows or has reason to believe has or will come to be released or located within, on, under or about the Premises. Tenant shall also provide to Landlord, as promptly as possible, and in any event within five (5) Business Days after Tenant first receives or sends the same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises or Tenant's use thereof. Upon written request of Landlord (to enable Landlord to defend itself from any claim or charge related to any Hazardous Materials Law), Tenant shall promptly deliver to Landlord notices of hazardous waste manifests reflecting the legal and proper disposal of all such Hazardous Materials removed or to be removed from the Premises. All such manifests shall list the Tenant or its agent as a responsible party and in no way shall attribute responsibility for any such Hazardous Materials to Landlord. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date, a list identifying each type of Hazardous Material to be present on the Premises and setting forth any and all governmental approvals or permits required in connection with the presence of Hazardous materials on the Premises ("Hazardous Materials List"). Tenant shall deliver to Landlord an updated Hazardous Materials List at least once a year and shall also deliver an updated list before any new Hazardous Materials are brought onto the Premises or on or before the date Tenant obtains any additional permits or approvals.

7.4 HAZARDOUS MATERIALS INDEMNITIES. Tenant shall indemnify, defend (by counsel reasonably acceptable to Landlord), protect, and hold Landlord and each of Landlord's Indemnitees free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses and/or expenses, attorneys' fees, consultant fees and expert fees, judgments, administrative rulings or orders, fines, costs for death of or injury to any person or damage to any property whatsoever (including, without limitation, water tables, sewer systems and atmosphere), arising from, or caused or resulting, in whole or in part, directly or indirectly, by the release, presence or discharge in, on, under or about the Premises or Project of any Hazardous Materials caused by or arising from the activities of Tenant, Tenant's agents, employees, licensees, or invitees, or from the transportation or disposal of any Hazardous Materials to or from the Premises or Project by Tenant, Tenant's agents, employees, licensees or invitees or at Tenant's direction, or by Tenant's failure to comply with any Hazardous Materials Laws, or from Tenant's failure to provide adequate disclosures or warnings required by the Hazardous Materials Laws, or from any breach by Tenant of the obligations in this Article 7 but only to the extent that Landlord or Landlord's agents, employees or invitees did not materially contribute to or exacerbate the harm created or caused by such Hazardous Materials. Tenant's indemnification obligations hereunder shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary Hazardous Materials management plan, investigation, repairs, cleanup or detoxification or decontamination of the Premises or Project, and the presence and implementation of any closure, remedial action or other required plans in connection therewith, and shall survive the expiration of or early termination of the Lease Term. Tenant shall further be solely responsible for and shall indemnify, protect, defend and hold the Landlord, and Landlord's Indemnitees harmless from and against all claims, costs and liabilities including actual attorneys' fees and costs, arising out of or in connection with any removal, remediation, clean up, restoration and materials required hereunder to return the Premises and any other property of whatever nature to their condition existing prior to the appearance of the Hazardous Materials. Notwithstanding the above, Tenant shall not be required to indemnify, defend, protect and hold Landlord or Landlord's Indemnitees harmless for any Hazardous Materials which were released or existed on the Premises or Project prior to the Commencement Date or which did not arise out of or relate to the items set forth in the first sentence of this Section 7.4. In addition, Landlord shall indemnify, defend (by counsel reasonably acceptable to Tenant), protect, and hold Tenant and each of Tenant's Indemnitees free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses and/or expenses, attorneys' fees, consultant fees and expert fees, judgments, administrative rulings or orders, fines, costs for death of or injury to any person or damage to any property whatsoever (including, without limitation, water tables, sewer systems

and atmosphere), arising from, or caused or resulting, in whole or in part, directly or indirectly, by the release, presence or discharge in, on, or under the Premises or Project of any Hazardous Materials which release, presence or discharge occurred or existed prior to the Commencement Date and only to the extent Tenant or Tenant's agents, employees or invitees did not materially contribute to or exacerbate the harm created or caused by such Hazardous Materials. Landlord's indemnification obligations hereunder shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary Hazardous Materials management plan, investigation, repairs, cleanup or detoxification or decontamination of the Premises or Project, and the presence and implementation of any closure, remedial action or other required plans in connection therewith, and shall survive the expiration of or early termination of the Lease Term.

7.5 ASSIGNMENT AND SUBLETTING. If (i) any anticipated use of the Premises by any proposed assignee or sublessee involves the generation, storage, use, treatment or disposal of Hazardous Materials in a manner or for a purpose prohibited by any governmental agency or authority, (ii) the proposed assignee or sublessee has been required by any prior landlord, lender or governmental authority to take remedial action in connection with Hazardous Material contaminating a property if the contamination resulted from such party's action or use of the property in question or (iii) the proposed assignee or sublessee is subject to an enforcement order issued by any governmental authority in connection with the use, disposal or storage of a Hazardous Material, it shall not be unreasonable for Landlord to withhold its consent to an assignment or subletting to such proposed assignee or sublessee. Landlord may require a written statement from the proposed assignee or sublessee attesting to such matters.

7.6 ENVIRONMENTAL TESTS AND AUDITS. Tenant shall not perform or cause to be performed any Hazardous Materials surveys, studies, reports or inspections, relating to the Premises or Project, without obtaining Landlord's prior written consent. At any time prior to the expiration of the Lease Term, if Landlord has a reasonable basis to believe that Hazardous Materials are present in, on or about the Premises in violation of any Hazardous Materials Laws, Landlord shall have the right to enter upon the Premises in order to conduct appropriate tests and to deliver to Tenant the results of such tests to demonstrate that levels of any Hazardous Materials in excess of permissible levels has occurred as a result of Tenant's use of the Premises. Such testing shall be at Tenant's expense if Landlord has a reasonable basis for suspecting and confirms the presence of Hazardous Materials in the soil or surface or ground water in, on, under, or about the Premises, or the Project which has been caused by or resulted from the activities of Tenant, its agents, employees, contractors or invitees.

7.7 LEASE "AS IS". Tenant acknowledges that Tenant has reviewed the Phase I Assessment provided by Landlord dated December 2, 1994 ("Phase I Assessment") and is satisfied with the contents and conclusions of the Phase I Assessment. Tenant, however, in entering into this Lease, is leasing the Premises "As Is" and, except to the extent of Landlord's indemnification obligation set forth in Section 7.4 and Landlord's representation and warranty contained in Section 7.7, is relying solely upon its own inspections, investigations and analyses of the Premises relating to Hazardous Materials and further acknowledges Tenant is not relying in any way upon any representations, statements, warranties, studies, reports, or other information of Landlord or its representatives, whether oral or written, of any nature whatsoever regarding any Hazardous Materials.

7.8 LANDLORD'S REPRESENTATION AND WARRANTY. To the best of Landlord's knowledge, the Premises and Project do not contain Hazardous Materials in violation of Hazardous Materials Laws except as disclosed in the Phase I Assessment. For purposes of this Section 7.7, the phrase "to the best of Landlord's knowledge" means the actual knowledge as of the Lease Date of Landlord's Manager's management and professional officers actually involved in the purchase or management of the Project, without the obligation to conduct investigation or inquiries of any third parties. The parties acknowledge that Landlord has done no independent investigation of whether Hazardous Materials are present in, on or

under the Premises or the Project other than reviewing the Phase I Assessment prepared by a consultant chosen by Landlord's prospective lender on the Project, Wells Fargo Bank.

7.9 SURVIVAL. The respective rights and obligations of Landlord and Tenant under this Article 7 shall survive the expiration or termination of this Lease. During any period of time employed by Tenant after the termination of this Lease to complete the removal from the Premises or Project or remediation of any such Hazardous Materials, Tenant shall continue to pay the full rental in accordance with this Lease, which rental shall be prorated daily.

7.10 TENANT'S LIMITED RIGHT OF CANCELLATION. In the event that (a) Hazardous Materials are discovered in, on or under the Premises or Project which were released, present or discharged on the Premises or Project on or before the Commencement Date, (b) Tenant did not contribute to or exacerbate the harm created or caused by such Hazardous Materials, and (c) a qualified environmental expert verifies by methods or means generally accepted as valid in the scientific community that the presence of Hazardous Materials presents a significant risk to the health and safety of persons on the Premises or Project given the daily exposure and length of exposure of such persons to such Hazardous Materials or the presence of Hazardous Materials on the Premises or Project physically denies Tenant of the beneficial uses of the Premises or Project (e.g., removal or remediation efforts block Tenant's access or materially encroaches into the Premises), Tenant can give notice thereof to Landlord. Within thirty (30) days of such notice, Landlord can elect to cure such condition, or in the event that thirty (30) days are not satisfactory to cure such condition, Landlord can elect to commence a cure within such thirty (30) day period and diligently prosecute the cure to completion. In the event, however, that such condition cannot be cured within a one hundred twenty (120) day period of Tenant's notice, Tenant may cancel this Lease by written notice to Landlord given within three (3) months of the expiration of such period. In the event of any cancellation by Tenant pursuant to this Section 7.10, Landlord shall not be liable under any circumstances for a loss of, injury to, or interference with, Tenant's business, including, without limitation, loss of profits however occurring through or in connection with such condition.

ARTICLE 8

SERVICES AND UTILITIES

8.1 PAYMENT AND ARRANGEMENT. Tenant shall arrange for and pay, directly to the appropriate supplier, the cost of all natural gas, heat, light, power, sewer service, telephone, water and other utilities and services supplied to the Premises. If any services or utilities to the Premises are jointly metered and such services are not otherwise included as a Common Area Maintenance Charge, Landlord shall determine, and Tenant shall pay, Tenant's share of the monthly costs of such utilities and services. Tenant's share shall be determined by the ratio of the rentable square footage of the Premises as compared to the rentable square footage of all the property within the Project subject to the common metering. Landlord shall have the right to bill Tenant for such amounts on an estimated basis, in which case, such estimated statements shall be delivered to Tenant and Tenant shall pay such amounts to Landlord concurrently with its payment of Base Monthly Rent. The Tenant shall pay such charges, as Rent, within ten (10) days of notification of the amount by the Landlord. Landlord reserves the right to require Tenant to install and maintain, at Tenant's sole expense, separate meters for any public utility servicing the Premises for which a separate meter is not presently installed.

8.2 INTERRUPTION OF SERVICES AND UTILITIES. Except as to the extent specifically provided herein, Landlord shall not be liable for, and Tenant shall not be entitled to any reduction of, the Base Monthly Rent, Additional Rent or any other Rent payable hereunder by reason of Landlord's failure to make available any of the services or utilities described in this Lease, when such failure or interruption is caused by acts of God, accident, breakage, repairs, strikes, lockouts or other labor disturbances or disputes,

necessary repairs, installations, construction and expansion, non-payment of utility charges due from Tenant, or by reason of governmental regulation, statute, ordinance, restriction or decree or any other similar cause. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the foregoing services or utilities. Tenant, as a material part of the consideration to be rendered to Landlord, hereby waives all claims against Landlord for the foregoing damages from any cause arising at any time. The provisions of this Section 8.3 shall not, however, exempt Landlord from liability for Landlord's negligence or willful misconduct. Notwithstanding the above, in the event services or utilities vital to the operation of Tenant's business are discontinued for any continuous ninety-six (96) hour period during the Lease Term, Rent shall be abated under this Lease commencing on the fifth (5th) day of such interruption and continuing until such services or utilities are again restored to Tenant. Furthermore, in the event services or utilities vital to the operation of Tenant's business are discontinued for any continuous sixty (60) day period, Tenant shall have the right to terminate this Lease by giving written notice thereof to Landlord within three (3) months thereafter. In the event of any Rent abatement or Tenant's election to terminate this Lease, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the foregoing services or utilities.

ARTICLE 9

PARKING AND CONTROL OF COMMON AREAS

9.1 CONTROL OF PROJECT COMMON AREAS BY LANDLORD. All Project Common Area and all automobile parking areas, driveways, entrances and exits thereto, and other facilities furnished by Landlord in or near the Project, shall at all times be subject to the exclusive control and management of Landlord, Landlord's designated agent. Landlord shall have the right to construct, maintain and operate lighting facilities on all said areas and improvements; to police the same; from time to time to change the area, level, location and arrangement of parking areas and other facilities hereinabove referred to; to restrict parking by tenants, their officers, agents and employees to employee parking areas; to close all or any portion of said areas or facilities to such extent as may, in the opinion of Landlord, be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or the public therein; to close temporarily all or any portion of the parking areas or facilities; to discourage non-customer parking; to convert such areas into leasable areas; to construct additional parking facilities and to do and perform such other acts in and to said areas and improvements as, in the use of good business judgment, the Landlord shall determine to be advisable with a view to the improvement of the convenience and use thereof by tenants, their officers, agents, employees and customers, provided that such changes shall not reduce the number of parking spaces below the number required by law. No such change shall entitle Tenant to an abatement of Rent. Landlord, or the Association, will operate and maintain the Project Common Area and other facilities referred to above in such manner as Landlord, in its sole discretion, shall determine from time to time. Without limiting the scope of such discretion, Landlord and the Association shall have the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the Project Common Area. Notwithstanding the foregoing, Landlord shall not permanently (a) reduce the parking spaces available to Tenant on a non-exclusive basis below four (4) spaces per one thousand (1,000) rentable square feet in the Premises or (b) materially impair Tenant's access to the Building or Premises.

9.2 LICENSE. All Project Common Area are to be used and occupied under a license which may be revoked by Landlord in the event of a default by Tenant and termination of the Lease, and if any such license be revoked, or if the amount of such areas be diminished, Landlord shall not be subject to any

liability nor shall Tenant be entitled to any compensation or diminution or abatement of Rent, or shall such revocation or diminution of such areas be deemed constructive or actual eviction.

9.3 PARCELIZATION OF THE PROJECT. Landlord reserves the right to divide the Project into two or more separate parcels and to sell the other buildings located at the Project. Upon such parcelization and/or sale, Landlord shall have the right to make reasonable changes to the common area. Landlord shall also have the right to alter the parking area and relocate the parking spaces available to Tenant. Tenant acknowledges that the amount of Project Common Area Maintenance Charges and/or Property Taxes may increase as a result of any parcelization and that Tenant shall be responsible for Tenant's Building Proportional Share and Tenant's Project Proportional Share, as the case may be, of any such increased Common Area Maintenance Charges and Property Taxes.

9.4 UNDERGROUND LINE. In the event Tenant leases space in other Buildings in the Project or in buildings on property contiguous to the Project, Tenant shall have the right to install an underground line between the Building and such other buildings on terms reasonably acceptable to Landlord. Tenant acknowledges that terms acceptable to Landlord shall include, but shall not be limited to, protections against mechanics' liens, the requirement that Tenant obtain all necessary governmental approvals or approvals from any third parties, the payment of all associated taxes, charges and utilities, indemnification by Tenant for any damages or injuries caused by such installation and Landlord's approval of plans and specifications relating to the underground line. At the expiration or earlier termination of this Lease, Tenant shall cap to adequately protect the safety of persons or property or remove the underground line or lines and restore the Project to its original condition.

9.5 INSTALLATION OF SATELLITE DISH. During the Lease Term, Tenant may install, operate and maintain, at Tenant's sole expense and risk, satellite dishes in locations on the roof of the Building or in the parking lot near the Building acceptable to Landlord and Tenant (collectively "Satellite Dishes"). Such Satellite Dishes shall be subject to Landlord's approval as to the location and size, which approval may not be unreasonably withheld, but which may be conditioned upon terms and conditions reasonably acceptable to Landlord. Any Satellite Dishes located in the parking lot shall be considered Tenant's use of such parking spaces. The Satellite Dishes shall be installed by vendors or subcontractors approved by Landlord in accordance with plans and specifications acceptable to Landlord. The plans and specifications shall include plans for screens to mitigate the visual impact of the Satellite Dishes acceptable to Landlord. Tenant shall keep the Project free from any mechanics', materialmens' or other liens arising out of any work performed, materials furnished or obligations incurred by or for Tenant or any person or entity claiming by, through or under Tenant.

9.5.1 GOVERNMENTAL APPROVALS. Tenant shall have the responsibility to secure all necessary approvals relating to installation and operation of the Satellite Dishes from all applicable governmental authorities. Tenant shall construct, operate and maintain the Satellite Dishes in accordance with all applicable laws, ordinances, rules and regulations and in compliance with the requirements of any insurers of the Project. Tenant and Landlord shall give to each other notice of any notices which it receives from third parties that any portion of the Satellite Dishes is or may be in violation of any law, ordinance or regulation.

9.5.2 MAINTENANCE AND SURRENDER. Tenant shall be responsible for repairs required to the Project, arising out of the construction, operation or removal of the Satellite Dishes, made necessary by the acts, omissions or negligence of Tenant. At the conclusion of the term, Tenant will remove the Satellite Dishes, make all repairs necessary to the Project as a result of said removal of property, and surrender the site to Landlord in substantially the same order and condition as originally delivered to Tenant, excepting ordinary wear and tear.

9.5.3 TAXES. Tenant shall pay all taxes of any kind or nature whatsoever levied upon the Satellite Dishes and all licensing fees, franchise taxes and other charges, expenses and costs of any nature whatsoever relating to the construction, ownership, maintenance and operation of the Satellite Dishes.

9.5.4 UTILITIES. Tenant shall be responsible for the costs and expenses of any and all utilities and services supplied to the Premises which are consumed by Tenant in constructing and operating the Satellite Dishes, whether by Landlord or directly by utility companies.

9.5.5 TERMS OF LEASE. In addition to the terms set forth above, Tenant's use, operation and ownership of the Satellite Dishes shall be on the other terms and provisions of this Lease.

ARTICLE 10

CONDITION OF PREMISES; MAINTENANCE OF THE PREMISES

10.1 TENANT'S OBLIGATIONS.

10.1.1 MAINTENANCE OF THE PREMISES. Tenant shall keep the Premises (including all nonstructural, interior and exterior portions, systems and equipment, all glass, glazing, window moldings, windows, partitions, all doors (exterior and interior), door hardware, ceilings, interior painting, fixtures and appurtenances thereof including electrical, lighting, plumbing and plumbing fixtures) in good order, condition and repair during the Lease Term. Except to the extent provided in Section 10.3.1, Tenant shall be obligated to pay to Landlord, as Rent under this Lease, with the next payment of Base Monthly Rent, the reasonable costs for the reasonable servicing, maintenance and repair of any heating/ventilation/air conditioning system ("HVAC System") servicing the Premises. To the extent the HVAC System services more than one tenant, the costs of maintenance, service and repair shall be allocated by Landlord among the tenants using such HVAC System. Landlord may either (a) include such charges as a Common Area Maintenance Charge (b) bill Tenant, directly therefor, in which case, Tenant, upon presentation of a bill therefor, shall promptly pay Landlord, or its agent or assigns, for such maintenance service or (c) if such maintenance charges occur on a repeated basis, require Tenant to pay an estimated portion of such charges in the same manner and on the same terms as set forth in Section 5.5 of this Lease. Tenant shall promptly replace any portion of the Premises or system or equipment in the Premises which cannot be fully repaired, regardless of whether the benefit of such replacement extends beyond the Lease Term. Tenant shall be solely responsible and shall indemnify, protect, defend and hold Landlord harmless as a result of any penetrations or perforations of the roof caused by Tenant. It is the intention of Landlord and Tenant that, at all times during the Lease Term, Tenant shall maintain the Premises in an attractive, first-class and fully operative condition.

10.1.2 REPAIRS DUE TO MISUSE. Tenant shall be responsible for all repairs to the Project which are made necessary by any misuse or neglect by (a) Tenant or any of its agents, employees, contractors, or subtenants or (b) any visitors, patrons, guests or invitees of Tenant while in or upon the Premises.

