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SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

NOV14 1990

FORM 10-Q

128

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES **EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 1990

	NT TO SECTION 13 OR 15(d) OF THE SECURITIES UNGE ACT OF 1934
For the transition period from	to
Commiss	sion File No: 0-16868
	STAR CORPORATION DE/
(Exact name of r	egistrant as specified in its charter)
Deloware	22-2478651
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (of for such shorter period that the registrant was required to file such reports), and (2) has subject to such filing requirements for the past 90 days.

Yes (X)

No.

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock as of the latest practicable date:

The number of shares outstanding of the issuer's common stock, par value \$.0.1 per share, on October 31, 1990 was 11,491,168.

GEOSTAR CORPORATION AND SUBSIDIARIES September 30, 1990 QUARTERLY REPORT ON FORM 10-Q TABLE OF CONTENTS

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GEOSTAR CORPORATION AND SUBSIDIARIES

Consolidated Condensed Balance Sheets

		September 30, 1990	December 31, 1989
ASSETS		(unaudited)	
Current assets:	_		
Cash and cash equivalents	\$	750,883	4,965,620
Accounts receivable, net		3,549,794	5,102,969
Other current assets		1,164,919	1,041,055
Total current assets		5,465,596	11,109,644
Geostar System, construction in progress and equipment,			
net of accumulated depreciation and amortization		62,628,764	61,188,789
Investments		4,282,762	1,176,271
Patents and licenses, net of accumulated amortization		3,812,217	3,478,046
Deposits and other assets		455,313	701,260
Debt issuance costs, net of accumulated amortization		477,280	572,698
	\$	77,121,932	78,226,708
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued expenses	\$	8,890,399	4,688,878
Current portion of notes payable - other	•	15,441,147	10,667,323
Current installments of obligations under capital leases		708,507	668,817
Current portion of convertible subordinated debentures		2,820,000	•
Current portion of space segment obligation		2,717,155	1,472,557
Accrued interest payable		1,977,046	790,187
Deferred revenue		1,615,619	499,787
Total current liabilities		34,169,873	18,787,549
Notes payable-other		2,597,028	3,912,546
Convertible subordinated debentures		11,600,000	14,420,000
Space segment obligation		23,380,775	25,572,863
Obligations under capital leases		1,439,312	1,902,499
Deferred revenue		3,349,331	676,164
Total liabilities		76,536,319	65,271,621
Shareholders' equity:			
Preferred stock, \$.25 par value; 10,000,000 shares authorized		-	•
Common stock, \$.01 par value, one vote per share;			
25,000,000 shares authorized; 11,491,168 shares			
outstanding in 1990 and 11,490,068 in 1989		114,912	114,901
Additional paid-in capital		67,633,167	67,683,455
Accumulated deficit		(67,162,466)	(54,843,269)
Total shareholders' equity		585,613	12,955,087
	\$	77,121,932	78,226,708

See accompanying notes to consolidated condensed financial statements.

GEOSTAR CORPORATION AND SUBSIDIARIES

Consolidated Condensed Statements of Operations (unaudited)

	Three Mon Septemb			Nine Months Ended September 30.	
	_	1990	1989	1990	1989
Revenues	\$	1,436,310	1,400,070	8,051,947	7,848,206
Expenses:					
Direct contract, hardware and software costs		674.922	953,364	4,292,529	3,454,976
Space and ground segment operating expenses		1,419,395	693,589	4,049,375	1,600,745
Selling, general and administrative expenses		1,597,221	1,547,077	5,096,706	4,827,104
Depreciation and amortization		363.833	392,267	1,112,960	1,185,177
Research and development costs		154,564	297,792	545,544	668,640
Total operating expenses	_	4,209,935	3,884,089	15,097,114	11,736,642
Loss from operations		2,773,625	2,484,019	7,045,167	3,888,436
Other expense (income):					
Interest expense and related borrowing					
costs, net of capitalized interest		1,636,289	7 87.987	4,773,300	2,643,740
Other nonoperating expense		222,750	,	842,563	106,500
Interest and other income		(81,953)	(153,680)	(341,833)	(818,215)
N v					
Net Loss	\$	4,550,711	3,118,326	12,319,197	5,820,461
Loss per common share		0.40	0.27	1.07	0.51
Weighted average number of shares outstanding		11,491,168	11,490,053	11,490,713	11,371,031

See accompanying notes to consolidated condensed financial statements.

GEOSTAR CORPORATION AND SUBSIDIARIES

Consolidated Condensed Statements of Cash Flow (unaudited)

		Nine Month Septembe	
	_	1990	1989
Cash flows from operating activities:			
Net loss	\$	(12,319,197)	(2,702,134)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		.·	
Depreciation and amortization		1,112,960	792,910
Amortization of debt issuance costs and other assets		441,365	442,774
Provision for losses on accounts receivable		350,000	26,081
Noncash nonoperating losses		778,462	•
Accrued space segment expenses		3,435,491	-
Accrued interest on the space segment obligation		2,098,260	1,106,396
Changes in operating assets and liabilities:			
Decrease (increase) in accounts receivable		1,203,176	(352,495)
(Increase) decrease in other current assets		(123,864)	131,343
(Decrease) increase in accounts payable and accrued expenses		(1,360,992)	154,703
Increase (decrease) in accrued interest payable		1,186,859	(22,919)
Increase in deferred revenue		3,788,999	386,434
Net cash provided (used) by operating activities	-	591,519	(36,907)
Cash flows from investing activities:			
Purchases of Geostar System, construction in			
progress and equipment		(3,012,024)	(4,645,183)
Receipt of insurance proceeds		(=,==,==,,	5,000,000
Payment for equity investment in foreign company		(3,106,491)	•
Additions to patents and licenses		(359,704)	(394,056)
Net cash provided by investing activities	-	(6,478,219)	(39,239)
Cash flows from financing activities:			
Proceeds received from the sale of stock		•	1,733,269
Payment of expenses related to the sale of stock		•	(10,719)
Notes payable proceeds		2,000,000	208,713
Principal payments under notes payable		-	(141,007)
Principal payments under notes payable - other		•	(433,894)
Principal payments under space segment obligations		•	(724,500)
Principal payments under capital lease agreements		(328,037)	(416,710)
Net cash (used) provided by financing activities	_	1,671,963	215,152
(Decrease) increase in cash and cash equivalents		(4,214,737)	139,006
Cash and cash equivalents at beginning of period		4,965,620	13,053,204
Cash and cash equivalents at end of period	s _	750,883	13,192,210
Noncash transactions:			
Capital leases entered in period	\$	80,592	697,666
•	•	,	,

See accompanying notes to consolidated condensed financial statements.

GEOSTAR CORPORATION AND SUBSIDIARIES Notes to Consolidated Condensed Financial Statements (unaudited)

- 1. In the opinion of the Company, the interim financial statements include all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the results for the interim periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. The interim financial statements should be read in conjunction with the Company's December 31, 1989 and 1988 audited financial statements. The interim operating results are not necessarily indicative of the operating results for the full fiscal year.
- 2. Certain prior period financial statement balances have been reclassified in order to conform with the current period financial statement presentation.
- 3. Included in the current portion of notes payable-other balance as of September 30, 1990 is a note in the amount of \$1,000,000 which was due on September 30, 1990. Prior to September 30, 1990, the maturity date of this note was amended to December 31, 1990.
- 4. Included in the current portion of notes payable-other balance as of September 30, 1990 is a note in the amount of \$2,000,000 which was due on October 31, 1990. Subsequent to September 30, 1990, the maturity date of this note was amended to December 21, 1990.
- 5. Subsequent to September 30, 1990, the Company became obligated under two new capital leases for additional data processing equipment and software totalling approximately \$800,000.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

<u>Three Months Ended September 30, 1990 Compared to the Three Months Ended September 30, 1989</u>

Total revenues increased to \$1,436,310 in the third quarter of 1990 from \$1,400,070 in the third quarter of 1989. This increase resulted primarily from a increase of \$214,000 in Technology license revenue and an increase in hardware and software sales of \$122,000, offset by a decrease in Government contract revenues of approximately \$300,000. In addition, service revenues increased in the third quarter of 1990 as compared to the third quarter of 1989.

Direct contract, hardware and software costs ("direct costs") decreased to \$674,922 in the third quarter of 1990 from \$953,364 in the third quarter of 1989. Direct contract costs consist principally of subcontract costs incurred for the Company's contracts with the government. Direct hardware and software costs represent the cost of the hardware and software sales. The decrease in direct costs is directly related to the decrease in government contract revenues.

Direct costs as a percent of revenues decreased to 47% in the third quarter of 1990 from 68% in the third quarter of 1989. This decrease in direct costs as a percent of revenues is due primarily to the increase in Technology license revenue for which there are no associated material direct costs.

Space and ground segment operating expenses increased to \$1,419,395 in the third quarter of 1990 from \$693,589 in the third quarter of 1989. Space and ground segment operating costs consist primarily of satellite transponder services, in-orbit insurance costs, technical equipment leases and software and hardware maintenance and support contracts. The increase in space and ground segment operating costs is due primarily to increased space segment redundancy which increases transponder costs and in-orbit insurance costs. Such redundancy was put in place in the fourth quarter of 1989.

General and administrative (G&A) expenses increased slightly to \$1,597,221 in the third quarter of 1990 from \$1,547,077 in the third quarter of 1989 or an increase of \$50,144.

Depreciation and amortization decreased to \$363,833 in the third quarter of 1990 from \$392,267 in the third quarter of 1989. The decrease results from the decrease in the value of user equipment being leased by customers.

Research and development costs decreased to \$154,564 in the third quarter of 1990 from \$297,792 in the third quarter of 1989. Such costs relate to development costs of System 2C (Phase 1) and System 3.0 (Phase 2).

Interest expense increased to \$1,636,289 in the third quarter of 1990 from \$787,987 in the third quarter of 1989 due primarily to increased space segment obligations, increased capital lease obligations and increased short term debt which was obtained in the fourth quarter of 1989 and the first and third quarters of 1990.

Other nonoperating expenses of \$222,750 for the three months ended September 30,1990, relate primarily to a contractual guarantee obligation relating to the sale of one-way user units.

Interest and other income decreased to \$81,953 in the third quarter of 1990 from \$153,680 in the third quarter of 1989 due to a decrease in cash and short-term investments.

Nine Months Ended September 30, 1990 Compared to the Nine Months Ended September 30, 1989

Total revenues increased to \$8,051,947 for the nine months ended September 30, 1990 from \$7,848,206 for the nine months ended September 30, 1989. This net increase resulted from an increase of approximately \$964,000 in contract revenues due to an increase in the level of work performed on one of the Company's government contracts, an increase in hardware and software sales and service revenues of approximately \$227,000 and an offsetting decrease in Technology license revenue of approximately \$977,000.

The direct costs of the Company's operations increased to \$4,292,529 for the nine months ended September 30, 1990 from \$3,454,976 for the nine months ended September 30, 1989. Direct contract costs consist principally of subcontract costs incurred for the Company's contracts with the government. Direct hardware and software costs represent the cost of the hardware and software sales. The increase in direct costs is due to an increase in subcontractor costs caused by an increase in the level of work performed by the subcontractor on the government contract, and an increase in direct hardware and software costs caused by an increase in hardware and software sales. Direct costs increased as a percentage of revenues to 53% for the nine months ended September 30, 1990 from 44% for the nine months ended September 30, 1989 due primarily to the decrease in Technology license revenue in 1990 for which there are no associated material direct costs.

Space and ground segment operating expenses increased to \$4,049,375 for the nine months ended September 30, 1990 from \$1,600,745 for the nine months ended September 30, 1990. Space and ground segment operating costs consist primarily of satellite transponder services, in-orbit insurance costs and technical equipment leases and hardware and software maintenance and support contracts. The increase in space and ground segment operating costs is due primarily to increased space segment redundancy which increases transponder costs and in-orbit insurance costs. Such redundancy was put in place in the fourth quarter of 1989.

General and administrative (G&A) expenses increased to \$5,096,706 for the nine months ended September 30, 1990 from \$4,827,104 for the nine months ended September 30, 1989 or \$269,602. For the nine months ended September 30, 1990 the Company incurred one-time legal expenses of approximately \$310,000 related to an issue which was settled prior to September 30, 1990. In addition, due to a decrease in capitalized labor and overhead, G&A expenses increased by approximately \$345,000. However, due to the successful implementation of a cost reduction program, net G&A expenses, exclusive of the above items, decreased by approximately \$385,000 for the nine months ended September 30, 1990.

Depreciation and amortization decreased to \$1,112,960 for the nine months ended September 30, 1990 from \$1,185,177 for the nine months ended September 30, 1989. This net decrease resulted from the decrease in the value of user equipment being leased by customers and the offsetting increase in equipment acquired through capital leases and an increase in the depreciation on space segment assets.

Research and development costs decreased to \$545,544 for the nine months ended September 30, 1990 from \$668,640 for the nine months ended September 30, 1989. Such costs relate to development costs of System 2C and System 3.0.

Interest expense increased to \$4,773,300 for the nine months ended September 30, 1990 from \$2,643,740 for the nine months ended September 30, 1989. This increase resulted from an increase in short term debts, an increase in space segment obligations and a decrease in capitalized interest due to suspension of construction on the dedicated satellites.

Other nonoperating expenses increased to \$842,563 for the nine months ended September 30, 1990 from \$106,500 for the nine months ended September 30, 1989. The \$842,563 relates primarily to a write down of user equipment held by the Company for lease and/or sale to customers, a contractual guarantee obligation relating to the sale of one-way user units and a write off of certain costs associated with a contract which has been suspended by the Company. The nonoperating expense of \$106,500 in 1989 resulted from a foreign transaction loss related to Technology license revenue.

Interest and other income decreased to \$341,833 for the nine months ended September 30, 1990 from \$818,215 for the nine months ended September 30, 1989 due to a decrease in cash and short term investments.

Liquidity and Capital Resources

The Company's working capital deficit increased to (\$28,704,277) at September 30, 1990 from (\$7,677,905) at December 31, 1989 primarily due to the net loss incurred during the first nine months of 1990 and capital expenditures made during the period.