10.2 REPAIR BY LANDLORD. All of Tenant's obligations to maintain and repair shall be accomplished at Tenant's sole expense. If Tenant refuses or neglects to repair properly as required hereunder and to the reasonable satisfaction of Landlord, Landlord may, on ten (10) days prior notice (except that no notice shall be required in case of emergency) enter the Premises and perform such repair and maintenance on behalf of Tenant without liability to Tenant for any loss or damage that may accrue to Tenant's merchandise, fixtures, or other property or to Tenant's business by reason thereof, and upon

completion thereof, Tenant shall pay Landlord's costs for making such repairs plus ten percent (10%) for administrative and overhead expense, upon presentation of a bill therefor, as Rent. Said bill shall include interest at the Lease Interest Rate on said costs from the date of completion of repairs by Landlord. Except as provided in Article 14, there shall be no abatement of Rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements under this Lease.

10.3 LANDLORD'S OBLIGATIONS. Landlord shall be responsible for the maintenance and repair of structural portions of the Building. As used herein, structural portions of the Building shall only refer to the foundation and slabs (including plumbing in the slab), exterior walls, and structural portions of the roof of the Building. Landlord shall also maintain and repair the HVAC System, the costs of which will be borne by Tenant pursuant to Section 10.1.1 above. Landlord shall be responsible for any modifications to the Building exterior or Project Common Areas required under the Americans With Disabilities Act, 42 U.S.C. Section 12101 et seq., except to the extent such modifications arise because of Tenant's activities or use of the Premises, in which event Tenant shall have the responsibility to make such modifications. Landlord shall also be responsible for ensuring that the Premises (other than the Tenant Improvements) are in compliance with the commercial facility provisions of the Americans with Disabilities Act prior to constructing the Tenant Improvements and delivering the Premises to Tenant. Tenant waives the benefit of any present or future law which might give Tenant the right to repair the Premises at Landlord's expense or to terminate the Lease due to the condition of the Premises.

10.3.1 LANDLORD'S LIMITED WARRANTY. Notwithstanding the provisions of Section 10.1, Landlord shall be responsible for maintaining and repairing the HVAC System for the first Lease Year at Landlord's sole cost and expense except to the extent such repair and maintenance arises from Tenant's negligence or breach of this Lease.

ARTICLE 11

ALTERATIONS, IMPROVEMENTS AND SIGNAGE

11.1 CHANGES/ALTERATIONS. Tenant shall not make any alterations, additions, or changes, including, without limitation, installation of any permanently attached trade fixtures, exterior signs, exterior machinery, floor coverings, interior or exterior lighting, plumbing fixtures, shades or awnings (collectively "Alterations") in and to the Premises or any part thereof without the prior written consent of Landlord which consent may not be unreasonably withheld; provided, however, that Tenant may make nonstructural Alterations that do not affect the electrical, plumbing, heating, ventilation, air conditioning or other systems of the Premises and that cost less than $5,000 without Landlord's consent. Any construction undertaken in or to the Premises shall be performed in accordance with this Article and the other obligations of this Lease.

11.2 MANNER OF CONSTRUCTION.

11.2.1 Landlord may impose, as a condition of its consent to any Alterations or repairs on or about the Premises, such requirements as Landlord in its reasonable discretion may deem desirable, including, but not limited to, the requirements that Tenant obtain bonds and that Tenant utilize for such purposes only contractors, materials, mechanics and materialmen approved by Landlord, in its reasonable discretion. Tenant shall construct such Alterations or repairs in strict conformance with any and all applicable rules and regulations of any federal, state, county or municipal code or ordinance and pursuant to a valid building permit, issued by the local governing entity. All fixtures installed by Tenant shall be new or completely reconditioned.

11.2.2 In any event, a contractor approved by Landlord shall perform all mechanical, electrical, plumbing, air conditioning, permanent partition and ceiling tile work, and such work shall be performed at Tenant's cost. If Landlord's consent is required, Landlord reserves the right to approve, in Landlord's reasonable discretion, the contractor selected by Tenant for the completion of any Alterations.

11.2.3 In the event Tenant orders any construction, alteration, decorating or repair work and fails to pay amounts when due to the contractor or contractors in connection with such items, Landlord, without any obligation to do so, may pay any such amounts directly to such contractor or contractors and the amounts paid by Landlord shall be deemed Rent under this Lease, payable upon billing therefor, provided, however, that if Tenant posts a proper bond within ten (10) days of the filing of any lien against the Premises or Project, Landlord shall not make such payment.

11.2.4 All work with respect to any Alterations or repairs must be done in a good and workmanlike manner and diligently prosecuted to completion to the end that the Premises shall at all times be a complete unit except during the period of work. Upon completion of any Alterations, Tenant agrees to deliver to the Landlord's management office a copy of the "as built" drawings of the Alterations, if the Alterations would customarily generate "as builts" and record any necessary notices to evidence completion. In performing the work of any such Alterations, Tenant shall have the work performed in such manner as not interfere with or to obstruct the access to the Project Common Area and to any other tenant of the Project.

11.3 INTENTIONALLY OMITTED.

11.4 CONSTRUCTION INSURANCE. Whether or not Landlord's consent is required, Tenant agrees to obtain, carry and deliver to Landlord prior to the commencement of any Alterations and maintain in effect until completion of all Alterations "Builder's All Risk" insurance in an appropriate amount covering the construction of such Alterations, and such other insurance as Landlord may require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Section 12.2.2 of this Lease immediately upon completion thereof.

11.5 LIENS. Tenant shall keep the Premises and the Project free from any mechanics', materialmen's, designer's or other liens arising out of any work performed, materials furnished or obligations incurred by or for Tenant or any person or entity claiming by, through or under Tenant. If any such liens are filed and are not released of record by payment or posting of a proper bond within ten (10) days after such filing, Landlord may, without waiving its rights and remedies based on such breach by Tenant and without releasing Tenant from any obligations hereunder, cause such liens to be released by any means it shall deem proper, including payment of the claim giving rise to such lien, in which event all amounts paid by Landlord shall immediately be due and payable by Tenant as Rent. Tenant hereby indemnifies, protects, defends (with legal counsel acceptable to Landlord) and holds Landlord and Landlord's Indemnitees, the Premises and the Project harmless from any liability, cost, obligation, expense (including, without limitation, reasonable attorneys' fees and expenses), or claim of any mechanics', materialmen's, design professional's or other liens in any manner relating to any work performed, materials furnished or obligations incurred by or for Tenant or any person or entity claiming by, through or under Tenant. Whether or not Landlord's consent is required, Tenant shall notify Landlord in writing within fifteen (15) days prior to commencing any Alterations so that Landlord shall have the right to record and post notices of non-responsibility or any other notices deemed necessary by Landlord on the Premises.

11.6 SIGNAGE. Tenant shall have the right to have its name and logo displayed on the face of the Building at a highly visible and prominent location mutually chosen by Landlord and Tenant. In the event that the City of Carlsbad or other government agency with jurisdiction over the Project does not permit Tenant's building signage, Tenant shall have the right to construct a monument sign at a highly

visible and prominent location on the Project which is acceptable to Landlord, in Landlord's reasonable discretion or to affix such signage to the existing monument sign at the Project in a manner acceptable to Landlord in Landlord's reasonable discretion. Any building or monument signage shall also be subject to the requirements of the City of Carlsbad, or other government agencies with jurisdiction over the Project, and the Declarations. Tenant shall pay all costs of Landlord associated with installing such signage within ten (10) days of receiving an invoice from Landlord setting forth such costs. Tenant may apply up to Seven Thousand Five Hundred Dollars ($7,500.00) of the Tenant Improvement Allowance which is not used in the fabrication and installation of the other Tenant Improvements to the fabrication and installation of any such signage designed, constructed and installed pursuant to this Section 11.5. All such signage shall be subject to Landlord's specifications and approval as to size, graphics and style, which approval may be withheld in Landlord's reasonable discretion.

ARTICLE 12

INSURANCE AND INDEMNITY

12.1 FIRE AND CASUALTY INSURANCE. Landlord shall maintain during the Lease Term a policy or policies of insurance insuring the Premises and, at Landlord's election, other portions of the Project, against all direct physical loss or damage, whether due to fire or other casualties covered within the classification of fire and extended coverage, vandalism coverage and malicious mischief, sprinkler leakage, water damage and special extended coverage. Such coverage shall be for full replacement value, and may include, at the option of Landlord, the risks of earthquakes and/or flood damage and additional hazards (to the extent that coverage for earthquake or such additional hazards is required by the holder of any mortgage or deed of trust encumbering the interest of Landlord in all or any portion of the Project or is reasonably commercially available in Landlord's sole and absolute discretion exercised in good faith), a rental loss endorsement and one or more loss payee endorsements in favor of the holders of any mortgages or deeds of trust encumbering the interest of Landlord in all or any portion of the Project or the interest of any ground or underlying lessors in the Project. The costs of such insurance shall be included as part of the Project Insurance Charges or may, at the election of Landlord, be included as a component of the Common Area Maintenance Charges.

12.2 INSURANCE TO BE OBTAINED BY TENANT.

12.2.1 LIABILITY INSURANCE. During the Lease Term, Tenant shall, at Tenant's expense, maintain a commercial general liability insurance policy, or an equivalent, written on an occurrence form that includes personal injury coverage, bodily injury, death, property damage, advertising injury coverage and contractual liability coverage including Tenant's indemnity obligations under this Lease, insuring against liability arising out of the ownership, use, occupancy or maintenance of the Premises, the sidewalks in front of the Premises, and the business operated by Tenant and any subtenants or licensees of Tenant in the Premises. The initial amount of such insurance shall be One Million Dollars ($1,000,000.00) each occurrence/Two Million Dollars ($2,000,000.00) general aggregate on a per location basis and One Million Dollars ($1,000,000.00) for personal injury and advertising injury coverage. If alcohol will be served from or in the Premises, such coverage shall contain endorsements deleting any liquor liability exclusion and adding a liquor liability endorsement.

12.2.2 INSURANCE OF PERSONAL PROPERTY. Tenant shall at all times during the Lease Term, and at its own expense, maintain a policy or policies of standard fire, extended coverage and special extended coverage insurance ("All Risks") with extended coverage in the name of the Tenant, and naming Landlord as an additional insured, in an amount adequate to cover the cost of replacement of all trade fixtures, alterations, decorations, inventory additions or improvements, and all plate and tempered glass in or covering the Premises, made to the Premises by Tenant or by Landlord on Tenant's behalf in the event

of fire or extended coverage loss in an amount equal to the full replacement value. Notwithstanding such insurance coverage by Tenant for plate glass, Landlord may replace, at the expense of Tenant, any and all plate and other glass, frames or glazing damaged or broken from any cause whatsoever in and about the Premises.

12.2.3 ADDITIONAL INSURANCE OBLIGATIONS. Landlord may require Tenant to increase the amounts of coverage and/or to maintain additional coverage based on insurance coverages and amounts maintained by lessees of similar space in San Diego County, provided that Landlord may not require such changes more often than one (1) time every two (2) years.

12.3 WAIVER OF SUBROGATION. Landlord and Tenant each hereby waive any and all rights of recovery against the other or against the officers, employees, agents and representatives of the other, on account of loss or damage occasioned to such waiving party or its property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of such loss or damage or under the insurance policies required to be maintained under this Article. Landlord and Tenant shall, if required, for each of the policies of insurance required under this Lease, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

12.4 FORM OF POLICIES. The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall: (i) be an occurrence policy (or policies); (ii) name Landlord, the Project or Building manager or managers, and any other party having an interest in the Project as an additional insured; (iii) be issued by an insurance company having a General Policyholders Rating of B+ or better and a financial size of "VI" or better, as set forth in the most current issue of Best's Rating Guide, or which is otherwise acceptable to Landlord and licensed to do business in California; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and noncontributing with any insurance required of Tenant; (v) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days prior written notice shall have been given to Landlord and any mortgagee of Landlord's; and (vi) with respect to the liability insurance described in Section 12.2.1, contain a cross-liability endorsement or severability of interest clause acceptable to Landlord. Any insurance policies required hereunder may be part of a blanket policy with a "per project, per location" endorsement so long as such blanket policy contains all provisions required hereby and does not reduce the coverage, impair the rights of either party or negate the requirements of this Lease. Tenant shall deliver said policy or policies or certificates thereof, together with any endorsements reflecting the changes to the policy required to comply with the requirements of this Lease, to Landlord on or before the Commencement Date and at least thirty (30) days before the expiration date of such policies. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificates and appropriate endorsements, Landlord may, at its option, procure such policies for the account of Tenant, and the cost thereof plus a ten percent (10%) handling charge shall be paid by Tenant to Landlord as Additional Rent within five (5) days after delivery to Tenant of bills therefor.

12.5 INDEMNIFICATION.

12.5.1 INDEMNIFICATION OF LANDLORD. To the fullest extent permitted by law, Tenant shall indemnify, protect, defend (with legal counsel acceptable to Landlord) and save Landlord and Landlord's Indemnitees harmless from and against any and all claims, actions, damages, liabilities and expenses, including attorneys' fees, in connection with loss of life, personal injury, bodily injury and/or damage to property arising from or out of any occurrence in, upon or about the Premises, or the occupancy or use by Tenant of the Premises or any part thereof, or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees, servants, tenants or concessionaires, except to the extent caused

by Landlord's negligence or willful misconduct. Tenant shall further indemnify, defend, protect and hold Landlord and Landlord's Indemnitees harmless from and against any and all claims arising from any breach or default in performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act, neglect, fault or omission of Tenant or its agents, contractors, employees, servants, tenants or concessionaires, and from and against all costs, attorneys' fees, expenses and liabilities incurred in connection with such claim or any action or proceeding brought thereon. In case any action or proceeding shall be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel approved in writing by Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of (and waives all its claims in respect thereof against Landlord for) damage to property or injury to persons in, upon or about the Premises from any cause whatsoever except Landlord's negligence or intentional misconduct.

12.5.2 LANDLORD'S NONLIABILITY. Landlord shall not be liable for injury or damage which may be sustained by a person, goods, wares, merchandise, or other property of Tenant, or Tenant's employees, invitees, customers, or of any other person in or about the Premises caused by or resulting from any peril which may affect the Premises, including, without limitation, fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction, or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures of the Premises, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Project or from other sources. Landlord shall not be liable for any damages arising from any act or neglect of: (a) any other tenant or occupant of the Project; or (b) any officer, employee, agent, representative, customer, business visitor, or invitee of any such tenant. Notwithstanding the foregoing, nothing contained in this Lease shall operate to relieve Landlord of the consequences of its own negligence or willful misconduct or the negligence or willful misconduct of its agents or employees.

12.5.3 INDEMNIFICATION OF TENANT. To the fullest extent permitted by law and except as expressly provided elsewhere in this Lease, Landlord shall indemnify, protect, defend (with legal counsel reasonably acceptable to Tenant) and save Tenant and Tenant's agents, partners, members, managers, shareholders, officers, directors, employees, successor and/or assigns ("Tenant's Indemnitees") harmless from and against any and all claims, actions, damages, liabilities and expenses, including attorneys' fees, in connection with loss of life, personal injury, bodily injury and/or damage to property arising from or out of any occurrence in, upon or about the Project occasioned wholly or in part by any act or omission of Landlord, its agents, contractors, employees, servants, tenants or concessionaires, except to the extent caused by Tenant's negligence or willful misconduct. Landlord shall further indemnify, defend, protect and hold Tenant and Tenant's Indemnitees harmless from and against any and all claims arising from any breach or default in performance of any obligation on Landlord's part to be performed under the terms of this Lease, or arising from any act, neglect, fault or omission of Landlord or its agents, contractors, employees, servants, tenants or concessionaires, and from and against all costs, attorneys' fees, expenses and liabilities incurred in connection with such claim or any action or proceeding brought thereon. In case any action or proceeding shall be brought against Tenant by reason of any such claim, Landlord, upon notice from Tenant, shall defend the same at Landlord's expense by counsel reasonably approved in writing by Tenant.

ARTICLE 13

ASSIGNMENT AND SUBLETTING

13.1 LANDLORD'S CONSENT REQUIRED.

13.1.1 Tenant shall not either voluntarily or by operation of law, assign, mortgage, pledge, hypothecate or encumber this Lease or the leasehold interest created hereby or any interest herein, or sublet the Premises or any portion thereof, or license the use of all or any portion of the Premises or permit any other person to occupy or use the Premises or any portion thereof (collectively referred to herein as a "Transfer"), without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed and is subject to the following conditions: (i) the proposed transferee's use of the Premises must be consistent with Article 6 hereof; (ii) the transferee is of a character and engaged in a business which is in keeping with the Landlord's standards for the Project; (iii) the proposed Transfer must not breach any financing agreement or any other agreement relating to the Project; and (iv) the net worth of the proposed transferee must not be less than One Million Five Hundred Thousand Dollars ($1,500,000.00).

13.1.2 Prior to a Transfer, Tenant shall request Landlord's consent in writing, and shall include with such request a copy of all proposed contracts, agreements, subleases, or other documents describing the Transfer or between Tenant and the proposed transferee. Landlord shall respond to Tenant's request for consent to a proposed Transfer within ten (10) days after receipt of all information described above and reasonably necessary to allow Landlord to evaluate all the conditions set forth in Section 13.1.1 above.

13.2 INTENTIONALLY OMITTED.

13.3 TRANSFER WITHOUT CONSENT. Any Transfer without Landlord's prior written consent shall, at the option of the Landlord, constitute a non-curable breach of this Lease.

13.4 NO RELEASE OF TENANT. No Transfer shall release Tenant or any guarantor or change Tenant's primary liability to pay the Rent and to perform all other obligations of Tenant under this Lease. Landlord's acceptance of Rent from any other person is not a waiver of any provision of this Article 13. Consent to one Transfer is not a consent to any subsequent Transfer. If Tenant's transferee defaults under this Lease, Landlord may proceed directly against Tenant without pursuing remedies against the transferee and without releasing such transferee from its obligations under this Lease. Landlord may consent to subsequent assignments or modifications of this Lease by Tenant's transferee, without notifying Tenant or obtaining its consent. Such action shall not relieve Tenant's liability under this Lease.

13.5 EFFECT OF A TRANSFER. Whether or not Landlord's consent is required, the transferee shall agree to comply with and be bound by all of the terms, covenants, conditions, provisions and agreements of this Lease to the extent of the space transferred, assigned or sublet; and Tenant shall deliver to Landlord promptly after execution an executed copy of each such Transfer document between Tenant and the transferee. In addition, any sublease shall provide that it shall be subject and subordinate to this Lease and to all mortgages; that Landlord may enforce the provisions of the sublease, including collection of rents; and that in the event of termination of this Lease for any reason, including without limitation a voluntary surrender by Tenant, or in the event of any reentry or repossession of the Premises by Landlord, Landlord may, at its option, either (i) terminate the sublease, or (ii) take over all of the right, title and interest of Tenant, as sublessor, under such sublease, in which case such sublessee shall attorn to Landlord but in such event Landlord shall not (a) be liable for any previous act or omission of Tenant under such sublease, (b) be subject to any defense or offset previously accrued in favor of the sublessee against

Tenant, or (c) be bound by any previous modification of any sublease made without Landlord's written consent, or by any previous prepayment by sublessee of more than one month's rent.

13.6 EVENT OF BANKRUPTCY. If this Lease is assigned to any person or entity pursuant to the provisions of the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq. (the "Bankruptcy Code"), any and all monies or other consideration payable or otherwise to be delivered in connection with such assignment shall be paid or delivered to Landlord, shall be and remain the exclusive property of Landlord, and shall not constitute the property of Tenant or of the estate of Tenant within the meaning of the Bankruptcy Code. Any and all monies or other considerations constituting Landlord's property under this Section not paid or delivered to Landlord shall be held in trust for the benefit of Landlord and shall be promptly paid or delivered to Landlord. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed without further act or deed to have assumed all of the obligations arising under this Lease on and after the date of such assignment.

13.7 NO MERGER. No merger shall result from Tenant's sublease of the Premises under this Article 13, Tenant's surrender of this Lease or the termination of this Lease in any other manner.

13.8 ASSIGNMENT FEES AND PROCEDURES. In the event Landlord shall be requested to consent to a Transfer, Tenant shall pay Landlord a reasonable fee not to exceed Two Thousand Dollars ($2,000.00) to reimburse Landlord for costs and expenses, including attorneys' fees, incurred in connection with reviewing Tenant's request for consent.