During the past year, the Company completed financing transactions in which it obtained loans and commitments to defer payments aggregating approximately \$14,100,000 from various entitites with which it does business and certain of its stockholders, including members of the Board of Directors or their affiliates. Of these loans and deferrals outstanding at September 30, 1990 of \$14,100,000, \$2,000,000 matures on December 21,1990, \$1,000,000 matures on December 31,1990, \$500,000 matures December 31, 1991, \$600,000 matures on January 15, 1991 and the remaining \$10,000,000 is payable upon demand of the lenders.

The Company has not made convertible debenture interest payments totalling \$720,000 which were due on Augūst 1, 1990 on its two Series of subordinated convertible debentures. One Series of debentures (which carries a principal balance of \$2,280,000 and interest due of \$141,000) requires that the Company make such interest payment within 30 days of the due date or an Event of Default will occur. Since the Company did not make the interest payment on that Series within the specified 30 day period, an Event of Default has occurred relating to those debentures. (See Part II, Item 3 - Defaults upon Senior Securities.)

As of September 30, 1990, the Company's material financing commitments (excluding current liabilities as of September 30, 1990) for the twelve months ending September 30, 1991 totalled approximately \$8,725,405.

The Company believes that it can meet its minimum operating cash requirements into the first quarter of 1991 from existing funds, collection of current receivables, revenues from commercial operation of the System, and contracts with United States government agencies, assuming no repayment of existing indebtedness payable upon demand or the acceleration of convertible debenture principal repayment, and assuming that the Company can continue to defer amounts due to certain vendors and other creditors. The Company will require additional financing for its operations during the first quarter of 1991. The Company is exploring and evaluating financing and other alternatives which may be available to it. There can be no assurance that the Company will be successful in obtaining such financing.

PART II

Item 1 - Legal Proceedings

Railstar Control Technology, Incorporated ("Railstar") filed a Complaint in the Superior Court for Hillsborough County in the state of New Hampshire against the Company on June 27, 1990. This legal proceeding concerned a royalty payment in the amount of \$144,790 allegedly owed by the Company to Railstar pursuant to a license agreement executed by the parties. In accordance with the terms of a letter agreement between the Company and Railstar dated August 17, 1990, the Company made full payment of the royalty plus interest in the amount of \$4,581.71 for the period May 15 to August 27,1990. The action was dismissed with prejudice on September 14, 1990. Timothy Mellon, a director of Railstar and the principal stockholder and Chairman of the Board of Railstar's parent, Gulford Transportation Industries, Inc. is the beneficial owner of more than 5% of the Company's outstanding shares of Common Stock (approximately 6.1%).

Item 3 - Defaults upon Senior Securities

The Company failed to make the required interest payment on August 1, 1990 in the total amount of \$141,000 to the holders of its 10% Convertible Subordinated Debentures due February 28, 1991. An Event of Default occurred pursuant to the terms of the governing Indenture dated February 26, 1986 when such default in the payment of interest continued for a period of 30 days. On the date of filing this report, the \$141,000 interest payment remains unpaid. The Company also failed to make the required interest payment on August 1, 1990 in the total amount of \$579,000 to the holders of its 10% Convertible Subordinated Debentures due in 1996. No Event of Default has yet occurred pursuant to the governing instruments for these debentures.

Item 6 - Exhibits and Report on Form 8-K

- a) Exhibits: The Exhibits are listed in the Index to Exhibits on page 13.
- b) Reports on Form 8-K; No reports on Form 8-K were filed during the quarter.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GEOSTAR CORPORATION

(Registrant)

Donald E. Brown
Senior Vice President
Corporate & International

Mary A DiMarco

Vice President of Finance and Administration

Date: November 14, 1990

Index to Exhibits

Exhibit Number 19.1 -	Description Amendment No. 1 to the Exclusive Patent License and Technology Transfer Agreement with Locstar dated August 16, 1990*	Page No.
19.2	Amended and Restated Employment Agreement with Martin R. Snoey dated August 28, 1990*	21
19.3	Employment Agreement with Robert D. Briskman dated as of August 28, 1990	39
19.4	Employment Agreement with Donald E. Brown dated as of August 28, 1990	46
19.5	Employment Agreement with T. Stephen Cheston dated as of August 28, 1990	53
19.6	Employment Agreement with Michael J. Breslin dated as of August 28, 1990	60
19.7	Employment Agreement with Steven W. VanTill dated as of August 28, 1990	67
19.8	Employment Agreement with Mary A. DiMarco dated as of August 28, 1990	74
19.9	Patent Pledge and Security Agreement and Promissory Note as amended with Matra S.A. dated August 1, 1990	31

^{*} Certain portions of this contract have been deleted pursuant to an Application for Confidential Treatment filed with the Securities and Exchange Commission.

AMENDMENT NO. I

to the

EXCLUSIVE PATENT LICENSE and TECHNOLOGY TRANSFER AGREEMENT by and between Geostar Corporation and Locstar, S.A.

This Amendment No. 1 (the "Amendment") to the Exclusive Patent License and Technology Transfer Agreement, dated May 26, 1989, (the "Agreement"), by and between Geostar Corporation ("Geostar") and Locstar, S.A., ("Locstar") is entered into by the Parties this <u>16</u> day of August 1990 by their duly authorized representatives.

WHEREAS the Parties entered into the Agreement for the purpose of licensing Locstar to construct and operate a Radiodetermination Satellite Service (RDSS) compatible with the Geostar system in a territory defined as Region t of the International Telecommunication Union, using RDSS technology patented and developed by Geostar;

	construction of that system and now is expected to begin
commercial operations of the system in	using Geostar Prime (or System 3.0) RDSS technology,
LOCSTAR developed RDSS technology, ar	nd/or jointly developed RDSS technology, and LOCSTAR
has increased its corporate capitalization ac	cordingly;

WHEREAS Geostar is constructing and operating its interim System 2C service in anticipation of later commencement of Prime (System 3.0) service,

WHEREAS the Parties recognize that certain elements of the RDSS technology were still in the development stages at the time the Agreement was concluded and would require continuing development work to bring them to operational levels;

WHEREAS the Parties recognize that as a consequence certain elements of the RDSS technology developed by Geostar and provided to Locstar under the Agreement may need to be further developed and brought to operational status through Locstar's efforts, and that certain elements of the RDSS system technology may be developed originally by Locstar; and

WHEREAS the Parties wish to amend the Agreement to take these new circumstances into account and provide a mechanism for the development, ownership, disclosure, sharing, and funding of new RDSS technology, with the goal of assuring that the two systems' parallel development is harmonious and produces interoperable RDSS systems.