ARTICLE 14

DAMAGE OR DESTRUCTION

14.1 REPAIR OF DAMAGE BY LANDLORD. Tenant agrees to promptly notify Landlord in writing of any damage to the Premises resulting from fire, earthquake or any other casualty (such events referred to collectively as "Casualty"). If the Premises, or any common areas of the Building providing access to the Premises (such that Tenant does not have reasonable access to the Premises) shall be damaged by a Casualty, Landlord shall, within sixty (60) days after the date of the Casualty, provide written notice to Tenant indicating the anticipated time period for repairing the Casualty (the "Repair Period Notice"). In the event the Repair Period Notice indicates that the time period for repairing the Casualty is estimated to exceed two hundred twenty-five (225) days from the date of the Repair Period Notice, Landlord (pursuant to the provisions of Section 14.3 below) or Tenant may elect to terminate this Lease ("Tenant's Termination Election"). Such election must be made by Tenant within thirty (30) days after the receipt of the Repair Period Notice or will be deemed waived by Tenant. If Tenant elects to terminate the Lease, the termination shall be effective thirty (30) days after Landlord's receipt of Tenant's Termination Election. If the Repair Period Notice indicates that the time period for repairing the Casualty is estimated to not exceed two hundred twenty-five (225) days from the date of the Repair Period Notice, or if Tenant does not exercise Tenant's Termination Election as provided above, then subject to the other provisions of this Article, Landlord will repair the damage pursuant to the provisions hereof. If Landlord is obligated to or elects to repair the Casualty as provided herein, Landlord agrees to promptly and diligently, subject to reasonable delays for insurance adjustment and other matters beyond Landlord's reasonable control, and subject to the other provisions of this Article, restore the Premises and the Tenant Improvements originally constructed by Landlord to substantially the same condition as existed prior to the Casualty, except for modifications required by building codes and other laws, and any other modifications to the common areas deemed desirable by Landlord provided that access to the Premises shall not thereby be materially impaired. If Tenant requests that Landlord make any modifications to the Tenant Improvements in connection with the rebuilding, Landlord may condition its consent to such modifications on (i) Tenant's payment to Landlord prior to commencement of construction of any sums necessary to

complete the Tenant Improvements in excess of the amount of insurance proceeds received by Landlord and (ii) confirmation by Landlord's architect that the modifications will not increase the scope of work or time period necessary to complete the Tenant Improvements.

14.2 RENT ABATEMENT DUE TO CASUALTY. Landlord and Tenant agree and acknowledge that Tenant shall be provided with full abatement of Rent during the time period commencing on the last to occur of (i) the date of the Casualty or (ii) the date Tenant ceases to enjoy the substantial benefit of the Premises, and continuing until Substantial Completion of Landlord's restoration obligations as provided herein ("Abatement Period"), provided that if Tenant is only able to occupy a portion of the Premises and receive the substantial benefit of such portion for Tenant's uses of the Premises, Rent shall be abated during the Abatement Period for the portion of the Premises not occupied by Tenant. Landlord and Tenant acknowledge and agree that the Rent abatement as provided in this Section is Tenant's sole remedy due to the occurrence of the Casualty and that Landlord shall not be liable to Tenant or any other person for any indirect or consequential damage (including, but not limited to, lost profits of Tenant or loss of or interference with Tenant's business, or otherwise), whether or not caused by the negligence of Landlord or Landlord's employees, contractors, licensees, or invitees, due to or arising out of or as a result of the Casualty (including but not limited to the termination of the Lease in connection therewith) but Landlord shall be liable for Tenant's direct damages as a result of the Casualty arising from Landlord's negligence or wilful misconduct. Tenant acknowledges and agrees that Tenant shall maintain adequate business interruption insurance to provide coverage as to such indirect or consequential damages.

14.3 LANDLORD'S OPTION TO REPAIR. Notwithstanding the terms of Section 14.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises and/or Building and to instead terminate this Lease by notifying Tenant in writing of such termination within sixty (60) days after the date of the Casualty in the event the Building shall be damaged by Casualty (whether or not the Premises are affected) and one or more of the following conditions exists: (i) Landlord determines that the time period for repair will exceed two hundred twenty-five (225) days as provided in Section 14.1 above; (ii) the damage is not fully covered, except for deductible amounts, by insurance required to be carried by Landlord under the terms of this Lease; (iii) the holder of the mortgage on the Building or ground lessor with respect to the Project requires that the insurance proceeds or a portion thereof be used to retire the mortgage debt, or terminates the ground Lease, as the case may be; or (iv) Landlord elects not to rebuild the Building for any reason, provided that in connection with such election Landlord also terminates all other leases in the Building.

14.4 DAMAGE NEAR END OF TERM. In the event that the Premises or the Building is destroyed or damaged by a Casualty during the last twenty-four (24) months of the Lease Term, notwithstanding anything else contained in this Article, either party shall have the option to terminate this Lease by giving written notice to the other party of the exercise of such option within thirty (30) days after such damage or destruction, in which event this Lease shall cease and terminate as of the date of the notice. In such event or in the event of a termination pursuant to the other provisions of this Article, Tenant shall pay Rent, properly apportioned up to the date of the Casualty, and both parties shall thereafter be freed and discharged of all future obligations hereunder, except for any provisions of this Lease which by their terms survive the expiration or earlier termination of the Lease Term.

14.5 WAIVER OF STATUTORY PROVISIONS. The provisions of this Lease, including this Article 14, constitute an express agreement between Landlord and Tenant with respect to the occurrence of any Casualty to the Premises and/or Building or any other portion of the Project and Tenant therefore fully waives the provisions of any statute or regulation, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning a Casualty.

ARTICLE 15

CONDEMNATION

15.1 TOTAL CONDEMNATION. If the whole of the Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then the Lease Term shall cease and terminate as of the date of title vesting in such proceeding and all rentals shall be paid up to that date.

15.2 PARTIAL CONDEMNATION. If any part of the Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, and if such partial taking or condemnation renders the Premises unsuitable for the business of the Tenant in Tenant's reasonable business judgment, then Tenant shall have the right to terminate the Lease Term as of the date of title vesting in such proceeding by delivering written notice thereof to Landlord within thirty (30) days after Tenant becomes aware of the proposed condemnation. In the event of a partial taking or condemnation which is not extensive enough to render the Premises unsuitable for the business of the Tenant then this Lease shall continue in full force and effect.

15.3 CONDEMNATION OF PARKING AREA. If the whole or any part of the parking area in the Project shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose and if, as the result of such partial taking, the ratio of square feet of parking area does not conform to the parking requirements of the Specific Plan, zoning ordinances or any deed restrictions or covenants, conditions and restrictions encumbering the Premises, if any ("Parking Restrictions"), in effect at the time that title to such parking area is acquired through such condemnation process, then the Lease Term shall cease and terminate from the date of title vesting in such proceeding unless Landlord provides substantially equal parking facilities in the vicinity of the Project within sixty (60) days after the date of acquisition and such alternative parking satisfies the requirements of the Parking Restrictions and this Lease.

15.4 DISTRIBUTION OF CONDEMNATION AWARD. Any condemnation award or payment shall be distributed in the following order: (a) first, to any ground lessor, mortgagee or beneficiary under a deed of trust encumbering the Premises, the amount of its interest in the Premises; (b) second, to Tenant, only the amount, if any, of any award specifically designated for loss of or damage to Tenant's movable trade fixtures or removable personal property, and the Tenant hereby assigns any other rights which the Tenant may have now or in the future to any other award to the Landlord; and (c) third, to Landlord, the remainder of such award, whether as compensation for reduction in the value of the leasehold, the taking of the fee, or otherwise. In no event shall Tenant have any claim against Landlord for the value of any unexpired term of this Lease. If this Lease is not terminated, Landlord shall repair any damage to the Premises caused by the condemnation, except that Landlord shall not be obligated to repair any damage for which Tenant has been reimbursed by the condemning authority.

15.5 WAIVER. Tenant hereby waives any statutory rights of termination which may arise by reason of any taking of the Premises under the power of eminent domain, including, without limitation, the provisions of Section 1265.130 of the California Code of Civil Procedure.

ARTICLE 16

DEFAULTS; REMEDIES

16.1 COVENANTS AND CONDITIONS. Tenant's performance of each of Tenant's obligations under this Lease is a condition as well as a covenant. Tenant's right to continue in possession of the Premises is

conditioned upon such performance. Time is of the essence in the performance of all covenants and conditions.

16.2 DEFAULTS BY TENANT. Tenant shall be in default under this Lease:

16.2.1 If Tenant abandons or vacates the Premises for a period greater than ninety (90) days;

16.2.2 If Tenant fails to pay Base Monthly Rent, Additional Rent or any Rent required to be paid by Tenant, as and when due after the expiration of any applicable grace periods provided in this Lease;

16.2.3 If Tenant fails or refuses to occupy and operate the Premises in accordance with Article 6;

16.2.4 If (i) Tenant's use of the Premises involves the generation or storage, use, treatment or disposal of Hazardous Material in a manner or for a purpose prohibited by any Hazardous Materials Law; (ii) Tenant has been required by any lender or governmental authority to take remedial action in connection with Hazardous Material contaminating the Premises if the contamination resulted from Tenant's action or use of the Premises; or (iii) Tenant is subject to an enforcement order issued by any governmental authority in connection with the use, disposal or storage of a Hazardous Material on the Premises.

16.2.5 If Tenant fails to perform any of Tenant's nonmonetary obligations under this Lease (other than Tenant's obligations under Sections 16.2.3, 16.2.4, 16.2.5 and 16.2.6 for which there will be no additional cure periods) for a period of ten (10) days after written notice from Landlord; provided that if such cure is not reasonably susceptible of being cured within such ten (10) day period, Tenant shall not be in default if Tenant commences such performance within the ten (10) day period and uses its best efforts and due diligence to promptly cure the default. However, Landlord shall not be required to give such notice if Tenant's failure to perform constitutes a non-curable breach of this Lease. The notice required by this Section is intended to satisfy any and all notice requirements imposed by law on Landlord prior to the commencement of an unlawful detainer action and is not in addition to any such requirement;

16.2.6 (i) If Tenant makes a general assignment or general arrangement for the benefit of creditors; (ii) if Tenant files a petition for adjudication of bankruptcy or for reorganization or rearrangement or any similar proceeding; (iii) if a petition for adjudication of bankruptcy or for reorganization or rearrangement is filed against Tenant and is not dismissed within forty-five (45) days; (iv) if a trustee or receiver is appointed to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease and possession is not restored to Tenant within forty-five (45) days; or (v) if substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease is subjected to attachment, execution or other judicial seizure which is not discharged within forty-five (45) days. If a court of competent jurisdiction determines that any of the acts described in this subsection is not a default under this Lease, and a trustee is appointed to take possession (or if Tenant remains a debtor in possession) and such trustee or Tenant transfers Tenant's interest hereunder, then Landlord shall receive, as Additional Rent, the difference between the Rent (or any other consideration) paid in connection with such assignment or sublease and the Rent payable by Tenant hereunder.

16.3 REMEDIES. On the occurrence of any default by Tenant, Landlord may, at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have:

16.3.1 Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall have the immediate right to re-enter the Premises and remove all persons and property and such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass, or becoming liable for any loss or damage which may be occasioned thereby; and Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including (i) the worth at the time of the award of all Base Monthly Rent, Additional Rent and other charges which were earned or were payable at the time of the termination; (ii) the worth at the time of the award of the amount by which the unpaid Base Monthly Rent, Additional Rent and other charges which would have been earned or were payable after termination until the time of the award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; (iii) the worth at the time of the award of the amount by which the unpaid Base Monthly Rent, Additional Rent and other charges which would have been payable for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, any costs or expenses incurred by Landlord in maintaining or preserving the Premises after such default, the cost of recovering possession of the Premises, expenses of reletting, including, without limitation, necessary renovation or alteration of the Premises, Landlord's reasonable attorneys' fees, and any real estate commissions or other such fees paid or payable. Any such sums which are based on percentages of income, increased costs or other data shall be reasonable estimates or projections computed by Landlord on the basis of the amounts thereof accruing during the twenty-four (24) month period immediately prior to the default, except that if it becomes necessary to compute such sums before a twenty-four (24) month period has expired, then the computation shall be made on the basis of the amounts accruing during such shorter period. As used in subsections (i) and (ii) above, the "worth at the time of the award" is computed by allowing interest on unpaid amounts at the rate of ten percent (10%) per annum, but if such rate exceeds the maximum interest rate permitted by law, such rate shall be reduced to the highest rate allowed by law under the circumstances. As used in subsection (iii) above, the "worth at the time of the award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus two percent (2%). If Tenant shall have abandoned the Premises, Landlord shall have the option of (a) retaking possession of the Premises and recovering from Tenant the amount specified in this Section 16.3.1, or (b) proceeding under Section 16.3.2 below;

16.3.2 Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the Rent as it becomes due hereunder; and/or

16.3.3 Whether or not Landlord elects to terminate this Lease on account of any default by Tenant, Landlord shall have all rights and remedies at law or in equity including, but not limited to, the right to re-enter the Premises, and Landlord shall have the right to terminate any and all subleases, licenses, concessions or other arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the Rent or other consideration receivable thereunder.

16.4 THE RIGHT TO RELET THE PREMISES. Should Landlord elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it

may either terminate this Lease or it may from time to time without terminating this Lease, make such alterations and repairs as may be necessary in order to relet the Premises, and relet said Premises or any part thereof for such term or terms (which may be for a term extending beyond the Lease Term) and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable; upon each such reletting all rentals received by the Landlord from such reletting shall be applied, first, to the repayment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs and expenses of such reletting, including brokerage fees and attorneys' fees and of costs of such alterations and repairs; third, to the payment of Rent due and unpaid hereunder, and the residue, if any, shall be held by Landlord and applied in payment of future Rent as the same may become due and payable hereunder. If such rentals received from such reletting during any month are less than that to be paid during that month by Tenant hereunder, Tenant shall pay any such deficiency to Landlord. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of said Premises by Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction.

16.5 WAIVER OF RIGHTS OF REDEMPTION. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Landlord obtaining possession of the Premises, by reason of the violation by Tenant of any of the covenants or conditions of this Lease, or otherwise.

16.6 CUMULATIVE REMEDIES. Landlord's exercise of any right or remedy shall not prevent it from exercising any other right or remedy which may be provided by law or this Lease, whether or not stated in this Lease. The termination of this Lease under this Article 16 shall not release Tenant from obligations arising as a result of any acts or omissions occurring prior to such expiration or termination, including, without limitation, any indemnity obligations of Tenant and any obligations of Tenant under Article 7 of this Lease and all such obligations shall survive such termination.

16.7 ADDITIONAL REMEDIES UPON DEFAULT. In addition to any rights or remedies hereinbefore or hereinafter conferred upon Landlord under the terms of this Lease, the following remedies and provisions shall specifically apply in the event Tenant engages in any one or more of the acts contemplated by the provisions of Section 16.2.8 of this Lease:

16.7.1 In all events, any receiver or trustee in bankruptcy shall either expressly assume or reject this Lease within sixty (60) days following the entry of an "Order for Relief" or within such earlier time as may be provided by applicable law;

16.7.2 In the event of an assumption of this Lease by a debtor or by a trustee, such debtor or trustee shall within fifteen (15) days after such assumption (i) cure any default or provide adequate assurance that defaults will be promptly cured; (ii) compensate Landlord for actual monetary loss or provide adequate assurance that compensation will be made for actual monetary loss, including, but not limited to, all attorneys' fees and costs incurred by Landlord resulting from any such proceedings; and (iii) provide adequate assurance of future performance;

16.7.3 Where a default exists under this Lease, the trustee or debtor assuming this Lease may not require Landlord to provide services or supplies incidental to this Lease before its assumption by such trustee or debtor, unless Landlord is compensated under the terms of this Lease for such services and supplies provided before the assumption of such Lease;

16.7.4 The debtor or trustee may only assign this Lease if (i) it is assumed and assignee agrees to be bound by this Lease, (ii) adequate assurance of future performance by the assignee is

provided, whether or not there has been a default under this Lease, and (iii) the debtor or trustee has received Landlord's prior written consent pursuant to the provisions of Section 13.1 of this Lease. Any consideration paid by any assignee in excess of the rental reserved in this Lease shall be the sole property of, and paid to, Landlord;

16.7.5 Landlord shall be entitled to the fair market value for the Premises and the services provided by Landlord (but in no event less than the Rent reserved in this Lease) subsequent to the commencement of a bankruptcy event;

16.7.6 Any Security Deposit given by Tenant to Landlord to secure the future performance by Tenant of all or any of the terms and conditions of this Lease shall be automatically transferred to Landlord upon the entry of an "Order of Relief"; and

16.7.7 The parties agree that Landlord is entitled to adequate assurance of future performance of the terms and provisions of this Lease in the event of an assignment under the provisions of the Bankruptcy Code. For purposes of any such assumption or assignment of this Lease, the parties agree that the term "adequate assurance" shall include, without limitation, at least the following:

a. Any proposed assignee must have, as demonstrated to Landlord's satisfaction, a net worth (as defined in accordance with generally accepted accounting principles consistently applied) in an amount sufficient to assure that the proposed assignee will have the resources to meet the financial responsibilities under this Lease, including the payment of all Rent. The financial condition and resources of Tenant are material inducements to Landlord entering into this Lease.

b. Any proposed assignee must not be engaged in any business or activity which it will conduct on the Premises and which will subject the Premises to contamination by any Hazardous Materials.

c. Any proposed assignee must agree in writing to be bound by all the terms and provisions of this Lease.

16.8 DEFAULT BY LANDLORD. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have theretofore been furnished to Tenant in writing, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

16.9 LANDLORD'S CURE. All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction or abatement of Base Monthly Rent, Additional Rent or any other Rent payable under the Lease except for any abatement specifically permitted under Article 14 of this Lease. If Tenant shall default in the performance of its obligations under this Lease, Landlord may, but shall not be obligated to, make any such payment or perform any such act on Tenant's part without waiving its right based upon any default of Tenant and without releasing Tenant from any obligations hereunder and Tenant shall, within fifteen (15) days after delivery by Landlord to Tenant of statements therefor reimburse Landlord for all such expenditures, losses, costs, liabilities, damages and expenses. All sums so paid by Landlord and all necessary incidental costs, and interest thereon at the Lease Interest Rate accruing from the date paid or incurred by Landlord until reimbursed to Landlord by Tenant, shall be payable to Landlord by Tenant

as Rent on demand and Tenant covenants to pay all such sums. Tenant's obligations under this Section shall survive the expiration or sooner termination of the Lease Term.

ARTICLE 17

PROTECTION OF CREDITORS

17.1 SUBORDINATION. Landlord shall have the right to require Tenant to subordinate this Lease to any ground lease, deed of trust, mortgage or the Declarations encumbering the Premises, any advances made on the security thereof and any renewals, modifications, consolidations, replacements or extensions thereof, whenever made or recorded. Landlord may, by written notice to Tenant, subordinate this Lease to any new Declarations. If any beneficiary under a deed of trust or mortgagee under a mortgage elects to have this Lease prior to the lien of its deed of trust or mortgage and gives written notice thereof to Tenant, this Lease shall be deemed prior to such deed of trust or mortgage whether this Lease is dated prior or subsequent to the date of said deed of trust or mortgage or the date of recording thereof. As a condition to any such subordination, Landlord's lender shall provide to Tenant a commercially reasonable nondisturbance agreement (which may be part of a subordination and attornment agreement) recognizing Tenant's right to possession of the Premises so long as Tenant is not in default under this Lease beyond any applicable cure period.

17.2 ATTORNMENT. If Landlord's interest in the Premises is acquired by any ground lessor, beneficiary under a deed of trust, mortgagee, or purchaser at a foreclosure sale, or by any other person or entity, as a result of any other transfer by Landlord, Tenant shall attorn to the transferee of or successor to Landlord's interest in the Premises and recognize such transferee or successor as Landlord under this Lease. Tenant waives the protection of any statute or rule of law which gives or purports to give Tenant any right to terminate this Lease or surrender possession of the Premises upon the transfer of Landlord's interest.