NOW THEREFORE, the Parties agree as follows:

Confidential Treatment
Reguested

- 1. Articles 1.3,1.4, and 1.5 are hereby deleted in their entirety and replaced with the following:
- "1.3 GEOSTAR and LOCSTAR have developed, are developing and will continue to develop substantial RDSS Technology which will benefit significantly the design, development, establishment and operation of both the GEOSTAR and the LOCSTAR Systems.
- 1.4 GEOSTAR and LOCSTAR desire to develop and implement RDSS Systems that will attain at least the minimum level of compatibility and interoperability between them and with other RDSS Systems compatible with GEOSTAR and LOCSTAR RDSS technology, so that users of portable transceivers may operate their equipment worldwide without interruption and modification.
- 1.5 LOCSTAR and GEOSTAR desire to enter into this Technology Transfer Agreement providing for the disclosure and licensing over the Term of existing RDSS technology and information developed by GEOSTAR and future technology developed by GEOSTAR or LOCSTAR, or jointly developed, all in accordance with the terms and conditions hereof."
- 2. Considering that LOCSTAR is now expected to develop and contribute RDSS technology useful in the construction of both the GEOSTAR and LOCSTAR systems, the last sentence of Article 2.5 immediately preceeding 2.5(a), now reading, "The parties understand that this GEOSTAR Technology and Information provides all of the RDSS technology and information needed to establish the LOCSTAR system," is hereby deleted.
- 3. Article 3.3 is hereby deleted in its entirety and replaced with the following:
- "3.3 In order to achieve the aforementioned purposes (i) GEOSTAR shall, in a timely fashion and in accordance with the provisions of this Agreement, develop, make, disclose and license to LOCSTAR all GEOSTAR Patents and GEOSTAR Technology and Information, and furnish all technical assistance services; (ii) LOCSTAR shall, in a timely fashion and in accordance with the provisions of this Agreement, develop, make, disclose and license to GEOSTAR all LOCSTAR Patents and LOCSTAR Technology and Information; (iii) LOCSTAR shall in a timely fashion develop and implement the LOCSTAR System to a maximum level of system transparency, interoperability and compatibility with other RDSS Systems and provide services on a fully reciprocal and mutually agreeable basis with other RDSS systems so that users of portable transceivers may operate their equipment worldwide without, in so far as possible, interruption or modification; and (iv) LOCSTAR shall use its best efforts to develop the market for the services of the LOCSTAR System in the LOCSTAR Territory."
- 4. The following text is added as Articles 3.4 and 3.5 of the Agreement:

"3.4 For (i) the development and disclosure of future LOCSTAR and GEOSTAR Technology, (ii) the further development and disclosure of existing GEOSTAR or LOCSTAR RDSS Technology by either GEOSTAR or LOCSTAR, and (iii) the development and maintenance of joint standards and specifications to assure the interoperability of the GEOSTAR and LOCSTAR systems, the provisions of Appendix K, Technology Development, shall apply.

3.5 To assure the interoperability of the LOCSTAR and GEOSTAR systems with other RDSS systems to be licensed in ITU Region 3, LOCSTAR and GEOSTAR agree to develop terms and conditions applicable to the joint marketing (on an equal, shared basis) of RDSS technology in that region, including, but not limited to, securing regulatory approvals for the export of the technology, development of appropriate licensing terms, and mechanisms for assuring that the Region 3 licensees' systems are technically compatible with the LOCSTAR and GEOSTAR systems. While the patent or technology license may, as a matter of procedural necessity or expediency, be issued by only one entity to a Region 3 licensee, GEOSTAR and LOCSTAR agree to form a Region 3 licensing partnership in a mutually agreeable format, which will guarantee that each could participate in and benefit from, on a joint and equal basis, any Region 3 patent/technology licensing process, and that any Region 3 licensee would have the benefit of GEOSTAR and LOCSTAR technology, individually or jointly developed by GEOSTAR and LOCSTAR."

5. Article 4.2 is hereby deleted in its entirety and replaced with the following:

*4.2 Future Disclosure and License Grants by GEOSTAR

Following the initial disclosure of existing GEOSTAR Technology and Information and patent grants pursuant to Article 4.1 of this Agreement, and in accordance with the provisions of Article 5 and Appendix K of this Agreement:

- (a) GEOSTAR shall disclose or have disclosed to LOCSTAR, in a series of technical and documentation exchanges, all future GEOSTAR Technology and Information for a full-capacity multi-beam RDSS System, including GEOSTAR Initial One-Way Service and GEOSTAR Prime Service technical evaluation and demonstration results, together with the right to use, have used, copy, have copied and disclose and have disclosed to others under the terms and conditions of this Agreement (including, but not limited to, contractors, customers and governmental agencies) for LOCSTAR Purposes in the LOCSTAR Territory, and
- (b) GEOSTAR shall grant to LOCSTAR and LOCSTAR shall accept from GEOSTAR, upon the terms and conditions specified in this Agreement, for LOCSTAR Purposes in the LOCSTAR Territory during the Term an exclusive license, including the right to sublicense, to use and have used any and all future GEOSTAR Patents and Technology and Information."



6. Articles 4.4 and 4.5 are hereby deleted intheir entirety and replaced with the following:

°4.4 Exchange of Future Technology and Information

To the extent not otherwise covered by Articles 4.1 and 4.2 of this Agreement, or by the separate agreement for technical services to be provided by GEOSTAR relating to implementation of the LOCSTAR System during the Term of this Agreement, GEOSTAR agrees to disclose or have disclosed to LOCSTAR all future GEOSTAR Technology and Information in accordance with the terms of Appendix K.

4.5 Preservation and Duration of Rights

Except for the express rights granted and the obligations and limitations thereby incurred in Articles 4 and 5 and Appendix K, nothing in this Agreement shall in any way limit the right of each party to disclose and license and sublicense its technology and information as it deems best in its sole interest consistent with this Agreement."

7. The first paragraph of Articles 5.1 before Article 5.1(a) is hereby deleted in its entirety and replaced with the following:

*5.1 Payment

In consideration of GEOSTAR's grant of an exclusive license to LOCSTAR to use GEOSTAR-Patents and Technology and Information for LOCSTAR Purposes within the LOCSTAR Territory and GEOSTAR's full and timely disclosure, in accordance with the schedule described in Appendix D, of the GEOSTAR Technology and Information under the terms of this Agreement, LOCSTAR agrees to pay GEOSTAR an amount of 6,488,880 European Currency Units ("ECU") in the following modalities of payment:"

8. Article 5.1(d) is hereby deleted and replaced with the following, including the insertion of a new Article 5.1(e):

"(d) In exchange for all the GEOSTAR technical services needed to implement the LOCSTAR RDSS System as described in Article 7 of this Agreement, LOCSTAR shall pay GEOSTAR a total of 488,880 ECU in forty-eight (48) monthly payments commencing on the entry into force of the Technical Services Agreement after its approval by LOCSTAR and GEOSTAR and its incorporation into this Agreement in accordance with Article 7, unless this Agreement is terminated before those payments are completed. Payments for the first 15 months of service shall be 15,520 ECU per month; for the remaining

33 months, 7,760 ECU per month. The technical services include testing and training performed with GEOSTAR Initial One-Way Service and Prime systems.

- (e)-All amounts to be paid hereunder are subject to the French Government withholding tax (currently 5%)."
- 9. Articles 5.2, 5.3, 5.4, 5.5, and 5.7 are hereby deleted in their entirety and replaced by the following:

°5.2 Convertibility of LOCSTAR Notes

GEOSTAR will have the right to acquire up to LOCSTAR stock at par value, payable at any time by conversion of the LOCSTAR Notes referred to in Article 5.1 of this Agreement or by cash contributions and, thereby, avoid dilution of its stock ownership. Such subscriptions by GEOSTAR will be made on the same terms and conditions applicable to the other founding shareholders of LOCSTAR. In the event that LOCSTAR increases its capital in excess of the current authorization of 800,000,000 FF, GEOSTAR shall have the right but not the absolute obligation to acquire up to Locstan acquire up to Locstan and Locstan acquire up to Locstan acqui

5.3 LOCSTAR Royalty and GEOSTAR Equity Interest

LOCSTAR shall credit GEOSTAR a royalty, subject to the outstanding withholding tax, of

commencing the first month during which the combined Gross Revenues on which the royalty is computed equal or exceed. The credits of this royalty shall become payable to GEOSTAR three (3) months after the start of service of the GEOSTAR Prime Service and be computed and paid in French Francs on a quarterly basis within. Any royalty credits that are earned but not yet payable to GEOSTAR during the period before the start of the GEOSTAR Prime Service ("deferred credits") shall be due with the first quarterly payment. This royalty provision shall apply so long as one of the three following conditions is met:

(a) GEOSTAR

(b) During the period (b) During the period (c) In accordance with a fulfillment of Articles 5.1(a), 5.1(b), and 5.1(c) and this Agreement remains in force,

GEOSTAR

It is understood that GEOSTAR is

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August 10, 1990

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Confidental Treatment Requested (c) In the event that it.

in accordance with the provisions of Articles 5.1(a), 5.1(b),

and 5.1(c),

For purposes of this Article 5.3, "Gross Revenues" means the total RDSS revenues, less Direct Taxes, of LOCSTAR and the total LOCSTAR RDSS service revenues, if any, less Direct Taxes, of any LOCSTAR-licensed RDSS Operator in the LOCSTAR Territory (but excluding in the case of LOCSTAR any revenues from LOCSTAR-licensed RDSS operators). "Gross Revenues" shall be exclusive of any revenues derived by third parties, including LOCSTAR-licensed RDSS Operators, from value-added or other services (as distinguished from basic RDSS service revenues) which the third parties furnish to the user, and shall also be exclusive of any LOCSTAR revenues from applications which are not derived from GEOSTAR Technology and information and/or Patents. "Direct Taxes" includes all property, excise, gross receipts, value-added, sales, customs duties or other similar taxes, levies or assessments, but excludes corporate and personal income taxes. "LOCSTAR-licensed RDSS Operator" means a person or entity which is licensed by LOCSTAR to control all or part of the outbound link from a Central Hub facility to a Satellite Relay and, using such link, to market and resell the LOCSTAR RDSS services in a specified area of the LOCSTAR Territory.

5.4 Board Representation:

GEOSTAR shall have the right to place one representative on the LOCSTAR Board of Directors so long as GEOSTAR maintains an equity interest in LOCSTAR of 7.5% or more.

5.5 Disclosure and License Grants by LOCSTAR

Subject to the provisions of Appendix K regarding the development and disclosure of RDSS Technology:

- (a) LOCSTAR shall disclose or have disclosed to GEOSTAR all existing and future LOCSTAR Technology and Information during the Term, together with the right to use, have used, copy, have copied, disclose and have disclosed to others under the terms and conditions of this Agreement (including, but not limited to, contractors, customers and governmental agencies) for GEOSTAR Purposes in the GEOSTAR Territory.
- (b) LOCSTAR hereby grants to GEOSTAR and GEOSTAR hereby accepts from LOCSTAR, upon the terms and conditions hereinafter specified in this Agreement, for GEOSTAR Purposes in the GEOSTAR Territory during the Term, an exclusive license, including the right to sublicense, and to use and have used any and all present and future LOCSTAR Patents and Technology and Information.

August 10, 1990

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CORPORATE CONFIDENTIAL

AMENDED AND RESTATED EMPLOYMENT AGREEMENT between GEOSTAR CORPORATION and MARTIN R. SNOEY



This is an Amended and Restated Employment Agreement dated this 28th day of August, 1990, by and between Martin R. Snoey ("Executive") and Geostar Corporation ("Company").

WHEREAS, the Company and the Executive entered into an Employment Agreement dated July 24, 1989;

WHEREAS, the Company and the Executive entered into Amendment No. 1 to the Employment Agreement dated October 26, 1989; and

WHEREAS, the parties wish to amend further and to restate the Employment Agreement between the Company and the Executive as of the date hereof.

NOW THEREFORE, intending to be legally bound hereby, the Executive and the Company hereby agree as follows:

The initial term of this Agreement is from 1. Term. July 24, 1989 to December 31, 1992. Thereafter, the term shall be extended automatically until terminated by thirty (30) days written notice by either party. Upon the occurrence of any Change in Control of the Company during the last twelve months of the initial term of this Agreement, the initial term shall be extended automatically to twelve (12) months following such Change in Control. For the purpose of this Agreement, Change in Control means a change in control of the Company of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"); provided that. without limiting the generality of the foregoing, such a change in control shall be deemed to have occurred if (i) any person is or becomes the beneficial owner (as such term is used in Rule 13d-3 of Section 13(d) of the Exchange Act), directly or

indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities; or (ii) during any period of two consecutive years during the initial term of this Agreement, individuals who at the beginning of such period constitute the Board cease for any reason other than death to constitute at least a majority thereof at the end of such period unless the election or nomination of each director, who was not a director at the beginning of the period, was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period.

<u>Duties</u>. Executive is employed by the Company as 2. President, Chief Executive Officer and Chief Operating Officer of the Company. Executive shall report directly to the Board of Directors. Executive shall devote his full time and best efforts to the Company. Executive shall, subject to the management or the direction of the Company's Board of Directors. have authority over the day-to-day operations of the Company and perform such other duties and functions customarily performed by presidents and chief executive officers of businesses comparable in size and scope to that of the Company and such other comparable duties as may from time to time be assigned to him by the Company's Board of Directors. The Company agrees to appoint Executive to its Board of Directors (the "Board") upon the execution of this Agreement and at the conclusion of his initial term as a director to nominate him as a member of the management slate at the annual meeting of the stockholders so that he will be a director during the whole period of his employment hereunder. Executive agrees to serve on the Board, and to resign from the Board when he is no longer employed by the Company. The Company shall provide to Executive such directors' and officers' indemnity and insurance coverage as it provides to its other directors and officers.

- 3. <u>Salary</u>. Executive shall receive an annual base salary of \$225,000. The Compensation Committee of the Board shall review Executive's salary annually and may increase it based on relevant circumstances.
- Additional First Year Compensation. In consid-4. eration of Executive's execution hereof and benefits he lost by leaving his prior employment, Company, on the date hereof, shall grant to him a ten year option to purchase 40,000 shares of its common stock, par value \$.01 per share ("Common Stock") exercisable one year after the date of its grant for a price equal to the fair market value of the Common Stock on the date of grant. The option shall be granted by the Company pursuant to, and shall be governed by, the Geostar Corporation Amended and Restated 1983 Stock Option Plan (the "Option Plan") and Executive acknowledges that he has read and understands the Option Plan and its consequences. The Company registered the Common Stock authorized for issuance under the Option Plan pursuant to a registration statement on Form S-8 under the Securities Act of 1933. The Company shall amend the Option Plan in such manner as shall be required to enable the Company to grant all of the options to Executive called for under this Agreement.

5. Incentive Compensation.

(a) Annual Options. For each calendar year during the term of this Agreement, commencing with 1989, that, in the judgment of the Personnel and Compensation Committee of the Board, the Company meets its Business Plan, within 90 days after the end of such year or such earlier time as options are granted to executives of the Company similarly situated, the Company shall grant to Executive a ten year option pursuant to the Option Plan exercisable one year after the date of its grant to purchase for fair market value on the date of grant an additional 20,000 shares of Common Stock. For such years as the Company does not meet its Business Plan, the Company shall grant

to Executive all or such portion of the 20,000 share option as it grants to other executives of the Company in similar circumstances.