17.3 SIGNING OF DOCUMENTS. Tenant shall sign and deliver any instrument or documents necessary or appropriate to effectuate or evidence any such attornment or subordination or agreement to do so. If Tenant fails to do so within ten (10) days after written request, such failure shall constitute a default under this Lease entitling Landlord to terminate this Lease.

17.4 ESTOPPEL CERTIFICATES.

17.4.1 Upon either party's written request ("Requesting Party"), the other party ("Responding Party") shall execute, acknowledge and deliver to the Requesting Party a written statement certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been canceled or terminated and is in full force and effect; (iii) the last date of payment of the Base Monthly Rent, and other charges and the time period covered by such payment; (iv) that the Requesting Party is not in default under this Lease (or, if the Requesting Party is claimed to be in default, stating why) and (v) such other statements as reasonably required by the Requesting Party, or any lender or prospective lender, investor or purchaser. The Responding Party shall deliver such statement to the Requesting Party within ten (10) days after the Requesting Party's request. Any such statement by the Responding Party may be given by the Requesting Party to any prospective purchaser or encumbrancer of the Premises. Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct.

17.4.2 If the Responding Party does not deliver such statement to the Requesting Party within such ten (10) day period and the Requesting Party's written request specifically states "The failure to respond to the request within ten (10) days might cause a default under the Lease" then such failure

shall constitute a default under this Lease. Further, the Requesting Party and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease have not been changed except as otherwise represented by the Requesting Party; (ii) that this Lease has not been canceled or terminated except as otherwise represented by the Requesting Party; (iii) that not more than one month's Base Monthly Rent or other charges have been paid in advance; and (iv) that Landlord is not in default under this Lease. In such event, the Requesting Party shall be estopped from denying the truth of such facts.

17.5 TENANT'S FINANCIAL CONDITION. Within ten (10) days after written request from Landlord, Tenant shall deliver to Landlord such financial statements as are reasonably required by Landlord to verify the net worth of Tenant, or any assignee, subtenant, or guarantor of Tenant. In addition, Tenant shall deliver to any lender or proposed purchaser of the Premises or any portion of the Project designated by Landlord any financial statements required by such lender or purchaser to facilitate the sale, financing or refinancing of the Premises or any portion of the Project. Tenant represents and warrants to Landlord that each such financial statement is a true and accurate statement as of the date of such statement. All financial statements shall be confidential and shall be used only for the purposes set forth herein. Each such financial statement shall be executed by Tenant and shall be certified by Tenant to be true and correct.

17.6 MORTGAGEE PROTECTION CLAUSE. Tenant agrees to give any mortgagees and/or trust deed holders, by registered mail, a copy of any notice of default served upon the Landlord, provided that prior to such notice Tenant has been notified in writing of the addresses of such mortgagees and/or trust deed holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary if within such thirty (30) days any mortgagee and/or trust deed holder has commenced and is diligently pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings if necessary to effect such cure), in which event this Lease shall not be terminated while such remedies are being so diligently pursued.

ARTICLE 18

TERMINATION OF LEASE

18.1 CONDITION UPON TERMINATION. Upon the termination of this Lease, Tenant shall surrender the Premises to Landlord, broom clean and in the same condition as received except for ordinary wear and tear which Tenant was not otherwise obligated to remedy under any provision of this Lease. However, Tenant shall not be obligated to repair any damage which Landlord is required to repair under Article 14 of this Lease. No act done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in writing and signed by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord and, notwithstanding such delivery, Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and, at the option of Landlord, shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises.

18.2 NON-REMOVAL BY TENANT. All permanently attached Alterations, including signs and sign cases, made by Tenant, or made by the Landlord on the Tenant's behalf and for which Tenant has paid

Landlord in accordance with this Lease, shall remain the property of the Tenant for the Lease Term. Such permanently attached Alterations shall not be removed from the Premises. At the expiration or termination of this Lease Term, all such permanently attached Alterations become the property of the Landlord; provided, however, Landlord may require that Tenant, at Tenant's sole cost, remove any such Alterations (but not including the Tenant Improvements constructed by Landlord or Tenant Work (as defined in the Work Letter)) or utility installations at the expiration of the Lease Term and to restore the Premises to their prior condition. In removing any such Alterations as may be required by the Landlord, the Tenant shall remove any of its personal property and shall repair any damage to the Premises caused by such removal and, prior to such removal, Tenant shall post a bond or other security as may be required by the Landlord in order to insure the Landlord that the Premises will be repaired in a prompt and workmanlike manner. If Tenant fails promptly to commence and diligently pursue to completion such removal and restoration required by the provisions of this Article 18, Tenant shall pay to Landlord the cost of such removal and restoration, such cost to include a reasonable charge for Landlord's overhead. Tenant shall continue to pay Rent for the portion of the Premises not completely vacated during such time together with all costs and expenses incurred by Landlord in removing, storing and disposing of such property together with all costs and expenses of repair to and clean up of the Premises. Thereafter, Landlord may retain or dispose of in any manner the personal property not so removed, without liability to Tenant.

18.3 ABANDONED PROPERTY. Any property of Tenant not removed by Tenant upon the expiration of the Lease Term or any period of holding over (or within ten (10) days after a termination by reason of Tenant's default) shall be considered abandoned, and Landlord may remove any or all such items and dispose of the same in any manner or store the same in a public warehouse or elsewhere for the account of and at the expense and risk of Tenant. If Tenant shall fail to pay the cost of storing any such property after it has been stored for a period of thirty (30) days or more, Landlord may sell any or all of such property at public or private sale, in such manner and at such times and places as Landlord, in its sole discretion, may deem proper, without notice to or demand upon Tenant. Landlord shall apply the proceeds of such sale (a) first, to the costs and expenses of such sale, including reasonable attorneys' fees actually incurred; (b) second, to the payment of the expense of or charges for removing and storing any such property; and (c) the balance to Landlord.

18.4 LANDLORD'S ACTIONS ON PREMISES. Tenant hereby waives all claims for damages or other liability in connection with Landlord's re-entering and taking possession of the Premises or removing, retaining, storing or selling the property of Tenant as herein provided, and Tenant hereby indemnifies and holds Landlord and Landlord's Indemnitees harmless from any such damages or other liability, and no such re-entry shall be considered or construed to be a forcible entry.

18.5 HOLDING OVER. Tenant shall vacate the Premises upon the expiration or earlier termination of this Lease. Tenant shall reimburse Landlord for and indemnify Landlord and Landlord's Indemnitees against all damages incurred by Landlord from any delay by Tenant in vacating the Premises. If Tenant remains in possession of all or any part of the Premises after the expiration of the Lease Term with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only and not a renewal hereof or an extension for any further term, and in such case, Base Monthly Rent then in effect shall be increased by thirty percent (30%) and other monetary sums due hereunder shall be payable in the amount and at the time specified in this Lease, and such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein, except that the month-to-month tenancy will be terminable on thirty (30) days notice given at any time by either party.

Landlord Initials /s/

Tenant Initials /s/

ARTICLE 19

MISCELLANEOUS PROVISIONS

19.1 OBLIGATION TO REFRAIN FROM DISCRIMINATION. The Tenant herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this Lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of sex, race, color, creed, religion, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased nor shall the Tenant itself, or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the land herein leased.

19.2 SUCCESSORS. Subject to limitations expressed elsewhere in this Lease, all rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and assigns of the said parties; and if there shall be more than one Tenant, they shall all be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall inure to the benefit of any assignee of Tenant unless the assignment to such assignee has been approved by Landlord in writing as provided in Article 13 hereof.

19.3 SEVERABILITY. A determination by a court of competent jurisdiction that any provision of this Lease or any part thereof is illegal or unenforceable shall not cancel or invalidate the remainder of such provision or this Lease, which shall remain in full force and effect.

19.4 INTERPRETATION. The captions of the Articles or Sections of this Lease are to assist the parties in reading this Lease and are not a part of the terms or provisions of this Lease. Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Tenant, the term "Tenant" shall include Tenant's agents, employees, contractors, invitees, successors or others using the Premises with Tenant's expressed or implied permission.

19.5 OTHER TENANCIES. Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord, in the exercise of its sole business judgment, shall determine to best promote the interest of the Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the term of this Lease, either (i) enter into a lease for any space in the Project or (ii) continue to lease any space in the Project under any lease which is in effect as of the date of this Lease, or that any tenant under any lease in effect as of the date of this Lease will not assign or transfer its interest under its lease or change the use of the premises under such lease. By executing this Lease, Tenant acknowledges that Landlord has not made any representations, warranties or statements as to any of the foregoing and agrees that the occurrence of any of the foregoing or any similar event shall not affect Tenant's obligations under this Lease.

19.6 ENTIRE AGREEMENT. Any Exhibits, Addenda and schedules attached hereto shall be incorporated herein as though fully set forth herein. This Lease and the Exhibits, Addenda and schedules, if any, attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions and understandings, either oral or written, between Landlord and Tenant concerning the Premises and there are no covenants, promises, agreements, conditions or understandings, either oral, or written, between them other than are herein set forth. Except as herein otherwise provided, no subsequent

alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by the party to be charged with their performance.

19.7 LANDLORD'S LIABILITY. As used in this Lease, the term "Landlord" means only the current owner or owners of the fee title to the Premises or the leasehold estate under a ground lease of the Premises at the time in question. Each Landlord is obligated to perform the obligations of Landlord under this Lease only during the time such Landlord owns such interest or title. Any Landlord who transfers its title or interest is relieved of all liability with respect to the obligations of Landlord under this Lease to be performed on or after the date of transfer. However, each Landlord shall deliver to its transferee all funds previously paid by Tenant if such funds have not yet been applied under the terms of this Lease. The obligations of Landlord under this Lease do not constitute personal obligations of Landlord, or its partners, directors, employees, officers, members, managers or shareholders and Tenant shall look solely to the Project and to no other assets of Landlord for satisfaction of any liability with respect to this Lease and will not seek recourse against the partners, directors, officers, members, managers or shareholders of Landlord herein, nor against any of their personal assets for such satisfaction.

19.8 NOTICES. All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid or by overnight courier marked for delivery next Business Day. Notices to Tenant shall be delivered to the address specified in Item 5 of the Basic Terms, except that upon Tenant's taking possession of the Premises, the Premises shall be Tenant's address for notice purposes. Notices to Landlord shall be delivered to the address specified in Item 3 of the Basic Terms or such other address as may be instructed by Landlord. All notices shall be effective upon personal delivery or three (3) Business Days after deposit in the U.S.
Mail or one (1) Business Day after deposit with an overnight courier.

19.9 WAIVERS. All waivers must be in writing and signed by the waiving party. Landlord's failure to enforce any provision of this Lease or its acceptance of Rent shall not be a waiver and shall not prevent Landlord from enforcing that provision or any other provision of this Lease in the future. No statement on a payment check from Tenant or in a letter accompanying a payment check shall be binding on Landlord. Landlord may, with or without notice to Tenant, negotiate such check without being bound to the conditions of such statement.

19.10 NO RECORDATION. Tenant shall not record this Lease or a memorandum hereof without prior written consent from Landlord. However, Landlord may require that a "Short Form" memorandum of this Lease be executed by both parties and recorded.

19.11 CHOICE OF LAW. The internal laws without regard to choice of law rules of the State of California shall govern this Lease.

19.12 CORPORATE AUTHORITY; PARTNERSHIP AUTHORITY. If Tenant is a corporation, each person signing this Lease on behalf of Tenant represents and warrants that he or she has full authority to do so and that this Lease binds the corporation. Concurrently with execution of this Lease, Tenant shall deliver to Landlord a certified copy of a resolution of Tenant's Board of Directors authorizing the execution of this Lease or other evidence of such authority reasonably acceptable to Landlord. If Tenant is a partnership, each person signing this Lease for Tenant represents and warrants that he or she is a general partner of the partnership, that he or she has full authority to sign for the partnership and that this Lease binds the partnership and all general partners of the partnership. Tenant shall give written notice to Landlord of any general partner's withdrawal or addition. Concurrently with execution of this Lease, Tenant shall deliver to Landlord a copy of Tenant's recorded statement of partnership or certificate of limited partnership.

12/18/94 Landlord Initials /s/

Tenant Initials /s/

19.13 NO PARTNERSHIP. Landlord shall not by virtue of this Lease, in any way or for any purpose, be deemed to have become a partner of Tenant in the conduct of its business, or otherwise, or joint venturer or a merger of a joint enterprise with Tenant, nor is Tenant an agent of Landlord for any reason whatsoever.

19.14 JOINT AND SEVERAL LIABILITY. All parties signing this Lease as Tenant shall be jointly and severally liable for all obligations of Tenant.

19.15 ATTORNEYS' FEES. If either party commences litigation against the other for the specific performance of this Lease, the interpretation of this Lease, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, the parties hereto agree to and hereby do waive any right to a trial by jury and, in the event of any such commencement of litigation, the prevailing party shall be entitled to recover from the other party such costs and reasonable attorneys' fees as may have been incurred. Further, if Landlord is named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy hereunder, Tenant shall be obligated to pay to Landlord, in addition to all other amounts for which Tenant is obligated hereunder, all of Landlord's reasonable costs and expenses incurred in connection with any such acts, including reasonable attorneys' fees.

19.16 LENDER MODIFICATION. If, in connection with obtaining any loans including but not limited to a construction loan, permanent financing or refinancing for the Project, a lender shall request reasonable modifications to this Lease as a condition to such financing, Tenant will not unreasonably withhold, delay or defer its consent thereto, provided that such modifications do not increase the obligations of Tenant hereunder or materially adversely affect the leasehold interest hereby created or Tenant's rights hereunder.

19.17 BROKERS. Landlord shall pay Tenant's Broker a commission pursuant to a separate agreement between Landlord and Tenant's Broker. Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Item 12 of the Basic Terms, and that they know of no other real estate broker or agent who may be entitled to a commission in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including, without limitation, reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent other than that specified herein.

19.18 FORCE MAJEURE. If Landlord cannot perform any of its obligations due to events beyond Landlord's control, the time provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond Landlord's control include, but are not limited to, acts of God, war, civil commotion, labor disputes, strikes, fire, flood or other casualty, shortages of labor or material, government regulation or restriction and weather conditions.

19.19 TENANT OBLIGATIONS SURVIVE TERMINATION. All obligations of Tenant hereunder not fully performed as of the expiration or earlier termination of the Lease Term shall, survive the expiration or earlier termination of the Lease Term, including, without limitation, all payment obligations and all obligations concerning the condition of the Premises.

19.20 TENANT'S WAIVER. Any claim which Tenant may have against Landlord for default in performance of any of the obligations herein contained to be kept and performed by Landlord shall be deemed waived unless such claim is asserted by written notice thereof to Lessor within ten (10) days of

Landlord Initials /s/

Tenant Initials /s/
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commencement of the alleged default or of accrual of the cause of action and unless suit be brought thereon within six (6) months subsequent to the accrual of such cause of action.

19.21 SUBMISSION OF LEASE. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or an option for lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

ADDITIONAL PROVISIONS ARE SET FORTH IN THE EXHIBITS AND ADDENDA ATTACHED HERETO.

Landlord and Tenant have signed this Lease at the place and on the dates specified adjacent to their signatures below and have initialled all Exhibits and Addenda which are attached to or incorporated by reference in this Lease.

LANDLORD:

Dated:12/9/94
_____

The Campus, LLC,
a California limited liability company

By: Newport National Corporation,
a California corporation
Its: Manager

By: /s/ Scott R. Brusseau

Name: Scott R. Brusseau
Title: President

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

TENANT:

Dated:__12/9/94_____

ViaSat, Inc., a California corporation

By:____/s/ Greg Monahan_____
Name: Greg Monahan
Title: Vice president

By:_____
Name:_____
Title:_____

12/8/94

Landlord Initials: __/s/__
Tenant Initials: __/s/__

EXHIBIT "A"

Site Plan

[To be Attached]

12/8/94

Landlord's Initials:__/s/__
Tenant's Initials:__/s/__

EXHIBIT "B"

THE CAMPUS
RULES AND REGULATIONS

1. WALKWAYS. The sidewalks, roadways, and other public portions in the Project shall be used by the Tenant for the purpose solely of ingress and egress to and from the Premises of the Tenant. Tenant, its employees and agents, shall not loiter in the entrances or corridors, nor in any way obstruct the sidewalks, halls, stairways or elevators, and shall use the same only as a means of ingress and egress for the Premises.

2. CONDITIONS OF PREMISES. The Tenant shall keep the exterior and interior portion of the Premises, to include all windows, doors, and all other glass, plate fixtures, and trim in a clean condition. No improvements, additions, or materials of any kind are permitted to be placed on the outside of any of the Premises by Tenant.

3. STORAGE OF REFUSE. All waste paper, garbage and refuse shall be kept in the kind of container specified by Landlord, and shall be placed outside of the Premises in specified trash containers prepared for collection in the manner and at the times and places specified by Landlord. Landlord may implement a recycling program and in such case, Tenant shall deposit refuse in accordance with any requirements of such recycling program. If Landlord shall provide or designate a service for picking up refuse and garbage, Tenant shall use same at Tenant's cost whether billed directly or as part of Common Area Maintenance Charges.

4. AERIALS. Except as set forth in the Lease, no aerial shall be erected on the roof or exterior walls of the Premises, or within the Project, without in each instance, the written consent of the Landlord, which may be withheld in Landlord's sole discretion. Any aerial so installed without such written consent shall be subject to removal without notice at any time.

5. CONDUCT. Tenant shall conduct its business in an orderly manner in the best interests of the Project. No loudspeakers, televisions, phonographs, radios, or other devices shall be used in a manner so as to be heard or seen outside of the Premises without the prior written consent of the Landlord, which may be withheld in Landlord's sole discretion.

6. OUTSIDE AREAS. The outside areas immediately adjoining the Premises shall be kept clean and free from dirt and rubbish by the Tenant to the satisfaction of the Landlord and Tenant shall not place or permit any obstruction or materials in such areas, including, without limitation, inventory, costs or signage of any type or kind. No exterior storage shall be allowed without permission in writing from Landlord.

7. PARKING. Tenant and Tenant's employees shall park only in those portions of the parking area designated for that purpose by Landlord. Landlord has the right to make changes in the parking procedures and guidelines from time-to-time, to benefit the Project, in Landlord's sole opinion.

8. PLUMBING. The plumbing facilities shall not be used for any purpose other than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense

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Tenant Initials /s/
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of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by Tenant, who shall, or whose employees, agents or invitees shall have caused it.

9. PEST EXTERMINATORS. Tenant shall use, at Tenant's cost, such pest extermination contractor as Landlord may direct and at such intervals as Landlord may require.

10. FLAMMABLE MATERIALS. The Tenant shall not keep or permit to be kept on the Premises any flammable or combustible fluid, chemical, or explosive material of any kind. Tenant shall not burn any trash or garbage of any kind in or about the Premises, or the Project.

11. AUCTIONS. Tenant shall not hold any auction, fire, or bankruptcy sale in the Premises.

12. NO ANIMALS. Tenant shall not bring into the Premises at the Project any animals of any type or kind, except animals necessary to assist persons with disabilities.

13. SAFES. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Project to be located at any location other than the first floor of the Building and also the times and manner of moving the same in and out of the Project. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. All damage done to any part of the Project, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility of Tenant and any expense of said damage or injury shall be borne by Tenant.

14. SAFETY PROCEDURES. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

15. PROTECTION FROM THEFT. Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.

16. WAIVER BY LANDLORD. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall (i) be effective unless in writing, or (ii) be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, or (iii) prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all tenants of the Project.

17. CHANGES TO RULES. Landlord reserves the right from time to time to reasonably amend or supplement the foregoing rules and regulations, and to adopt and promulgate reasonable additional rules and regulations applicable to the Premises. Notice of such rules and regulations and amendments and supplements thereto, if any, shall be given to the Tenant and Tenant agrees to comply with all such rules and regulations upon receipt of notice. Landlord shall not be liable in any way to Tenant for any damage or inconvenience caused by any other tenant's non-compliance with these rules and regulations.

12/18/94 Landlord Initials /s/

Tenant Initials /s/

POOL & SPA RULES AND REGULATIONS

PERSONS USING POOL AND SPA FACILITIES DO SO AT THEIR OWN RISK. MANAGEMENT ASSUMES NO RESPONSIBILITY FOR ACCIDENT OR INJURY. MANAGEMENT IS NOT RESPONSIBLE FOR ARTICLES LOST, DAMAGED OR STOLEN.

1. Pool and Spa hours are 6AM to 9PM, Monday through Friday.

2. Pool and Spa are reserved exclusively for use by the Tenants.

3. No children under the age of 14 will be allowed in the Pool at any time, unless accompanied and supervised by a responsible adult.

4. The use of the Spa is strictly reserved for adults.

5. No glass containers are allowed at any time.

6. No alcoholic beverages shall be consumed or allowed in or around the Pool or Spa area at any time. No person(s) under the influence of alcohol is(are) permitted in or near the Pool.

7. No running, jumping, "horseplay," fighting, boisterous or dangerous conduct, radios, record players, or other musical instruments, and/or any noisy behavior disturbing to the other Tenants is allowed in the Pool area.

8. Showering is required prior to using the Pool.

9. The use of personal towels over Pool furniture is required when using suntan oil or other lotions.

10. No toys, innertubes or any other objects whatsoever will be allowed in the Pool area at any time.

11. Safety equipment is not to be used except in cases of emergency.

12. Pets are not permitted in the Pool area by order of the Health Department.

13. Furniture other than provided by the management shall not be used in the Pool area. Pool furniture and any other equipment belonging to the premises shall not be removed at any time.

14. Diving is not allowed at any time.

15. NO LIFEGUARD WILL BE ON DUTY.

16. Remaining in the Spa for longer than thirty (30) minutes is prohibited.

17. Persons using the Pool area are advised to discuss with their physicians the appropriate use of hats, sunscreen and other protective devises.

12/18/94

Landlord Initials /s/ _____

Tenant Initials /s/ _____

EXHIBIT "C"

THE CAMPUS

WORK LETTER AGREEMENT

[TENANT ALLOWANCE]

The Campus, LLC, a California limited liability company ("Landlord"), and ViaSat, Inc., a California corporation "Tenant", as of this 8th day of December, 1994, are executing simultaneously with this Work Letter Agreement ("Work Letter"), a written lease (the "Lease") covering the Premises described in the Lease.

This Work Letter defines the scope of Tenant Improvements (as defined below) which Landlord shall be obligated to construct or install on the Premises. If there is a conflict between the terms and provisions of this Work Letter and the Lease, this Work Letter shall control. Terms which have initial capital letters and are not otherwise defined in this Letter shall have the meaning set forth in the Lease.

The parties recognize and acknowledge that this Work Letter will be applicable for the East Wing and the West Wing at two (2) separate stages. Upon execution of this Lease, the provisions of this Work Letter shall be triggered for the West Wing (except as set forth in the next paragraph). Upon the provision of reasonable assurances by Landlord on or before March 15, 1995, that the Existing Tenant will abandon the East Wing on or before October 1, 1995 as set forth in Section 2.5 of the Lease, the provisions of this Work Letter shall be triggered for the East Wing.

The parties also recognize and acknowledge that this Work Letter will be applicable for the West Wing at two (2) separate stages. With respect to Phase 1 of the West Wing, the provisions of Section 1 of this Work Letter shall be triggered immediately. With respect to Phase 2 of the West Wing, the Construction Drawings for Phase 2 must be completed by Tenant on or before the date set forth herein.

This Work Letter is a part of the Lease and shall be subject to all of its terms and conditions, including all definitions contained therein. In consideration of the mutual covenants hereinafter contained, Landlord and Tenant mutually agree as set forth below.

SECTION 1

PLANNING AND CONSTRUCTION DOCUMENTS

1.1 SPACE PLAN. If not already approved, a space planner selected by Tenant and approved by Landlord in Landlord's reasonable discretion, will prepare a preliminary space plan for the Premises within ten (10) days of the date of the execution of the Lease. Tenant will cooperate with and submit to Landlord or the Space Planner information required by the Space Planner necessary for the Space Planner to prepare a space plan for the Premises which shall include, without limitation, a layout designation of all counters, fixtures, and partitioning and their intended use, and the equipment to be contained therein ("Space Plan"). The Space Plan shall be subject to the approval of Landlord which approval shall not be unreasonably withheld or delayed.

Landlord Initials /s/

Tenant Initials /s/

1.2 CONSTRUCTION DOCUMENTS. Based on the approved Space Plan, Tenant shall cause the preparation of all drawings, plans and specifications necessary to construct the Tenant Improvements (the "Construction Documents"). The Construction Documents shall be prepared by consultants selected by Tenant and reasonably approved by Landlord. Tenant shall be responsible for ensuring that (a) the Construction Drawings for Phase 1 of the West Wing are completed on or before February 1, 1995, (b) the Construction Drawings for Phase 2 of the West Wing are completed on or before April 1, 1995, and (c) the Construction Drawings for the East Wing are completed on or before August 1, 1995.

1.3 TENANT APPROVAL. After Tenant's approval, no significant changes, modifications or alterations may be made without the prior written consent of both Landlord and Tenant; provided, however, if any changes are required (i) by any governmental agency with jurisdiction over the Project (ii) as a result of field conditions, or (iii) to substitute reasonably equivalent materials to avoid unanticipated delays, strikes or shortages, then Landlord shall be authorized to make such changes. The costs of any such changes are to be included within the Total Cost (as hereinafter defined). Any changes to the Construction Documents after approval thereof, other than any changes required under Subsections (i), (ii) and (iii) above, shall constitute a Change Order (as hereinafter defined).

1.4 SPACE PLAN AND CONSTRUCTION DOCUMENT COSTS. All costs and fees associated with the preparation of the Space Plan and Construction Documents, including, without limitation, all consultant or subcontractor design fees, shall be deducted from the Tenant Improvement Allowance (as hereafter defined).

SECTION 2

TENANT IMPROVEMENTS

2.1 TENANT IMPROVEMENTS. All improvements for the Premises to be constructed by Landlord before Landlord delivers possession of the Premises to Tenant, in substantial conformance with the Construction Documents, shall constitute the "Tenant Improvements." The Tenant Improvements are and shall remain Landlord's property and shall be surrendered to Landlord upon expiration or earlier termination of the Lease in accordance with the provisions of the Lease.

2.2 PREMISES FURNISHINGS. It is expressly understood that Landlord's obligation to construct Tenant Improvements in the Premises is limited to construction of the Tenant Improvements specifically contemplated by the Construction Documents. Tenant shall be solely responsible for the performance and expense of the design, layout, provision, delivery and installation of any furniture, furnishings, equipment, and any other personal property Tenant will use at the Premises. In arranging for the performance of any of the work referred to in the preceding sentence, Tenant shall be permitted to enter the Premises only upon the prior consent of Landlord and shall adopt a schedule in conformance with the schedule(s) of Landlord's Contractor (as hereinafter defined) and conduct its work in such a manner as to maintain harmonious labor relations so as not to interfere unreasonably with or delay the work of Landlord's contractors in substantially completing the Tenant Improvements.

Landlord Initials /s/

Tenant Initials /s/

SECTION 3

TENANT IMPROVEMENT ALLOWANCE

3.1 TENANT IMPROVEMENT ALLOWANCE. Landlord has agreed to contribute a one-time tenant improvement allowance for the cost of preparing the Space Plan and Construction Documents and toward the cost of constructing the Tenant Improvements, including any necessary demolition work ("Tenant Improvement Allowance"), in the amount specified in Item 14 of the Basic Terms of the Lease, subject to adjustment as set forth in Section 3.2.2 below. The parties recognize and agree that the Tenant Improvement Allowance will be applied separately to the East Wing and the West Wing. Tenant shall be solely responsible for any and all costs of constructing the Tenant Improvements in excess of the Tenant Improvement Allowance pursuant to the provisions of Section 3.2.2 below. The total of all costs incurred by Landlord in connection with the design and construction of the Tenant Improvements shall be referred to as the "Total Costs." Tenant may, at its option, use any portion of the Tenant Improvement Allowance in excess of the Total Costs to pay or reimburse Tenant for the costs of any Tenant Work or costs of moving expenses, including, but not limited to, labor, material, and equipment required to relocate and/or install all furnishings, communication equipment and office effects, upon presentation of bills to Landlord evidencing the cost thereof.

3.2 COST OF TENANT IMPROVEMENT WORK.

3.2.1 OBTAINING COST QUOTATION. At the election of Tenant, in Tenant's sole discretion, Landlord shall obtain a cost quotation ("Cost Quotation") to construct the Tenant Improvements based upon the approved Construction Documents from each of the following general contractors: R.G. Petty, Si-Mac, Kevin Grant Construction and Newport National Construction Co. ("NNC") to the extent that each of these entities is willing and able to give a Cost Quotation within a reasonable time period after request by Landlord. Landlord shall use reasonable efforts to obtain a Cost Quotation from each of these entities within a reasonable time period. The Cost Quotations shall include a complete cost breakdown by line item, including without limitation, architectural and engineering fees, permit fees and other government fees, sales and use taxes and all other costs to be expended by or on behalf of the Landlord in connection with the construction and installation of the Tenant Improvements. Landlord agrees to meet with Tenant, at Tenant's request, to discuss the Cost Quotations. Within five (5) days after Tenant's receipt of the Cost Quotations, Tenant shall select the general contractor to construct the Tenant Improvements ("General Contractor") based upon the Cost Quotations and shall give notice thereof to Landlord. Notwithstanding the above, Tenant shall be required to select NNC if NNC agrees to match the Cost Quotation given by the General Contractor selected by Tenant within five (5) days after receipt of such notice from Tenant.

3.2.2 APPROVAL OF COST QUOTATION BY TENANT. If the Cost Quotation exceeds the Tenant Improvement Allowance, Tenant shall, within five (5) Business Days of receipt thereof, either: (i) agree in writing to pay the cost by which the Cost Quotation exceeds the Tenant Improvement Allowance ("Excess Cost"), or (ii) in cooperation with the Space Planner and Landlord revise the Construction Documents or Space Plan so that the Cost Quotation is either (a) no more than the Tenant Improvement Allowance, or (b) in excess of the Tenant Improvement Allowance by the amount of Excess Cost which Tenant agrees to pay. If Tenant elects to revise the Construction Documents or Space Plan in order to reduce the Cost Quotation, the period of time between Tenant's election to revise the Construction Documents or Space Plan and the approval of the revised Construction Documents by

Landlord Initials /s/

Tenant Initials /s/

Tenant shall constitute a Tenant Delay (as defined below). If the Cost Quotation is less than the Tenant Improvement Allowance, the Tenant Improvement Allowance shall be deemed to be an amount equal to the Cost Quotation. The failure of Tenant to respond within the five (5) Business Day period shall be a Tenant Delay. Upon approval by Tenant, Landlord shall be authorized to proceed with the Tenant Improvements in accordance with the approved Construction Documents. All costs of revising the Construction Documents, including, without limitation, re-engineering, estimating, printing of drawings, costs of any space planner, architect, engineering consultants and other consultants and any other incidental expenses, shall be chargeable against the Tenant Improvement Allowance and the Total Cost.

3.3 LANDLORD COSTS FOR TENANT IMPROVEMENTS. All costs incurred by Landlord in connection with (a) the design, construction and installation of the Tenant Improvements, (b) any demolition or modification of any existing improvements as may be necessary to accomplish construction of the Tenant Improvements in conformance with the Space Plan and the Construction Documents, or (c) any other measures taken by Landlord which may be reasonably required to accomplish Landlord's construction of the Tenant Improvements, including but not limited to Landlord's procurement of bonds, insurance policies and governmental permits, and Landlord's construction management and/or on-site supervision shall be charged against the Tenant Improvement Allowance.

3.4 TENANT COSTS FOR TENANT IMPROVEMENTS. Tenant shall deliver to Landlord at least twenty (20) days prior to the commencement of construction of the Tenant Improvements cash equal to fifty percent (50%) of the amount of the Excess Costs. Forty percent (40%) of the Excess Costs shall be paid in cash to Landlord within ten (10) days after Substantial Completion (as defined below) of the Tenant Improvements with the remaining ten percent (10%) paid in cash within ten (10) days after punchlist items are completed. Tenant shall be solely responsible for all Excess Costs.

SECTION 4

CONSTRUCTION OF TENANT IMPROVEMENTS

4.1 CONSTRUCTION OF TENANT IMPROVEMENTS. After approval of the Construction Documents, Landlord's Contractor shall use its diligent efforts to Substantially Complete (as defined below) the Tenant Improvements on or before the Estimated Lease Commencement Date set forth in the Lease.

4.2 COMPLETION OF TENANT'S IMPROVEMENTS. Landlord shall be responsible for the construction of the Tenant Improvements in substantial conformance with the approved Construction Documents. Landlord shall be authorized to use its discretion and judgment, which discretion and judgment shall be exercised reasonably, in entering into a construction contract with the Contractor to construct the Tenant Improvements authorized hereunder. Upon Substantial Completion (as defined below) of the Tenant Improvements, Landlord and Tenant shall provide a "punchlist" identifying the corrective work of the type commonly found on an architectural punchlist with respect to the Tenant Improvements, which list shall be in Landlord's reasonable discretion based on whether such items were required by the approved Construction Documents. Within ten (10) Business Days after delivery of the punchlist, Landlord shall commence the correction of punchlist items and diligently pursue such work to completion. The punchlist procedure to be followed by Landlord and Tenant shall in no way limit Tenant's obligation to occupy the Premises under the Lease nor shall it in any way excuse Tenant's

Landlord Initials /s/

Tenant Initials /s/
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obligation to pay Rent as provided under the Lease, unless such punchlist items reasonably precludes Tenant from occupying the Premises, as reasonably determined by Landlord and Tenant.

4.3 SUBSTANTIAL COMPLETION. "Substantial Completion" or "Substantially Completed" as used herein shall mean both (a) delivery of written a certificate of Landlord to Tenant certifying the completion of construction of the Tenant Improvements in the Premises pursuant to the approved Construction Documents with the exception of minor details of construction installation, decoration, or mechanical adjustments and punchlist items as certified to by Landlord and (b) the issuance by the City of Carlsbad of a certificate of occupancy, a temporary certificate of occupancy or some other authorization necessary to permit Tenant to occupy and receive the beneficial use of the Premises. Substantial Completion shall be deemed to have occurred, and completion of the Tenant Improvements shall be deemed to have occurred, notwithstanding the requirement to complete "punchlist" items or similar corrective work. Tenant agrees that if Landlord shall be delayed in causing such work to be Substantially Completed as a result of any of the events as defined below (referred to herein as a "Tenant Delay"), then such delay shall be the responsibility of Tenant, and will result in the Commencement Date of the Term or, as applicable, the commencement of any portion of Tenant's Base Monthly Rent obligations hereunder being the earlier of: (i) Tenant's opening of the Premises for business; (ii) the date of Substantial Completion or (iii) the date when Substantial Completion would have occurred if there had been no Tenant Delay, providing that Landlord shall not be required to work on an overtime basis in order to bring the Premises to Substantial Completion. For the purposes of this Work Letter, a Tenant Delay is defined as follows: (a) Tenant's failure to comply with any time frames set forth herein or in the Lease, (b) any changes in the Construction Documents after the dates set forth in Section 1.2 of Exhibit C requested by Tenant after Landlord's and Tenant's approval of the Construction Documents, including, without limitation, any changes made to reduce the Cost Quotation pursuant to Section 3.2.2 of this Work Letter, (c) Tenant's failure to furnish any documents required herein or approve any item or any cost estimates as required herein, (d) Tenant's request for materials, finishes, or installations other than Landlord's Building Standard items, (e) Tenant's failure to perform any act or obligation imposed on Tenant by the Lease or this Work Letter as and when requested thereunder or hereunder, or (f) any other delay otherwise caused by Tenant, its agents, employees or contractors which operates to delay Landlord's Substantial Completion of the Tenant Improvements, as reasonably determined by Landlord.

SECTION 5

TENANT WORK

5.1 FINISH WORK. All finish work and decoration and other work desired by Tenant and not included within the Tenant Improvements as set forth in the approved Construction Documents, including specifically, without limitation, all computer systems, telephone systems, telecommunications systems and other items (the "Tenant Work") shall be furnished and installed by Tenant at Tenant's sole expense and shall not be chargeable against the Tenant Improvement Allowance.

5.1.1 CONSENT OF LANDLORD. If any Tenant Work is not set forth on the approved Construction Documents, Tenant shall secure Landlord's prior consent for such Tenant Work in the same manner and following the same procedures provided for in the Lease. Tenant shall not commence the construction or installation of any improvements on the Premises, including, specifically, the Tenant Work, without Landlord's prior written approval (which shall not be unreasonably withheld)

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Tenant Initials /s/
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of: (i) Tenant's contractor, (ii) detailed plans and specifications for the Tenant Work, and (iii) a certificate(s) of insurance accurately showing that Tenant's contractor maintains insurance coverage in amounts, types, form and with companies reasonably acceptable to Landlord. All such certificates or policies shall be endorsed to show Landlord as an additional insured and insurance shall be maintained by Tenant or Tenant's contractor at all times during the performance of the Tenant Work.

5.2 LANDLORD'S OBLIGATIONS. Landlord is under no obligation to construct or supervise construction of any of the Tenant Work and any inspection by Landlord shall not be construed as a representation that the Tenant Work is in compliance with the final plans and specifications therefor or that the construction will be free from faulty material or workmanship or that the Tenant Work is in conformance with any building codes or other applicable regulations. All of the Tenant Work shall be undertaken and performed in strict accordance with the provisions of the Lease and this Work Letter.

SECTION 6

CHANGE ORDERS

Tenant may authorize changes in the work during construction only by written instructions to Landlord, or its designated representative, on a form approved by Landlord. All such changes will be subject to Landlord's prior written approval, which shall be approved or disapproved by Landlord in its discretion, which discretion shall be exercised reasonably, within three (3) Business Days of receipt. Prior to commencing any change, Landlord will prepare and deliver to Tenant, for Tenant's approval, a change order (the "Change Order") setting forth the total costs of such change which will include associated architectural, engineering and construction contractor's fees. Within two (2) Business Days after delivery to Tenant of the total costs of the Change Order, Tenant shall deliver notice of approval, together with a cash payment equal to fifty percent (50%) of the cost of the Change Order to the extent such cost exceeds any uncommitted balance of the Tenant Improvement Allowance ("First Payment"). If Tenant fails to deliver written notice of Tenant's approval of such Change Order and deliver the First Payment within five (5) days after delivery by Landlord, then Tenant will be deemed to have withdrawn the proposed Change Order and Landlord will not proceed to perform the change. Upon Landlord's receipt of Tenant's approval and First Payment, Contractor will proceed to perform the change. To the extent such cost exceeds any uncommitted balance of the Tenant Improvement Allowance, forty percent (40%) of the balance shall be paid to Landlord in cash within ten (10) days after Substantial Completion and the remaining ten percent (10%) shall be paid in cash within ten (10) days after the punchlist items are completed.

SECTION 7

RESPONSIBILITY FOR FUNCTION AND MAINTENANCE

Tenant will be responsible for the function and maintenance of all Tenant Improvements whether or not approved by Landlord or installed by Landlord at Tenant's request. Landlord's preparation and/or approval of any design or construction documents will not constitute any representation or warranty as to the adequacy, efficiency, performance or desirability of the Tenant Improvements in the Premises.