- (b) <u>Performance Options</u>. For each calendar quarter ending with the third quarter of 1991 that the Company has an operating profit after taking into account satellite transponder payments, within twenty-one (21) days after the end thereof, the Company shall grant to Executive a ten year option pursuant to the Option Plan exercisable one year after the date of its grant to purchase for their fair market value on the date of grant an additional 5,000 shares of Common Stock. Commencing with the fourth quarter of 1991, this provision of the Agreement shall be adjusted to take into consideration the Company's then existing financial circumstances.
- Agreement, commencing with Executive's employment hereunder and ending on the anniversary of such date ("Fiscal Year"), the Company shall pay to Executive a cash bonus equal to \$1,000 for each [] installations of the Company's Satellite Communications Equipment completed during such Fiscal Year. The cash bonus shall be payable within ten days following the end of each fiscal quarter with respect to the installations completed during the fiscal quarter. Notwithstanding anything to the contrary herein provided, Executive shall not be entitled to a cash bonus for any Fiscal Year in excess of his base salary for such Fiscal Year.
- (d) If the Company is combined with another company, appropriate adjustments shall be made in each of the above incentive provisions to establish substitute formulas to yield substantially similar results. If the parties cannot agree upon such substitute formulas, the parties shall submit such determination to arbitration by a qualified individual investment banker with at least ten years experience in corporate finance with a major investment banking firm. Neither said firm nor the individual shall have had dealings with either party

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during the preceding five years. Upon failure to agree upon the selection of the arbitrator, each party shall submit a panel of five qualified arbitrators, the other party may strike three from the other's list, and the arbitrator shall be selected by lot from the remaining four names.

Benefits. The Company shall include Executive 6. in all benefit plans for its employees, and Executive shall be entitled to receive all benefits, generally made available to executives of the Company. Executive understands that those include at this date life and long-term disability insurance, medical and dental insurance plans for himself and his dependents, parking allowance or space (Executive shall be on a waiting list for parking in the building in which the Company's executive offices are located for up to one year and thereafter shall be provided parking in such building), \$250 per year toward a membership in a health club, participation in a Section 401(k) retirement plan and an annual four (4) week paid vacation for each of the first three (3) Fiscal Years of this Agreement and five (5) days additional for each twelve (12) months thereafter pursuant to the policy applicable to executives of the Company.

7. Reimbursement for Expenses.

(a) Company shall reimburse Executive for the expenses of: (i) closing the sale of his residence on Mercer Island, Washington; (ii) up to three trips to Washington, D.C. for Executive and his wife to look for a new residence; and (iii) closing of the purchase of a residence in or about the Washington, D.C. metropolitan area. As used herein, closing expenses shall include attorneys' fees, escrow fees, real estate commissions, transfer taxes, revenue taxes, title insurance and similar expenses ordinarily and customarily incurred in connection with the sale or purchase of a residence but shall not include the purchase price of the residence itself or the loss

incurred by Executive from the sale of his Mercer Island, Washington residence. The Company shall reimburse Executive for the relocation and storage of household goods and automobiles (limit of two) and the travel expense for himself and his family incurred in the move, for interim living expenses while his household goods are in transit, waiting for house sale to close, and while he is living in Washington, D.C. but before he has sold his Mercer Island residence and moved his family (for a period of time mutually agreed upon by the Chairman of the Personnel and Compensation Committee of the Board of Directors and the Executive), and for any income tax (at the maximum federal and state rates paid by Executive) incurred by the Executive as a result of this reimbursement. Company shall make the reimbursement set forth in this paragraph 7(a) available to Executive only for the first twenty-four (24) months of this Agreement.

(b) Executive is expected to incur various business expenses in behalf of the Company customarily incurred by persons holding like positions, including but not limited to travel, entertainment and similar expenses. Company shall provide to Executive a credit card or cards for use in payment for these expenses. Subject to the Company's policy regarding reimbursement and nonreimbursement of such expenses (which does not necessarily provide for reimbursement of all such expenses), Company shall reimburse Executive for such expenses from time to time, at Executive's request, and Executive shall account to Company for such expenses.

8. <u>Protection of Company's Interests</u>.

(a) During the term of this Agreement and for one (1) year following termination of Executive's employment pursuant to this Agreement, Executive shall not directly or indirectly engage in any business or activity in competition, or own any interest in any business which competes, with any business of Company or its subsidiaries; provided, however, that the provisions of this Section 8 shall not prohibit his ownership

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of not more than 5% of the voting stock of any publicly held corporation; provided, further, however, if Executive's employment is terminated by the Company without Good Cause or by Employee with Good Reason as those terms are defined in Section 10 below, within one (1) year of the end of this Agreement, in consideration for his agreement not to compete, Company shall pay to Executive for the period of the agreement not to compete beyond the term of this Agreement, the amounts provided in paragraph 11(b) below.

- (b) Except for actions taken in the course of his employment hereunder, Executive shall not, during the term of this Agreement or for two (2) years thereafter, use, divulge, furnish or make accessible to any person any information of a confidential or proprietary nature obtained by him while in the employ of Company. Upon termination of his employment with Company for any reason, Executive shall return to the Company all such information which exists in written or other physical form and all copies thereof in his possession or under his control.
- Unless otherwise expressly agreed by Company in writing, any inventions, ideas, reports, discoveries, developments, designs, improvements, techniques, "know-how," data and other creative ideas (all of the foregoing to be hereafter referred to as "Proprietary Information"), whether or not patentable or registerable under copyright or similar statutes, hereinafter generated by Executive either alone or jointly with others in the course of his acting as an employee pursuant to this Agreement relating or useful to the business of the Company, shall be the sole property of the Company. Executive hereby assigns to the Company any rights which he may acquire or develop in such Proprietary Information. Executive shall cooperate with the Company in patenting or copyrighting any such Proprietary Information, shall execute any documents tendered by the Company to evidence its ownership thereof, and shall cooperate with the Company in defending and enforcing its rights

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therein. Executive's obligations under this section to assist the Company in obtaining and enforcing patents, copyrights, and other rights and protections relating to such Proprietary Information in any and all countries shall continue beyond the termination of this Agreement. The Company agrees to compensate Executive at a reasonable rate for time actually spent by Executive at the Company's request on such assistance after termination of this Agreement. If the Company is unable, after reasonable effort, to secure Executive's signature on any document or documents needed to apply for or prosecute any patent, copyright, or right or protection relating to such Proprietary Information, whether because of Executive's physical or mental incapacity or for any other reason whatsoever, Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agent and attorney-in-fact, to act for and in his behalf and stead to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyrights, or similar protections thereon with the same legal force and effect as if executed by Executive.

(d) Executive recognizes and agrees that his violation of any terms contained in this Section 8 will cause irreparable damage to the Company, the amount of which will be impossible to estimate or determine. Therefore, Executive further agrees that the Company shall be entitled, as a matter of course, to an injunction restraining any violation or further violations of any such covenant or covenants by Executive, his employees, partners, agents or associates, such right to an injunction to be cumulative and in addition to any other remedies, at law or otherwise, which the Company might have. Executive hereby waives any right to require a bond in connection with obtaining such an injunction. Executive further agrees that his violation of any of the terms of this Section 8 during the term of this Agreement shall be Good Cause for termination of this

Agreement without further notice. Such covenants shall be severable, and if the same be held invalid by reason of length of time, area covered, or activity covered, or any or all of them, shall be reduced to the extent necessary to cure such invalidity.