Landlord Initials /s/

Tenant Initials /s/

SECTION 8

TENANT AND LANDLORD OBLIGATIONS

8.1 ACCESS AND ENTRY. During Landlord's construction of the Premises, Landlord agrees to provide reasonable access as described herein to the Premises to Tenant and its agents, for the purpose of installing Tenant's fixtures, Tenant Work and furniture, so long as such access does not interfere with the conduct of Landlord's construction activities or affect Landlord's ability to diligently bring the Premises to Substantial Completion. Landlord acknowledges that access during the construction of the Tenant Improvements for purpose of performing Tenant Work is important to Tenant. If Landlord, in its reasonable discretion, determines that the providing of such access may affect its ability to bring the Premises to Substantial Completion on the estimated Commencement Date as set forth in this Lease, Landlord shall have the right to deny or otherwise restrict such access to Tenant and its agents until Substantial Completion of the Tenant Improvements. The terms of such access may require that Tenant and Tenant's agents perform work at times and in the manner designated by Landlord, including nights, weekends, and holidays. Also, Tenant and its agents may be required to utilize only certain access areas at certain times, designated by Landlord. With respect to any approved Tenant Work, Tenant shall adopt a schedule in conformance with the schedule of Landlord's Contractor and conduct its work in such a manner as to maintain harmonious labor relations so as not to interfere unreasonably with or delay the work of Landlord's Contractor. Tenant's contractors and agents shall be subject to the supervision of Landlord's construction supervisor.

8.2 RISK OF LOSS. All materials, work, installations and decorations of any nature brought upon or installed in the Premises before the Commencement Date shall be at the risk of the party who brought such materials or items onto the Premises. Neither Landlord nor any party acting on Landlord's behalf shall be responsible for any damage or loss or destruction of such items brought to or installed in the Premises by Tenant prior to such date, except in the event of negligence or willful misconduct on the part of Landlord or any party acting on Landlord's behalf. As a condition to such early entry, Landlord may require Tenant to execute a hold harmless agreement, in a form acceptable to Landlord. Such early occupancy shall be subject to the terms and provisions of Section 3.4 of the Lease.

8.3 CONFORMANCE WITH LAWS. Tenant shall cause all Tenant Work and Landlord shall cause all Tenant Improvements to be constructed or installed in conformity with applicable codes and regulations of governmental authorities having jurisdiction over the Project and the Premises and valid building permits and other necessary authorizations from appropriate governmental agencies when required, which in the case of the Tenant Work, shall be obtained by Tenant at Tenant's expense. Any Tenant Work not acceptable to the applicable governmental authority or not reasonably satisfactory to Landlord in accordance with the standard listed above (unless previously approved by Landlord), shall be promptly corrected, replaced, or brought into compliance with such applicable codes and regulations at Tenant's expense. Notwithstanding any failure by Landlord to object to any such Tenant Work, Landlord shall have no responsibility therefor.

8.4 LIENS. Tenant shall keep the Premises and Project free from any mechanics', materialmen's or other liens arising out of (1) any work performed upon or materials or furniture, fixtures or improvements delivered to the Premises including but not limited to any Tenant Work performed by or for Tenant or any person or entity claiming by, through or under Tenant, or (2) materials furnished or obligations incurred by or for Tenant or any person or entity claiming by, through or under Tenant.

Landlord Initials /s/

Tenant Initials /s/

Landlord shall have the right at all times to post and keep posted on the Premises any notices which it deems necessary for its protection from such liens. If any such liens are filed and are not released of record by payment or posting of a proper bond within ten (10) days after such filing, Landlord, may, without waiving its rights and remedies based on such breach by Tenant and without releasing Tenant from any obligations hereunder or under the Lease, cause such liens to be released by any means it shall deem proper, including payment of the claim giving rise to such lien in which event all amounts paid by Landlord shall immediately be due and payable by Tenant.

SECTION 9

TENANT'S REPRESENTATIVE

Tenant has designated Mr. Gregory D. Monahan as its sole representative with respect to the matters set forth in this Work Letter, who shall have full authority and responsibility to act on behalf of Tenant as required in this Work Letter. Tenant may change its representative under this Work Letter at any time by providing five (5) days prior written notice to Landlord. All inquiries, requests, instructions, authorizations and other communications with respect to matters covered by this Work Letter from Landlord will be made to Tenant's Representative. Landlord will communicate fully with Tenant's Representative and will not make any inquiries of or to, and will not give any instructions or authorizations to, any other employee or agent of Tenant with regard to matters covered by this Work Letter except to the extent necessary to preserve the safety of the Premises or Project or persons thereon.

SECTION 10

LANDLORD'S REPRESENTATIVE

Landlord has designated Mr. Scott R. Brusseau as its sole representative with respect to the matters set forth in this Work Letter, who shall have full authority and responsibility to act on behalf of Landlord as required in this Work Letter. Landlord may change its representative under this Work Letter at any time by providing five (5) days prior written notice to Tenant. All inquiries, requests, instructions, authorizations and other communications with respect to the matters covered by this Work Letter from Landlord will be made to Tenant's representative. Tenant will communicate solely with Landlord's Representative and will not make any inquiries of or requests to, and will not give any instructions or authorizations to, any other employee or agent of Landlord, including Landlord's architect, engineers, and contractors or any of their agents or employees, with regard to matters covered by this Work Letter.

SECTION 11

MISCELLANEOUS

11.1 SOLE OBLIGATIONS. Except as herein expressly set forth with respect to the Tenant Improvements or in the Lease, Landlord has no agreement with Tenant and has no obligation to do any work with respect to the Premises. Any other work in the Premises which may be permitted by Landlord pursuant to the terms and conditions of the Lease, including any alterations or improvements as contemplated in the Lease, shall be done at Tenant's sole cost and expense and in accordance with the terms and conditions of the Lease.

Landlord Initials /s/

Tenant Initials /s/

11.2 APPLICABILITY. This Work Letter shall not be deemed applicable to: (a) any additional space added to the original Premises at any time, whether by the exercise of any options under the Lease or otherwise, or (b) any portion of the original Premises or any additions thereto in the event of a renewal or extension of the original Lease Term, whether by the exercise of any options under the Lease or any amendment or supplement thereto. The construction of any additions or improvements to the Premises not contemplated by this Work Letter shall be effected pursuant to a separate work letter agreement, in the form then being used by Landlord and specifically addressed to the allocation of costs relating to such construction.

11.3 AUTHORITY; COUNTERPARTS. Any person signing this Work Letter on behalf of Tenant warrants and represents that such person has authority to do so. This Work Letter may be executed in counterparts, each of which shall be deemed an original, but all of which together constitute one instrument.

11.4 BINDING ON SUCCESSORS. Subject to the limitations on assignment and subletting contained in the Lease, this Work Letter shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

11.5 LANDLORD'S APPROVAL RIGHTS. Landlord may withhold its approval of the Space Plan, including any revisions requested by Tenant, the Construction Documents, Change Orders or other work requested by Tenant which require work which: (i) exceeds or affects the structural integrity of the Project, or any part of the heating, ventilating, air conditioning, plumbing, mechanical, electrical, communication or other systems of the Project; (ii) is not approved by the holder of any mortgage or deed of trust encumbering the Project at the time the work is proposed; (iii) would not be approved by a prudent owner of property similar to the Project; (iv) violates any agreement which affects the Project or binds Landlord; (v) Landlord reasonably believes will increase the cost of operation or maintenance of the common areas within or any of the systems of the Project; (vi) Landlord reasonably believes will reduce the market value of the Premises or Project at the end of the Lease Term; (vii) does not conform to applicable building codes or is not approved by any governmental authority with jurisdiction over the Premises; (viii) is not a Building Standard item or an item of equal or higher quality; (ix) in Landlord's determination detrimentally affects the uniform exterior appearance of the Project; or (x) is reasonably disapproved by Landlord for any other reason not set forth herein.

11.6 TIME OF THE ESSENCE. Time is of the essence as to each and every term and provision of this Work Letter. In all instances where Tenant is required to approve an item, if no written notice of disapproval is given within the stated time period at the end of said period the item shall automatically be deemed approved and the next succeeding time period shall commence. Except as otherwise provided, all references herein to a "number of days" shall mean and refer to calendar days.

11.7 ATTORNEYS' FEES. In any action to enforce or interpret the terms of this Work Letter, the party prevailing in that action shall be entitled to recover its reasonable attorneys' fees and costs of suit, both at trial and on appeal.

11.8 INCORPORATION. This Work Letter is and shall be incorporated by reference in the Lease and all of the terms and provisions of the Lease are incorporated herein for all purposes. Any default by Tenant hereunder also constitutes a default under the Lease.

Landlord Initials /s/

Tenant Initials /s/

IN WITNESS WHEREOF, the Work Letter has been made and executed as of the date set forth below.

LANDLORD:

The Campus, LLC,
a California limited liability company

By: Newport National Corporation,
a California corporation
Its: Manager

By:/s/ Scott R. Brusseau

Name: Scott R. Brusseau
Title: President

TENANT:

Dated:__12/9/94_____

ViaSat, Inc., a California corporation

By: /s/ Greg Monahan

Name: Greg Monahan
Title: V.P.

By:_____
Name:_____
Title:_____

EXHIBIT "D"

TENANT ACCEPTANCE LETTER

[DATE]

[TENANT'S NAME]
[ADDRESS]

Re: [ADDRESS AND SPACE LEASED]

Dear [TENANT'S NAME]:

Please sign below to confirm that you accept the Premises under that certain Lease Agreement dated _____, by and between The Campus, LLC, and _____, [AS AMENDED BY _____,] and that the Commencement Date is _____ and the expiration date is _____.

Sincerely,

_____

By: _____

Acknowledged and Agreed:

Tenant: _____ Date:_____

By:_____
Name:_____
Title:_____

12/18/94 Landlord Initials /s/

Tenant Initials /s/

EXHIBIT "E"

CADD Diagram
[Building One First Floor]
[To Be Attached]

EXHIBIT "E"

CADD Diagram
[Building One Mezzanine]
[To Be Attached]

EXHIBIT 10.21

LEASE

Lease made this 21 day of March, 1995 by and between NAGOG DEVELOPMENT COMPANY, a Massachusetts limited partnership hereinafter referred to as "Landlord", which expression shall include its successors and assigns where the context so admits of the one part, and ViaSat, Inc., a California corporation with a principal place of business at 2290 Cosmos Court, Carlsbad, California, 92009, hereinafter referred to as "Tenant", which expression shall include its successors and assigns where the context so admits of the other part.

WITNESSETH

1. PREMISES. Landlord hereby leases and demises to the Tenant and the Tenant does hereby hire and take from the Landlord those premises consisting of 2,240 square feet of leasable area, more or less, on the third floor of the building at 125 Nagog Park, Acton, Massachusetts, 01720, shown outlined in red on a sketch attached hereto and marked Exhibit A, together with all rights and appurtenances thereto belonging, herein "Demised Premises". This lease is made subject to all rights, easements, restrictions and agreements of record, if any, insofar as now in force and applicable, and local zoning and building laws.

Tenant shall have the right to use in common with Landlord and others lawfully entitled thereto, the lobby, rest rooms, loading areas, stairways, sidewalks, parking areas and access ways to the building, herein referred to as "Common Areas". Included within Tenant's rights to use the Common Areas shall be its right to use its pro rata share of parking spaces. Landlord reserves the right to assign particular spaces in the parking areas to particular tenants. However, should Tenant's ability to part per the allocated spaces be impacted, then Landlord shall assign to Tenant no less than eight (8) spaces as reserved for its exclusive use.

2. TERM. To have and to hold the Demised Premises for a term of three years. Said term shall commence on substantial completion of the tenant improvements listed on Exhibit B attached hereto or on April 3, 1995, whichever last occurs, and shall terminate three years thereafter.

3. RENT. Yielding and paying therefor as rent $13.50 per annum per square foot of rentable area ("Base Rent"). Included in this Base Rent are Base Real Estate Taxes, Base Common Area Maintenance, and Base Utility charges as described below. For the Demised Premises consisting of 2,240 square feet of leasable area, the Base Rent shall be Thirty Thousand, Two Hundred and Forty and 00/100 ($30,240.00) Dollars per annum payable in equal monthly installments of Two Thousand, Five Hundred and Twenty and 00/100 ($2,520.00) Dollars due in each case on the first day of each month in advance, the first such payment to be made herewith. If the said term commences or terminates on a day other than the first day of any month, said

rent shall be equitably apportioned.

The Landlord may collect a "late charge" not to exceed three percent (3%) of any installment unpaid for ten (10) days after the due date. This right is in addition to and not in lieu of any other remedies the Landlord may have by law or as provided in this Lease.

4. TAXES AND COMMON AREA CHARGES. Included in the Base Rent are Base Real Taxes of $1.00 per annum per square foot and Base Common Area Maintenance charges of $0.85 per annum per square foot.

Tenant agrees to pay as additional rent its pro rata share of any and all increases over the Base Real Estate Taxes of such taxes, including any charges hereafter levied in lieu of, in substitution for or in addition to such real estate taxes as now constituted and all assessments, including betterments, levied or assessed against the property of which the Demised Premises are a part. Said tax payments shall be equitably apportioned for any portion of a year at the beginning or end of the term hereof. The same shall be additional rent. Tenant shall make equal monthly payments on account of such taxes to be held by Landlord equal to one-twelfth of the taxes imposed upon the property of which the Demised Premises are a part for the prior tax year. Upon determination of the actual taxes, Tenant shall within ten (10) days after presentation of a bill therefor from Landlord pay its pro rata share of any excess required and conversely if Tenant shall have paid on account in monthly installments more than its share such excess shall be credited against tax payments then or thereafter accruing.

Tenant shall pay as additional rent its pro rata share of increases in any and all reasonable charges incurred by the Landlord over the Base Common Area Maintenance cost in connection with the Common Areas, including, but without limitation, maintenance and repairs, landscaping, snow removal and plowing, cleaning, lighting and rubbish removal to which shall be added fifteen percent (15%) for Landlord's supervision, record keeping and related overhead. Tenant shall pay all common area maintenance costs solely attributable to it. Tenant shall make equal monthly payments on account of Common Area charges based upon Landlord's good faith estimate of such amount and at the expiration of each calendar year during the term hereof Landlord shall advise Tenant of the actual Common Area Maintenance costs. Upon determination of the actual costs, Tenant shall within ten (10) days after presentation of a bill therefor from Landlord pay its pro rata share of any excess required and conversely if Tenant shall have paid on account in monthly installments more than its share such excess shall be credited against rent payments then or thereafter accruing.

Tenant's pro rata share for all purposes during the term of this Lease, calculated as the ratio of the leasable area of the Demised Premises to the gross

leasable area of the entire building, will be three percent (3%).

5. RULES AND REGULATIONS. The Tenant shall, at its own cost and expense, promptly comply with all laws, ordinances, orders, regulations and rules of any duly constituted governmental authority and/or Board of Fire Underwriters or similar organization having jurisdiction thereof relating to the Demised Premises or their use, provided, however, that Tenant shall not be required to make structural alterations to the premises unless the same are due specifically to its use.

6. TENANT IMPROVEMENTS. Landlord, at an expense entirely incorporated in Base Rent, and at no cost to Tenant, shall do that work set forth on the Work Letter, attached hereto as Exhibit B, in a good and workmanlike manner in full compliance with plans and specifications therefor. Upon completion of Landlord's work, Tenant shall cause the same to be inspected and any item of defective workmanship or material observed by Tenant shall be reported to landlord within thirty (30) days after the Commencement Date which defect shall be repaired within 30 days.

Except for the work to be done by Landlord contained in the Work Letter, if any, Tenant accepts the Demised Premises in their present condition and acknowledges that no representations or warranties have been made by or on behalf of the Landlord with respect to said premises, their fitness or availability for any particular purpose or otherwise.

If leased premises fail to be ready for occupancy at the time of the Commencement Date, this lease shall not become void or voidable unless such failure continues for six months, in which case Tenant may terminate this Lease upon five (5) days written notice to the Landlord.

7. ASSIGNMENT AND SUBLETTING. Tenant shall have no right to assign this Lease, or sublet or license the whole or any part of the Demised Premises without the express written consent of the Landlord having been obtained in each instance, which consent shall not be unreasonably withheld. A transfer of any controlling share of the capital stock of a corporate tenant, alone, or on the aggregate shall be deemed to be an assignment of this Lease. In the event the Landlord consents to an assignment or sublet, the Tenant shall not be released from its obligations under this Lease and shall remain primarily liable hereunder. Consent by Landlord to any assignment or sublet does not relieve Tenant from obtaining Landlord's consent to any further assignment or sublet.

8. REPAIRS. Except as provided in the next paragraph, during the term of this Lease, the Tenant shall keep and maintain the Demised Premises and the appurtenances thereto in good order and repair in all respects, reasonable wear and use, based upon good maintenance practices, damage by fire or other unavoidable

casualty only excepted.

It is understood and agreed that the Landlord is not responsible for making any repairs whatsoever to the Demised Premises, except that Landlord shall make necessary repairs to the roof, exterior walls and mechanical systems (but not glass, doors or windows), unless such repairs are required because of any act, neglect or default of Tenant, or anyone claiming by, through or under Tenant or for whom Tenant is responsible.

Landlord furthermore shall make all necessary repairs to the Common Areas and shall maintain all landscaping in a reasonably neat and attractive manner, plow snow and generally keep the improved portion of the land upon which the Demised Premises are located in a reasonably neat condition, and provide lighting as and when required.

9. UTILITIES. Included in the Base Rent are Base Utilities of $2.00 per annum per square foot. Base Utilities consist of separately metered electricity for lighting and wall outlets in the Demised Premises, Tenant's pro rata share of water and sewer charges, and Tenant's pro rata share of the electricity for Heating, Ventilation, and Air Conditioning, not separately metered for the Demised Premises.

Tenant agrees to pay as additional rent its pro rata share of all increases over the Base Utilities. Tenant shall make equal monthly payments on account of Base Utilities charges based upon Landlord's good faith estimate of such amount and at the expiration of each calendar year during the term hereof Landlord shall advise Tenant of the actual Utilities costs. Upon determination of the actual costs, Tenant shall within ten (10) days after presentation of a bill therefor from Landlord pay its pro rata share of any excess required and conversely if Tenant shall have paid on account in monthly installments more than its share such excess shall be credited against rent payments then or thereafter accruing.

In the event of an interruption of any or all such services, this lease shall not become void or voidable unless such failure continues for thirty (30) days, in which case Tenant may terminate this Lease upon five (5) days written notice to the Landlord. Landlord shall not be liable to Tenant for the interruption of any such services, unless the interruption is a result of Landlord's negligence.

10. ALTERATIONS, ADDITIONS AND SIGNS. The Tenant shall have the right to make non-structural alterations, additions and improvements to the Demised Premises as it may deem necessary or desirable for its business, but shall have no right to make structural alterations, additions and improvements to the Demised Premises (with the exception of the satellite dish installation) without prior written consent of the Landlord in each instance, which consent shall not be unreasonably withheld. Any such improvements shall remain upon and be

surrendered with the Demised Premises upon the expiration or other termination of the Lease, unless Landlord elects otherwise. Should Landlord elect to relinquish Landlord's right to the improvements, Tenant shall remove such improvements and repair any damage caused by said removal.

All such structural alterations, additions and improvements to the Demised Premises made by the Tenant and all signs erected by Tenant shall be made or erected only after plans and specifications therefor have been submitted to the Landlord and approved by the Landlord, and provided further that all such alterations, additions and improvements and all such signs shall be made in a good and workmanlike manner in all respects and in full compliance with all laws, rules, regulations and ordinances of any duly constituted governmental authority and in compliance with the recommendations of any Board of Fire Underwriters or any similar organization having jurisdiction of the premises.

All such additions and improvements (with the exception of the improvements in Exhibit B) shall be at the sole cost and expense of the Tenant and no part thereof shall be borne by the Landlord.

11. INDEMNIFICATION. The Tenant shall hold harmless and indemnify the Landlord of and from any and all claims for injury to person and damage to property by reason of any accident or happening on or about the Demised Premises. The Tenant shall carry public liability insurance in limits of at least $1,000,000 for injury or death to person and $100,000 for damage to property. Tenant shall furnish Landlord with certificates showing the existence of said insurance prior to possession by Tenant. Landlord shall be named as an insured on such insurance policies. Each policy must furthermore provide that insurance may not be canceled without 15 days written notice to Landlord.

12. EXPIRATION OF TERM. Upon the expiration of the term hereof, or at any prior termination hereof as herein provided, the Tenant shall peaceably yield up the Demised Premises and all additions, improvements and alterations made thereto or thereupon broom clean, free of all rubbish, debris and personal property and in good order, condition and repair in all respects, reasonable wear and use, based upon good maintenance practices, and damage by fire and unavoidable casualty only excepted.

The Tenant shall have the right at the expiration of the term hereof, if it shall not be in default hereunder, to remove its trade fixtures from the Demised Premises, provided that such removal may be accomplished without any damage to the Demised Premises and, provided further that Tenant shall pay rent at the Base Rent rate for the period of time extending from the expiration of the lease to the removal of said property, plus a penalty fee equal to the amount of five (5) days' rent

at the Base Rent rate. Any such property which shall not be removed within thirty (30) days after the expiration of termination of this lease shall, at the express written election of Landlord, be deemed to have become Landlord's property.

13. CARE OF PREMISES. Tenant shall keep the Demised Premises clean and regularly remove its waste and debris from the Demised Premises and not allow the same to accumulate thereon. Tenant agrees that it will not permit any caustic or corrosive or otherwise detrimental or hazardous fluids or materials to be disposed of into the drainage or sewer systems serving the building of which the Demised Premises are a part, nor shall Tenant store any hazardous materials or chemicals on site without having first obtained all necessary licenses, permits and approvals.

14. TENANT'S RISK. The Landlord shall not be responsible for any damage to property in the Demised Premises, all of which shall be at the sole risk of Tenant, nor for injury to person, whether caused by water, steam, gas or electricity, or by any breakage, leakage or obstruction of oil pipes, conduits or plumbing, nor from any other source, nor for loss of property by theft or otherwise, unless caused by Landlord's negligence.

15. LANDLORD'S ACCESS. A. Tenant agrees that Landlord may come upon the Demised Premises at reasonable hours upon reasonable notice, for the purpose of inspecting the same; making repairs, without any obligation to do so; and for any other purpose necessary or desired to enforce the Landlord's rights hereunder or to protect the Landlord's interest hereunder and during the last six (6) months of the term hereof to show the same to prospective purchasers and tenants.

B. Landlord shall have the right during the last three (3) months of the term hereof to place the usual "For Rent" or "For Sale" signs upon the Demised Premises, provided, however, that it shall not have the right to place them in any display windows or upon any doors of the Demised Premises.

C. Landlord may from time to time introduce, maintain, locate and relocate conduits, pipes, wires and other matters necessary or desirable in connection with the operation of the building and/or any other tenant therein, provided that Landlord shall not thereby unreasonably interfere with the use of the Demised Premises by Tenant.

D. For each of the aforesaid purposes, Landlord shall provide Tenant with a twenty-four hours notice prior to entering premises at which time an escort may be required in designated areas. Landlord has the right to use any and all means which Landlord may deem proper to come upon the Demised Premises in an emergency.

16. HOLDING OVER. In the event that the Tenant or anyone claiming by, through or under the Tenant shall remain on the Demised Premises after the

termination of this Lease, or any renewals, extensions or modifications thereof, it shall be deemed to be a tenancy from month to month, subject to all the terms and conditions hereof as may be applicable, except that the rent shall be at one and one half times the rate herein stipulated.

17. MECHANIC'S LIEN. Notice is hereby given that the Landlord shall not be liable for any labor or materials furnished to the Tenant upon credit and that no mechanic's lien or other lien for any such labor or materials shall attach to or affect the reversionary or other estate or interest of the Landlord in and to the Demised Premises. The Tenant further agrees to indemnify the Landlord against any and all costs, damages and expenses it may suffer on account of the same. Tenant shall cause the same to be removed or dissolved by bond.

18. INSURANCE RATE. Tenant agrees that it will bring nothing upon the Demised Premises, nor use the Demised Premises in such a way as to cause to be void or voidable any policy of insurance affecting the Demised Premises, and further agrees that it will pay to the Landlord the increased cost of any of Landlord's insurance which may be due to the use of the Demised Premises other than for the purpose herein demised.

19. FIRE, DAMAGE AND TAKING. If the Demised Premises or the building of which they are a part, shall be destroyed or damaged by fire or other casualty, or taken by eminent domain, Landlord shall have the right to terminate this Lease by notice to that effect to the Tenant within thirty (30) days after such damage, destruction or taking.

If all or substantially all of the Demised Premises shall be destroyed or damaged by fire or other casualty such that in the Landlord's opinion the building cannot be restored within 90 days, Tenant shall have the right to terminate this lease by notice to that effect to the Landlord within 30 days of notice from Landlord of such damage or destruction.

If this Lease be not so terminated, Landlord shall restore the said building and the Demised Premises as soon as reasonably possible, taking into account the time necessary to settle and obtain insurance proceeds, to the same condition as the Demised Premises, or what may remain thereof, were in immediately prior to such damage, destruction or taking.

Landlord shall in no event be obligated to restore any improvements made to the premises by Tenant. Upon notification from Landlord to Tenant that Landlord has restored the Demised Premises to the condition aforesaid, Tenant shall promptly undertake to resume occupancy and use the Demised Premises if the same shall have been interrupted. Tenant shall make such restorations of its own improvements as Tenant may elect to do.

Any and all awards made for any taking or any injury resulting in direct or consequential damages are the sole and exclusive property of Landlord and no part thereof shall be paid to Tenant. Tenant may, however, apply for and retain any award made especially for moving expenses or personal property.

In the event of any such damage, destruction or taking there shall be an abatement of rent according to the nature and extent of the injury suffered until the premises shall have been restored.

20. BANKRUPTCY OR INSOLVENCY. If the Tenant shall neglect or fail to perform or observe any of the covenants, conditions or obligations on the part of the Tenant herein contained or observed; or if any petition shall be filed by or against Tenant under any Bankruptcy or Insolvency Law, now or hereinafter enacted, State or Federal; or if the estate hereby created shall be attached or taken by legal process; or if the Tenant shall make an assignment for the benefit of its creditors by way of trust mortgage, judicial proceedings, or otherwise; or if a receiver, trustee or similar officer shall be appointed to take charge of any part of the Tenant's property; then and in any of such events notwithstanding any waiver or license of any former breach and without prejudice to any other remedy which the Landlord may have for arrears of rent or otherwise, Landlord may, without demand or notice, enter into and upon the Demised Premises, or any part thereof, in the name of the whole, and repossess the same as of its former estate, and expel the Tenant and those claiming by, through or under it, and remove its or their goods and effects, forcibly if necessary, and may store the same in the name and at the expense of the Tenant, and upon entry as aforesaid this Lease shall terminate. Such entry may be effected by written notice to Tenant to the same effect as actual entry for breach of condition. In the event of such termination, the Tenant covenants and agrees to indemnify and hold harmless the Landlord from and against any and all loss of rent, damages and other expenses, including reasonable attorneys' fees, brokerage, and costs of reletting incurred by the Landlord by reason of such termination, from time to time, upon demand of the Landlord. The Tenant further agrees that it will, upon demand, pay to the Landlord in the event of such termination a sum equal to the amount by which the rent and other charges herein reserved for the balance of the term hereinabove specified exceeds the fair market rental value of the premises for the balance of said term. Credit shall be given to the liability of Tenant to indemnify Landlord under this paragraph 20 for any payments made under the preceding sentence.

Prior to termination of this Lease by Landlord by reason of Tenant's default, Landlord shall give Tenant ten (10) days written notice with respect to any payment of money and fifteen (15) days written notice in all other events, provided that if by reason of the nature of the default the same cannot be reasonably cured within said fifteen (15) day period, Tenant shall not be deemed in default, if Tenant shall

commence the cure within said fifteen (15) day period and proceed diligently thereafter to completion.

21. FIRE INSURANCE. The Landlord shall throughout the term of this Lease provide and maintain fire insurance in an amount of not less than the full replacement value of the building of which the Demised Premises are a part. Said policies shall contain a so-called rent insurance endorsement providing Landlord with not less than twelve (12) months rent in the event of damage, destruction or taking. Tenant shall pay its pro rata share of all insurance carried by Landlord with respect to the premises of which the Demised Premises are a part. This cost is included in the Base CAM cost.

22. USE. The Demised Premises are to be used and occupied only for conduct therein of Tenant's business, which consists of corporate offices and related facilities, and for no other purpose or purposes whatsoever.

23. RELEASE OF SUBROGATION. Each of Landlord and Tenant hereby releases the other from any and all liability or responsibility to the other (or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage to property caused by fire or any of the extended coverage of supplementary contract casualty or casualties insured against by said party, even if such fire or other casualty shall have been caused by default or negligence of the other party, or anyone for whom such party shall be responsible, provided, however, that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as the releasor's policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair said policies or prejudice the right of the releasor to recover thereunder. Each of Landlord and Tenant agree that their policies shall include such a clause or endorsement so long as the same shall be obtainable without extra cost, and if extra cost shall be charged therefor, so long as the other party pays such extra cost. If extra cost shall be chargeable therefor, each party shall advise the other thereof of the amount of the extra cost and the other party, at its election, shall pay the same but shall not be obligated so to do.

24. NOTICE CLAUSE. Any notices required to be given under the terms hereof shall be given by mailing said notice by certified mail, return receipt requested, postage paid, if to the Landlord, at the last address at which rent was paid, and if to the Tenant, "Attention: Gerard Tanksley, ViaSat, Inc., 2290 Cosmos Court, Carlsbad, California, 92009," or such other place as either may designate from time to time in writing. Concurrent with any and all such notices sent by the Landlord to the principal office of the Tenant, Landlord shall further send a copy, via first class mail, of such notices of the Tenant at the Demised Premises.

25. WAIVER. One or more waivers of the breach of any covenant or

condition by either party shall not be construed as a waiver of a further breach of the same covenant or condition.

26. ENTIRE AGREEMENT. This instrument contains the entire and only agreement between the parties, and no oral statements or representations or prior written matter not contained in this instrument shall have any force and effect.

27. PARAGRAPH HEADINGS. The paragraph headings used herein are used only as a matter of convenience for reference and are not to be considered part of this Lease, or to be used in determining the intent of the parties of this Lease.

28. STATUS OF LANDLORD. The Landlord shall be liable hereunder only so long as it shall be seized of the property hereby demised. No fiduciary or beneficiary or Partner, general or limited, of the Landlord named herein shall ever be personally or individually liable for the obligations of the Landlord. Tenant agrees to look solely to the real estate of which the Demised Premises are a part for satisfaction of any claim; provided that the Landlord named herein may be named as a defendant in order to obtain jurisdiction.

29. NO BROKER. The Tenant warrants and represents that no broker or agent other than C.B. Commercial, Inc. and The Leggat Company Inc., was instrumental in connection with this lease transaction and covenants to hold the Landlord harmless and indemnified from and against any claim made by any broker other than C.B. Commercial, Inc. and The Leggat Company Inc., in connection herewith.

30. SUBORDINATION. At the election of Landlord, which election may be changed from time to time, this Lease shall be subject and subordinate, or prior and superior to any mortgage now or hereafter placed upon the real estate of which the Demised Premises are a part; provided that with respect to each subsequent mortgage to which this Lease shall be made subject and subordinate, the mortgagee must agree that, in the event of foreclosure, Tenant shall not be disturbed in its possession except in accordance with the terms of this Lease. Tenant agrees at the request of such mortgagee or any purchaser at foreclosure sale, to attorn.

31. SELF HELP. If Tenant shall fail to perform of observe any of its obligations under this Lease, fifteen (15) days after written notice of the requirement therefor by Landlord, Landlord may, at its election, without any obligation to do so perform such obligation for the account of the Tenant, and Tenant shall forthwith upon demand reimburse Landlord for the cost of such performance, together with interest at the rate of 12% per annum until paid. In the event of emergency, Landlord may undertake such action without written notice but after using reasonable efforts to notify Tenant by telephone or otherwise.

32. SECURITY DEPOSIT. Tenant shall deposit with Landlord upon the execution of this Lease, the sum of Two Thousand, Five Hundred and Twenty and 00/100 ($2,520.00) Dollars as security deposit hereunder. Landlord shall not be obligated to pay interest on said sum or to segregate the same, nor shall Landlord be obligated to use said sum, or any part thereof, to cure any default of Tenant. At the expiration or prior termination of this Lease upon Tenant vacating the Demised Premises in the condition required under this Lease, and fully performing its obligations herein, Landlord shall, within thirty (30) days thereafter, return said security deposit, or such part thereof as may remain, to Tenant. In the event that during the term of this Lease Landlord shall use all or any part of said security deposit to cure any default on the part of Tenant, Tenant shall forthwith, upon demand, replenish said security deposit so that the same is always kept at the required amount.

33. SATELLITE DISH. Tenant shall have the right to install a five meter satellite dish on the loading dock roof. Prior to installation, Tenant shall review with the Landlord or its agent the proposed satellite dish installation. Tenant will provide to the Landlord the following information:

- Weight and size of satellite dish;
- Diagram of proposed location on loading dock roof;
- Description of proposed manner of installation;

Tenant shall be entitled to install such satellite dish, contingent upon the following terms:

- Tenant will assume all costs associated with the installation;
- Tenant will obtain all necessary permits from the Town of Acton;
- Tenant will secure adequate liability insurance;
- Tenant will enter into agreements as necessary with Landlord or Landlord's roofer to protect Landlord's roof warranty.
- Landlord shall not withhold access to the satellite dish unreasonably.

At the expiration of the Lease, Tenant shall have the right to remove said satellite dish and shall return the roof of the loading dock as close to its original condition as reasonably possible.

34. AUDIT RIGHTS. Landlord shall at all times keep proper books of record and account in accordance with generally accepted accounting principles and practices, applied on a consistent basis, in which full, true and accurate entries shall be made of all Operating Costs for each base year. Landlord shall permit Tenant and Tenant's agent, at Tenant's expense, by appointment and during normal business hours, to review Landlord's records, books and accounts of the Building and any audited statements thereof relating to the Operating costs for such base year for the

purpose of verifying Operating Costs and any accounting which Landlord is required to provide hereunder. Any such audit by Tenant shall occur no more frequently than one time per year, shall be limited to a review of the then pertinent base year, and shall be requested within thirty (30) days of the Tenant's receipt of an invoice requesting payment of Tenant's pro rata share of Operating Costs.

Audit rights raised after such thirty (30) day period shall be deemed waived. Books of record shall be retained by Landlord for one year after Landlord delivers the accounting for the applicable base year. If the result of such audit demonstrates that the Tenant has been unfairly charged in accordance with generally accepted accounting principles, then Landlord shall make the appropriate credit adjustment.

35. HAZARDOUS MATERIALS. Neither Landlord nor Tenant shall at any time use, generate, store or dispose of on, under or about the Demised Premises, the Building or parking areas or transport to of from the same any hazardous wastes, toxic substances or related material ("Hazardous Materials") or permit or allow any third party to do so, without compliance with all Regulations. Hazardous Materials shall include, but shall not be limited to, substances defined as "hazardous substances" or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C.A. Section 1802; the Resource Conservation Recovery Act, 42 U.S.C.A. Section 6901, et. seq.; or those substances defined as "hazardous wastes" in applicable codes in the Commonwealth of Massachusetts and in the regulations adopted and publications promulgated to such codes.

36. OPTION TO EXTEND. Tenant at its option may extend the term of this Lease for an additional two year period upon the same terms and conditions as herein contained except as hereinafter provided by serving notice thereof upon the Landlord at least 180 days before the expiration of the term and upon the notice of said service, this Lease shall be extended upon all its terms and conditions for the extended term without the necessity of the execution of any further instrument or documents; provided however, that if at either the date of expiration of the original term of this Lease, or the date upon which Tenant exercises such option of renewal, Tenant is in default beyond any grace period herein provided in the performance of any of the terms or provisions of this Lease, the extension of the term shall become null and void at the election of the Landlord. Said extended term shall be upon the same terms, provisions and conditions herein contained, except that there shall be no further right of extension, and the annual rent during the extended term shall be at the then fair market rental to be agreed on by the parties.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 22nd day of March 1995.

NAGOG DEVELOPMENT COMPANY

BY:

Kirk Ware
Managing General Partner

VIASAT, INC.

BY: /s/ Gregory Monahan

Gregory Monahan
Chief Financial Officer

Hereunto Duly Authorized

EXHIBIT B
VIASAT, INC.
TENANT IMPROVEMENT SPECIFICATIONS

Landlord shall provide, at its expense, the walls, doors, floor coverings and entrance system all as shown on the attached Exhibit C, according to the specifications listed below. Landlord will work with Tenant's representations to relocate the glass system in the existing conference room wall to the proposed conference room wall.

Floor Covering:
VCT shall be provided in lab area, 26 oz. commercial grade carpet all other areas; 4" high vinyl wall base shall be provided.

Ceiling:
Acoustical ceilings will be provided throughout the premises. Ceilings will be lay-in units of 24" x 48" x 5/8" mineral/acoustical tile, set in a standard, exposed "T-bar" mechanical suspension system (color: white). Ceiling height shall be 9'-0" throughout.

Doors and Hardware:
Standard interior doors shall be 1-3/4" thick birch veneer, solid core flush wood doors, 3'-0" x 7'-0" nominal size, set in 19-gauge factory primed interior hollow metal door frames.

Standard interior door hardware package shall consist of standard duty, latchset, 1 1/2 pair butts and doorstop.

Interior Public Lobby doors to be red oak with clear finish.

Painting:
All public wall surfaces within the Premises will receive two coats of paint.

Building Standard interior doors will receive two coats of clear polyurethane finish or paint; door frames to receive two coats of alkyd semi-gloss enamel paint.

Electrical:
Standard lighting fixtures shall be 2' x 4' recessed fluorescent fixtures (277 volt) compatible with and mounted in the building standard ceiling system with three fluorescent tubes. Fixtures shall be completely installed and circuited with an average load of 2,900 watts per circuit. Tenant shall be allowed one standard lighting fixture per 80 square feet of premises.

Duplex receptacles will be 120 volt, 20-amp grounding type, completely installed and circuited with a total of 6 duplex receptacles per circuit.

Exhibit B continued

Telephone:
Scheduling and installation of all telephone and computer wiring and equipment shall be the responsibility of Tenant's subcontractor.

EXHIBIT C

(CHART)

EXHIBIT 10.22

DOWNTOWN OFFICE CENTER

This lease is made this ____8th_____ day of March_____, 1996, by and between Harry and Wendy Brandon (landlord or lessor) and _____ViaSat, Incorporated _____(tenant or lessee).

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of Tenant to be observed and performed Landlord hereby leases to Tenant and Tenant hereby rents from Landlord, those certain premises consisting of office space #318_____ in the office complex known as The Downtown Office Center, located at The 1900 Building, 1900 South Harbor City Boulevard, Melbourne, Florida, 32901, for the term and upon the conditions and agreements hereinafter set forth.

1. RENT AND TERM

1. a. The commencement date of this lease shall be March 8th, 1996 and shall continue through and including March 7, 1997. Tenant agrees to pay Landlord, Harry and Wendy Brandon, at Landlord's office, 1900 South Harbor City Boulevard, Melbourne, Florida, 32901, or to such person or to such other place as directed from time to time by written notice to Tenant from Landlord, the following rent, plus applicable Florida State sales tax: $395.00 rent

23.70 sales tax

$418.70 total

1. b. In the event Tenant wishes to extend the terms of his original lease he shall notify Landlord in writing 30 days prior to the expiration of said lease, so that a negotiated rate and terms can be agreed upon. In the event Tenant does not so notify Landlord, the Tenant will be occupying such space on a month-to-month basis with either party required to give the other 30 days written notice to terminate the tenancy.

2. USE OF THE PREMISES

2. a. Tenant shall use and occupy the Premises for the purpose of a professional office. Tenant shall not use or occupy the Premises or permit the same to be used for any other purpose. Tenant further agrees it will use the Premise in such a matter so as not to interfere with or infringe upon the rights of other Tenants in the Center. Tenant shall not use or occupy the Premises in violation of any law, ordinance, regulation or other governmental directives having jurisdiction thereof. During the term hereof, Tenant shall be in continuous use and occupancy of the Premises and shall not vacate or abandon the same.