- (e) Notwithstanding anything to the contrary contained in this Agreement, the provisions of this Section 8 shall survive any termination of this Agreement to the extent provided herein.
 - 9. Termination for Death, Disability or for Good Cause
- (a) Company shall have the right to terminate this Agreement under the following circumstances:
 - (1) Upon the death of Executive.
 - (2) Upon notice from Company to Executive in the event of an illness or other disability which has incapacitated him from performing his duties for six consecutive months as determined in good faith by the Board.
 - For Good Cause upon notice from Company. Termination by Company of Executive's employment for "Good Cause" as used in this Agreement shall be limited to (i) action by the Executive involving willful malfeasance having a material adverse effect on the Company or (ii) the Executive being convicted of a felony; provided that any action by the Executive shall not constitute "Good Cause" if, in good faith, the Executive believed such action to be in or not opposed to the best interests of the Company, or if the Executive shall be entitled, under applicable law or the Certificate of Incorporation or Bylaws of the Company, to be indemnified with respect to such action. Termination of the Executive for Good Cause shall be communicated by

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delivery to the Executive of a copy of a resolution (the "Notice of Termination") duly adopted by the affirmative vote of not less than a majority of the directors present and voting at a meeting of the Board called and held for that purpose, after reasonable notice to the Executive and reasonable opportunity for the Executive. together with the Executive's counsel, to be heard before the Board prior to such vote, finding that in the good faith opinion of the Board the Executive was guilty of conduct set forth in the first sentence of this subparagraph and specifying the particulars thereof in detail. purposes of this Agreement, no such purported termination of the Executive's employment shall be effective without such Notice of Termination.

(b) If this Agreement is terminated pursuant to Section 9(a)(3) above, Executive's rights and the Company's obligations hereunder shall forthwith terminate; provided, however, any option then held by Executive shall be exercisable to the extent that it was exercisable on the date Executive received Notice of Termination and shall remain so exercisable for a period of three (3) months following said date. Executive shall not, however, be entitled to any other benefit hereunder.

(c) If this Agreement is terminated pursuant to Section 9(a)(1) or (2) hereof, Executive or his estate shall be entitled to receive 100% of his then current base salary for the balance of the term of this Agreement, together with the bonus provided for in Section 5(c) hereof and Executive or his estate shall have the option (the "Cash Out Option") of selling to the Company such portion of the stock options that have been granted to him pursuant to Sections 4 and 5(a) and (b) above (which shall become immediately exercisable) as have not been exercised, or which Executive or his estate do not elect to exercise, for a cash price equal to the difference between the fair

market value of the Common Stock covered by such options and the option price. Such Cash Out Option may be exercised during the six (6) month period in which the stock options could have been exercised by a deceased or disabled employee under the terms of the Plan. Company, for its own benefit, may purchase insurance to cover all or any part of its obligations set forth in the preceding sentence, and Executive agrees to take such physical examination, at Company expense, to facilitate the obtaining of such insurance. The death benefits provided hereunder are in addition to any benefits provided under the executive benefit programs normally provided to the Company's executives.

tive hereunder during a time when he is partially or totally disabled and such disability (except for the provisions hereof) would entitle him to disability income or to salary continuation payments from the Company according to the terms of any plan provided by the Company for executives in effect at the time of such disability, the compensation payable to him hereunder shall be inclusive of any such disability income or salary continuation and shall not be in addition thereto. If disability income is payable directly to Executive by an insurance company under an insurance policy paid for by Company, the amounts paid to him by said insurance company shall be considered to be part of the payments to be made by the Company to him pursuant to this Section 9, and shall not be in addition thereto.

10. Termination by Executive or by Company without Good Cause.

(a) Should the Executive wish to resign from his position with the Company for other than "Good Reason" (as defined below) during the term of his employment, the Executive shall give thirty (30) days written notice to the Company, setting forth the reasons and specifying the date as of which his resignation is to become effective. The date specified in such written notice shall be referenced herein as the "Termination"



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Date. Failure to provide such notice shall entitle the Company to fix the Termination Date as of the last business day on which the Executive reported for work at his principal place of employment with the Company.

- (b) The Company shall have the absolute right to terminate the Executive's employment without cause at any time. If the Company elects to terminate the Executive without Good Cause, the Company shall give thirty (30) days written notice to the Executive. Thirty (30) days after such notice is given to the Executive shall be referenced herein as the "Termination Date."
- (c) Should the Executive wish to resign from his position with the Company for Good Reason during the term of this Agreement, the Executive shall give thirty (30) days written notice to the Company, setting forth the reasons and specifying the date as of which his resignation is to become The date specified in such written notice shall be effective. referenced herein as the "Termination Date." Failure to provide such notice shall entitle the Company to treat such termination as without Good Reason and to fix the Termination Date as of the last business day on which the Executive reported for work at his principal place of employment with the Company. purposes of this Agreement, "Good Reason" shall mean any of the following (without the Executive's express prior written consent):
 - (1) The assignment to the Executive by the Company of duties inconsistent with the Executive's positions, duties, responsibilities, titles or offices at the commencement of the employment term, other than his election as Chief Executive Officer, or any reduction in his duties or responsibilities or any removal of the Executive from or any failure to re-elect the Executive to any of such positions, including election as a director, except in connection with the

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termination of the Executive's employment for Cause, disability or as a result of the Executive's death or by the Executive other than for Good Reason.

- executive offices to a location outside of the Washington, D.C. metropolitan area, or the Company's requiring the Executive to be based anywhere other than the Washington, D.C. metropolitan area or the location at which the Executive at the commencement of the employment term performs the Executive's duties, except for required travel on the Company's business to an extent substantially consistent with the Executive's position, duties and responsibilities.
- (3) The failure by the Company to obtain the specific assumption of this Agreement by any successor or assign of the Company or any person acquiring substantially all of the Company's assets; or
- (4) Any material breach by the Company of any provision of this Agreement which breach is not cured within thirty (30) days following notice of such breach.

11. Consequences of Termination Pursuant to Section 10 Above.

(a) If this Agreement is terminated voluntarily by Executive for other than Good Reason or if Executive or the Company terminates this Agreement following the initial term on thirty days written notice as provided in Section 1, Executive shall be paid his base salary and any incentive compensation earned pursuant to Section 5 through his Termination Date and any accrued but unpaid vacation. Any option then held by Executive shall be exercisable to the extent that it was exercisable

on the Termination Date and shall remain so exercisable for a period of three (3) months following the Termination Date. He shall not be entitled to any other benefit hereunder and the Executive's rights and the Company's obligations hereunder shall forthwith terminate.