2. b. Alterations and Modifications

Tenant shall not make any additions, alterations, changes or improvements without the prior written approval of Landlord, which approval shall not be unreasonably withheld. Any such additions, alterations, changes or improvements which may be made, upon the completion thereof, shall become the property of the Landlord, unless otherwise agreed upon. Tenant hereby indemnifies Landlord against and shall keep the Premises and Center free from any and all mechanics liens or other such liens arising from any work performed, material furnished, or obligations incurred by the Tenant in connection with the Premises. Landlord acknowledges that Tenant shall have the right to install a satellite dish and/or antenna on building roof or grounds as required to conduct business and shall be granted installation and maintenance access to same. Tenant shall notify Landlord of such installation in advance and shall insure compliance with all applicable local building codes governing such installation. Landlord will cooperate with Tenant to locate an adequate position for the satellite dish and/or antenna on the roof of said building and shall be reasonable in designating same.

2. c. Repair By Landlord and Tenant

Landlord agrees to keep in good order the roof, air-conditioning units, exterior walls and plumbing.

Tenant shall at once report in writing to Landlord any defective condition known to Tenant which landlord is required to repair; and failure to so report shall make Tenant responsible to Landlord for any liability incurred by Landlord by reason of such default.

Tenant shall, at Tenant's own cost and expense, keep and maintain the Premises and appurtenances thereto and every part thereof, in good order and repair except portions of the Premises to be repaired by Landlord pursuant to 2.c. hereof.

2. d. Rubbish Removal

Tenant shall keep the Premises clean, and will remove all refuse from the Premises under Tenant's control. Landlord shall employ a rubbish removal service for the Office Center Complex use, and will provide reasonable janitorial services as needed.

3. SERVICES AND ACCOMMODATIONS PROVIDED

3. a. Landlord will provide:

1) __one_____phone set(s).

2) Receptionist to answer the phones during normal business hours.

3) A copier centrally located (charges to be on a per-copy basis).

4) A secretary available to type (charges to be on a per page basis).

5) A conference room to be shared by all of the Office Center tenants.

6) Dictating equipment available on site. Charges to be established.

7) Facsimile equipment (charges to be on a per page basis, plus cost of long distance calls).

All charges incurred by Tenant for copier charges, secretarial charges, and facsimile equipment charges shall be due and payable within fifteen (15) days of being billed.

4. DAMAGE OR DESTRUCTION

In the event the Premises shall be destroyed or so damaged or injured by fire or other casualty during the lifetime of this agreement whereby the same shall be rendered untenantable, then the Landlord shall have the right to render the Premises tenantable by repairs within ninety (90) days therefrom. If said Premises are not rendered tenantable within said time, it shall be optional with either party to hereto to cancel this lease, and in the event of such cancellation the rent shall be paid only to the date of such fire or casualty. The cancellation herein mentioned shall be evidenced in writing.

5. UTILITIES

Landlord shall pay the cost of electricity and all other utilities furnished to the Premises. In no event, however, shall Landlord be liable for any interruption or failure in the supply of utilities for which he is obligated to pay, unless caused by the negligence of the Landlord, his employees or agents.

6. INDEMNIFICATION

Tenant hereby agrees to indemnify and hold harmless Landlord against and from any and all claims of damage or injury arising out of or with respect to Tenant's use of the Premises or the building and shall further indemnify and hold harmless Landlord against and from any and all claims arising from any breach or default in the performance of any obligation of Tenant on Tenant's part to be performed under the terms of this Lease, or arising from any act of negligence of the Tenant, its agents or employees and from and against all costs, attorneys' fees, expenses and liabilities incurred in or about such claim or action or proceeding brought thereon. Landlord shall not be liable for any damage to or loss of Tenant's personal property or inventory from casualty theft or whatsoever cause except the affirmative acts of negligence of Landlord, its agents or employees. Landlord shall also agree to hold Tenant harmless against and from any and all claims arising from any breach or default in the performance of any obligation on Landlord's part or from any act of negligence of the Landlord, its agents and from all costs, attorney fees, expenses and liabilities in or about such claim or action or proceeding brought thereon.

7. INSURANCE

7. a. Increase In Fire Insurance Premium

Tenant agrees it will not keep, use, or offer for sale in or upon the Premises any item which may be prohibited by the standard form of fire insurance policy.

In the event Tenant's occupancy causes any increase of premium for any insurance policy on the Premises or the building above the minimum rate for the use set forth herein, Tenant shall pay the additional premium on such insurance policies by reason thereof.

If Tenant defaults in the payment of rent, additional rent, or any other item to be paid by Tenant hereunder, including but not limited to fax, secretarial and copier charges, and such default shall not be cured within fifteen (15) days after written notice thereof by Landlord to Tenant; or in the performance of any other term, covenant or condition of this lease, and such default shall not have been cured within 15 days after written notice thereof by Landlord to tenant; Landlord may re-enter and take possession of the Premises and remove all persons and property therefrom. Further, Landlord may at its option, forthwith cancel this lease and thereupon be entitled to recover from Tenant the worth, at the time of such termination, of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this lease for the balance of the term hereof over the reasonable rental value of the Premises for the same period. If landlord elects to re-enter and take possession of the Premises without terminating this lease, Landlord may at its sole option relet the Premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this lease), at such rental or rentals and upon such other terms and conditions as Landlord at its sole discretion may deem advisable with the right to make alterations and repairs to the Premises. Upon any such reletting, Landlord shall receive and collect the rents therefor, applying the same first to the payment of such expenses as Landlord may have paid, assumed or incurred in recovering possession of the Premises, including costs, expenses and attorneys' fees, and for placing the same in good order and condition, or repairing or altering the same for reletting and all other expenses, incurred by Landlord for the purpose of reletting the Premises, and then to the fulfillment of the agreements of Tenant. Tenant shall pay any and all deficiency, but shall have no rights in and to any excess rent collected by Landlord.

9. ASSIGNMENT AND SUBLETTING

Tenant shall not, either voluntarily or by operation of law, sell, assign, hypothecate or transfer this lease, or sublet the Premises or any part thereof without the prior written consent of the Landlord.

10. ACCESS BY LANDLORD

Landlord and its agents shall have the right to enter the Premises at all reasonable times for the purpose of examining or inspecting the same, showing the same to prospective purchasers or Tenants of the Downtown Office Center, and making such alterations, repairs, improvements or additions to the Premises as may be necessary or desirable. For each of the aforesaid purposes, Landlord shall provide Tenant with a twenty-four (24) hour notice prior to entering the Premises at which time an escort may be required in designated areas. Landlord has the right to use any and all means which Landlord may deem proper to come upon the demised Premises in an emergency.

11. SIGNS, AWNING AND CANOPIES

11. 1. The Tenant hereby agrees that it will not place or maintain on any exterior door, wall or window of the leased Premises any signs, awning or canopy, or advertising matter or other things of any kind, and will not place or maintain any decorations, lettering or advertising matter on the glass of any window or door of the leased Premises without first obtaining the Landlord's written approval.

11. 2. Further, Landlord shall have built and shall install at Tenant's expense a company designation sign for the front door of Tenant's suite. The cost of said sign shall be paid to Landlord within 10 days of monthly billing.

12. COMMON AREAS

The use and occupancy by Tenant of the Premises shall include the use in common with others entitled thereto of the common areas, employee parking areas, service roads, loading facilities, sidewalks and customer parking areas, together with such other facilities as may be designated from time to time by Landlord all of the foregoing being referred to as the common areas; provided, however, that the use of the common areas by Tenant shall be subject to the terms and conditions contained herein and to reasonable rules and regulations for the use thereof as may be prescribed by Landlord from time to time during the term hereof.

13. QUITE ENJOYMENT

Upon Tenant's paying the rent reserved hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire term hereof, subject all of the provision of this lease.

14. MISCELLANEOUS

14. 1. Attorneys Fees

Tenant shall pay reasonable attorney's fees to Landlord in the event Landlord is required to sue for the enforcement against Tenant of any of the terms, covenants or provisions hereof.

14. 2. Successors and Assigns

Except as otherwise provided in this lease, all of the covenants, conditions and provisions of this lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, executors, administrators, successors and assigns.

14. 3. Headings: Landlord and Tenant

The Article and section captions contained in this lease are for convenience only and do not in any way limit or amplify any term or provision hereof. The terms "Landlord" and "Tenant" as well as Lessor and Lessee as used herein shall include the plural as well as the singular, the neuter shall include the masculine and feminine genders, and if there be more than one tenant, the obligations herein imposed upon Tenant shall be joint and several.

14. 4. Notices

It is understood and agreed between the parties hereto that written notice mailed or delivered to the Premises leased hereunder shall constitute sufficient notice to the Lessee and written notice mailed or delivered to the office of the Lessor shall constitute sufficient notice to the Lessor, to comply with the terms of this contract.

14. 5. Interest on Delinquent Rent

Failure of Tenant to pay any rent payment within ten (10) days of its due date shall, at the option of the Landlord, cause this lease to be in default. The Tenant agrees to pay a late fee of 5% plus interest at the rate of 1.5% per month on the outstanding balance until fully paid.

14. 6. Security Deposit

A Security Deposit of $418.70 shall be tendered upon execution of the lease or occupancy of the Building, whichever comes first, and shall be used to secure the performance of the terms of this lease.

14. 7. Randon Disclosure

The following statement is required to be included in all leases after December 31, 1988, by the State of Florida and is therefore included herein. "Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit".

HAZARDOUS MATERIALS:

Neither Landlord nor Tenant shall at any time use, generate, store or dispose of on, under or about the Demised Premises, the building or parking areas or transport to or from the same any hazardous wastes, toxic substances or related materials ("Hazardous Materials") or permit or allow any third party to do so, without compliance with all regulations. Hazardous materials shall include, but shall not be limited to, substances defined as "hazardous substances" or "toxic substances" in the Comprehensive Environmental Responses, compensation and Liability Act of 1980, as amended, 42 U.S.C.A. 6901, et.seq.; or those substances defined as "hazardous wastes" in applicable codes in the Commonwealth of Massachusetts and in the regulations adopted and publications promulgated to such codes.

14. 8. Cost of Living Index Escalator

Commencing year 2, i.e.,_____N/A_____, Tenant shall pay the foregoing rent plus the cost of living increase, if any, as determined by the U.S. Department of Labor Cost of Living Index published annually, which increase has occurred since the preceding year. Each year thereafter, the base rental will be the preceding year's total rental rate which includes the base rate and the cost of living increase, if any, of each preceding year.

NOTICE CLAUSE

Any notices required to be given under the terms hereof shall be given by mailing said notice, by certified mail, return receipt requested, postage paid, if to the Landlord, at the last address at which rent was paid, and if to the Tenant, "Attention: Gerard Tanksley, ViaSat,Inc., 2290 Cosmos Court, Carlsbad, Ca, 92009," or such other place as either may designate from time to time in writing. Concurrent with any and all such notices sent by the Landlord to the principal office of the Tenant, Landlord shall further send a copy, via first class mail, of such notices of the Tenant at the Demised Premises.

All bills, statements, invoices shall be mailed to above address, except to the attention of Janis Gingery and/or accounts payable.

March 8, 1996	/s/ Harry Brandon
Dated	Landlord
Dated	Tenant (As Individual)
March 27, 1996	/s/ (sig illegible)
Dated	Tenant (As Corporation)

EXHIBIT 10.23

BASIC ORDERING AGREEMENT

THIS AGREEMENT, made and entered into this 8th day of November, 1994, by ViaSat, Inc. a corporation organized and existing under the laws of the State of California and having its principal offices at 2290 Cosmos Court, Carlsbad, California 92009-1585 (hereinafter referred to as ViaSat) and AT&T a corporation organized and existing under the laws of the State of Georgia, acting through its Tridom division, and having its principal offices at 840 Franklin Court Marietta, Georgia, 30067 (hereinafter referred to as AT&T Tridom)

Whereas, ViaSat and AT&T Tridom desire to establish a basic set of terms and conditions for the ordering of equipment from ViaSat that are to become effective upon ViaSat's acceptance of the first order from AT&T Tridom.

NOW, THEREFORE, ViaSat and AT&T Tridom agree as follows:

1. ViaSat will sell to AT&T Tridom the product specified in Exhibit A for the Commitment Quantity Prices delineated in Exhibit B in accordance with the terms of this agreement. These Commitment Quantity Prices are predicated on AT&T Tridom placing cumulative orders for the Commitment Quantities delineated in Exhibit B during the 2 year period of this agreement.

2. The following exhibits are incorporated herein and made part of this Basic Ordering Agreement:

Exhibit A	DAMA Hardware Specification
Exhibit B	Pricing
Exhibit C	ViaSat, Incorporated Terms and Conditions
Exhibit D	ViaSat, Incorporated Licensed Programs License Agreement

3. This agreement will be valid for a 2 year period beginning upon the written acceptance by ViaSat of the first order placed by AT&T Tridom.

4. Product will be ordered by AT&T Tridom through individual purchase orders.

5. After the delivery of the first product ordered by AT&T Tridom under this contract, delivery of product ordered will be 60 days after receipt of order (ARO) for the VFT-106, VMM-101 and TIM-201 and 9O days ARO for the NCT and the NCC. Based on the quantity of product ordered in the individual purchase order ViaSat reserves the right to spread out deliveries over more than one month.

6. Individual orders once placed by AT&T Tridom can be canceled however they will be subject to cancellation charges delineated in Exhibit B.

7. It is understood and agreed that the individual purchase orders placed under this Basic Ordering Agreement will be governed exclusively by the terms and conditions of this agreement notwithstanding any contrary or additional provisions contained in any purchase orders issued by AT&T Tridom unless otherwise agreed to by the parties in writing.

8. Except for material breach by ViaSat, in the event that AT&T Tridom does not place orders for product during the 2 year validity period of this agreement that equal or exceed the Commitment Quantities for the individual products then the parties agree that the following adjustments will be made.

a. ViaSat will be reimbursed for the unamortized portion of the $75,000 of Non-Recurring Engineering (NRE) to develop the AT&T Tridom-specific IF card and RF combiner/splitters. The unit prices were based on the NRE being amortized over a total of 451 units. The 451 figure is the sum of the 200 RF combiner/splitters and IF cards in the committed quantity of 100 VFT-106 units (each VFT-106 contains both a RF combiner/splitter and an IF card) and the 251 IF cards contained in the 251 committed quantify of VMM-101 units (each VMM-101 contains one IF card). The reimbursement will be calculated by using the formula $75,000*(451-N)/451 where N is equal to the total number of IF cards and RF combiner/splitters ordered.

b. ViaSat will be reimbursed for any parts or raw materials which were purchased for the AT&T Tridom specific IF cards and RF combiner/splitters and which cannot be returned to the vendor or reused in other ViaSat products and shall include the cost to ViaSat to return or have vendors restock any such AT&T Tridom specific parts or raw materials, including but not limited to restocking charges and ViaSat administrative time. If such parts cannot be returned to vendor and ViaSat charges AT&T Tridom according to this paragraph, then at AT&T Tridom's request, ViaSat will provide such parts to AT&T Tridom. AT&T Tridom shall not be liable for any costs associated with parts used by ViaSat in other ViaSat products. The total price to AT&T Tridom shall be the total actual reasonable cost plus 7%.

c. ViaSat will be reimbursed a "bill-back" amount to reflect the higher unit prices associated with lower quantity of product actually ordered. The "bill-back" amount will be determined for each unit of product delivered by subtracting from the quantity prices in Exhibit B for the units ordered, on an order by order basis, the Commitment Quantity Unit Price.

d. In the event AT&T Tridom places purchase orders during the 2 year period for cumulative quantities of individual products that exceed the commitment quantities for the individual product then the prices for those units that exceed the commitment quantities shall be the prices contained in the Exhibit B pricing schedule corresponding to the cumulative quantity at the time of the order.

After expiration of the 2 year period ViaSat will invoice for any adjustments. ViaSat will notify AT&T Tridom in writing of the cumulative quantity of the product ordered sixty days prior to the expiration of this Basic Ordering Agreement.

9. ViaSat will proceed to acquire the following certifications and keep AT&T Tridom informed as to progress of the certification process.

Safety: UL, CSA and TUV
Emissions: FCC Part 15, Class A, VDE
Telephone Interface: FCC Part 6810. process.

10. ViaSat will support AT&T Tridom's desire to have the AT&T Tridom logo on the products. ViaSat and AT&T Tridom will determine the appropriate location for the AT&T Tridom logo.

11. This Agreement may be canceled by either party without liability up to the time that ViaSat accepts the first delivery order issued by AT&T Tridom at which point this agreement becomes a contract binding both parties to the terms contained herein.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed in duplicate originals by their duly authorized representatives.

ViaSat, Incorporated	AT&T Tridom
By:/s/Andrew M. Paul	By:/s/Eugene Hammond
Name: Andrew M. Paul	Name: Eugene Hammond
Title: Vice President, Commercial	Title: Product Line Director
Date: 11/8/94	Date: 11/7/94

EXHIBIT 10.34

CONTRACT

CONTRACT

between

VIASAT, INCORPORATED
2290 Cosmos Court
Carlsbad, CA. 92009-1585

and

SPECTRAGRAPHICS CORP
9707 Waples St.
San Diego, CA 92121

CONTRACT # ACE/GDM/01

PRIME CONTRACT: DAAB07-94-D-AO10

PRIORITY RATING DO-A7

SECURITY CLASSIFICATION UNCLASSIFIED

CONTRACT DATE OCT 18TH 1995

TERMS SEE EXHIBITS

RESALE TAX PERMIT # SRFBB 25 - 818208

X FOR RESALE	NOT FOR RESALE
---	---

QUALITY REQUIREMENTS See exhibits

TYPE OF INSPECTION _____

X VIASAT Source	GOV'T Source	OTHER Source

VICE-PRESIDENT ADMINISTRATION

/s/ Gregory Monahan

VIASAT INC.
FIXED PRICE CONTRACT

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. Upon award of this contract, all of this material shall be acquired 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 of 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
Attention: Andrew Eccles, Purchasing Manager

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 XXVIII 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:

PART NUMBERS	SUPPLIER:
PWB-002553-0000	Cirtech, Inc.
PWB-002555-0000	250 E. Emerson Ave.
PWB-002557-0000	Orange, CA 92665

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.

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.

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
TITLED: V.P. Gen. Mgr.	TITLE: V. P.
DATE: 10-18-95	DATE: 10/18/95

*** THIS CONCLUDES THE CONTRACT ***

EXHIBIT 11.1

VIASAT, INC.

CALCULATION OF PRO FORMA NET INCOME PER SHARE

	YEAR ENDED MARCH 31, 1996	THREE MONTHS ENDED JUNE 30, 1996
Pro Forma Net Income Per Share Calculation:		
Net Income	$1,633,000	$ 478,000
Weighted average common shares outstanding	3,341,184	3,386,396
Assumed conversion of preferred shares	2,365,538	2,365,538
Other common stock equivalents	76,021	76,021
Effect of shares issued and options granted at less than the offering price	218,151	175,155
Pro forma shares outstanding	6,000,894	6,003,110
Pro forma net income per share	$0.27	$0.08

EXHIBIT 21.1

VIASAT, INC.
SUBSIDIARIES

NAME	JURISDICTION OF INCORPORATION
ViaSat Foreign Sales Corporation	Barbados

EXHIBIT 23.1

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, 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
September 30, 1996

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This schedule contains summary financial information extracted from the Viasat, Inc. financial statements for the year ended March 31, 1996 and for the three months ended June 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.

1,000

YEAR	3-MOS	
MAR-31-1996	MAR-31-1996	
APR-01-1996	APR-01-1996	
MAR-31-1996	JUN-30-1996	
2,297	1,733	
0	0	
6,171	5,923	
0	0	
1,223	1,476	
10,345	10,135	
4,906	5,293	
2,117	2,416	
13,262	13,248	
5,694	5,285	
0	0	
0	0	
32	32	
46	46	
0	0	
5,217	5,712	
0	0	
29,017	9,732	
20,983	6,862	
27,203	8,960	
0	0	
0	0	
260	62	
1,583	740	
(50)	262	
1,633	478	
0	0	
0	0	
0	0	
1,633	478	
.27	.08	
.27	.08	