- (b) If Executive terminates this Agreement for Good Reason or the Company terminates Executive without cause, the following shall apply:
 - (1) Executive shall receive a cash payment equal to the present value (based on a discount rate of 8%) of Executive's then current base salary hereunder for the remainder of the initial term of this Agreement (through December 31, 1992), payable within 30 days of his Termination Date.
 - (2) All stock and stock options granted by Company to Executive whether or not provided for herein, to the extent they have a vesting schedule applicable to exercise, shall accelerate and become immediately exercisable. Executive shall have with respect to all unexercised stock options the Cash Out Option described in Section 9(c) above. Executive shall be entitled to no further option grants following the Termination Date.
 - (3) Executive shall be entitled to the cash bonus payments provided in Section 5(c) based on installations of the Company's Satellite Communications Equipment which are actually made through the remainder of the initial term of this Agreement or for one (1) year following the Termination Date, whichever is shorter.
 - (4) Company shall continue to cover Executive and his dependents under its executive health, medical, life and disability plans until

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the earlier of the end of the initial term of this Agreement or until Executive finds employment where such benefits are provided.

- The parties believe that the above payments under paragraph 11(b) will not constitute "Excess Parachute Payments" under Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"). Notwithstanding such belief, if the Executive is required to pay an excise tax on "excess parachute payments" (as defined in Section 280G(b) of the Code) under Section 4999 of the Code, the Company shall reimburse the Executive for the amount of such taxes paid. In addition, the Company shall pay the Executive such additional amounts as are necessary to place the Executive in the same financial position that he would have been in if he had not incurred any tax liability under Section 4999 of the Code; provided, however, that the Company shall in no event pay the Executive any amounts with respect to any penalties or interest due under any provision of The Company shall have no obligation to pay directly to the Internal Revenue Service or any other taxing authority the excise tax on any Excess Parachute Payments. The determination of the amount, if any, of any Excess Parachute Payments and any tax liability under Section 4999 of the Code shall be made by a nationally-recognized independent accounting firm agreed to by the Company and the Executive. The determination of such accounting firm shall be final and binding on the par-The Company agrees to pay to the Executive any amounts to be paid or reimbursed under this paragraph 11 within thirty (30) days after receipt by the Company of written notice from the accounting firm which sets forth such accounting firm's determination.
- (d) If the Company terminates Executive without cause, six (6) months after the effective date of such termination the Company shall grant the Executive options ("New Options") to purchase that number of shares of the Company's Common Stock equal to the number of shares of Common Stock subject

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to options awarded to the Executive pursuant to the Option Plan, any successor plan or other stock option plan, which are outstanding as of the effective date of such termination and which are not subsequently exercised by the Executive prior to the expiration date of such options or are not sold to the Company pursuant to the Cash Out Option. Such New Options shall be issued to the Executive only upon the surrender and cancellation of such options. The New Options shall have a term of two (2) years from the effective date of such termination of employment. The exercise price of the shares subject to the New Options shall equal the exercise price of the shares subject to the cancelled options referred to above.

- 12. Entire Agreement. The provisions contained herein constitute the entire agreement between the parties with respect to the subject matter hereof and supersede any and all prior agreements, understandings and communications between the parties, oral or written, with respect to such subject matter.
- 13. Modification. Any waiver, alteration, amendment or modification of any provisions of this Agreement shall not be valid unless in writing, approved by a majority of the directors of the Company who are not full-time employees of the Company, and signed by both the Executive and the Company.
- 14. <u>Severability</u>. If any provision of this Agreement shall be declared to be invalid or enforceable, in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof, which shall remain in full force and effect.
- 15. <u>Assignment</u>. The Executive may not assign any of his rights or delegate any of his duties hereunder without the written consent of the Company. The Company may not assign any of its rights or delegate any of its obligations hereunder.

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- 16. <u>Binding Effect</u>. Subject to the limitations set forth in paragraph 15 above, this Agreement shall be binding upon and inure to the benefit of the successors in interest of the Executive and the Company.
- 17. Notice. All notices and other communications required or permitted hereunder shall be made in writing and shall be deemed effective when initially transmitted by courier or facsimile transmission and five (5) days after mailing by registered or certified mail:
 - (i) if to the Company:

Geostar Corporation
1001 22nd Street, N.W.
Washington, D.C. 20037
Attention: Chairman of the Board
of Directors
Facsimile No.: (202)887-0874
Confirmation No.: (202)887-0870

with a copy to:

Stephen J. Greenberg, Esquire Schnader, Harrison, Segal & Lewis 1600 Market Street, Suite 3600 Philadelphia, PA 19103 Facsimile No.: (215)751-2416 Confirmation No.: (215)751-2218

(ii) if to the Executive:

Martin R. Snoey 16 Sandalfoot Court Potomac, MD 20854

with a copy to:

James T. Dunn, Esquire
Bogle & Gates
1400 Koin Center
222 S.W. Columbia
Portland, Oregon 97201
Facsimile No.: (503)227-2207
Confirmation No.: (503)222-1515

or to such other person or address as either of the parties shall furnish in writing to the other party from time to time.



- 18. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the state or other jurisdiction in which the Company has its principal executive offices.
- of or in connection with this Agreement, except as otherwise expressly provided herein, shall be settled by arbitration to be held in Washington, D.C. Such arbitration shall be conducted before a panel of three (3) arbitrators, one shall be appointed by Executive, one shall be appointed by Company, and one shall be selected by the other two members of the panel. Such arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitrator Association as in effect at the time. The decision of a majority of the arbitrators shall be final, conclusive and binding on the parties. The parties shall bear the cost of the fees and expenses of the arbitration in the manner directed by the majority of the arbitrators.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above mentioned.

geostar corporation

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EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into as of August 28, 1990 by and between GEOSTAR CORPORATION, a Delaware corporation (the "Corporation"), having its principal place of business at 1001 22nd Street, N.W., Washington, D.C. 20037 and ROBERT D. BRISKMAN ("Employee"), whose address is 6728 Newbold Drive, Bethesda, Maryland 20817.

<u>Background</u>. The Employee is currently employed by the Corporation. The Corporation and the Employee mutually desire to continue the employment of the Employee, and to set forth the terms and conditions of such employment in writing.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto, intending to be legally bound hereby, agree as follows:

- ditions set forth herein, the Corporation hereby agrees to employ the Employee and the Employee agrees to accept such employment as Senior Vice President Engineering of the Corporation. In the performance of services hereunder, Employee will devote his best efforts and essentially all of his time during normal business hours to the business of the Corporation, subject to vacations and sick leave. Employee shall, subject to the management or the direction of the Corporation's President, perform such duties and functions customarily performed by the Senior Vice President Engineering of businesses comparable in size and scope to that of the Corporation and such other comparable duties as may from time to time be designated by the Corporation's Board of Directors or President.
- 2. Term. Unless sooner terminated in accordance with the provisions hereof, the term of employment shall commence on the date hereof and shall continue for one year (the "Employment Term"). Subsequent to the initial one-year Employment Term, this Agreement and the Employment Term shall continue until this Agreement is terminated by 30 days written notice by either party.
- 3. <u>Salary</u>. For all services rendered by the Employee under this Agreement, the basic annual salary to be paid by the Corporation to the Employee (the "Basic Annual Salary") shall be \$130,000.00, which may be increased from time to time by the Board of Directors of the Corporation, provided that the Basic Annual Salary shall not be decreased by the Board of Directors except with the written consent of the Employee. Such Basic Annual Salary shall be paid in bi-weekly installments.

4. Benefits.

- (a) Employee shall be entitled to all normal and usual benefits provided by the Corporation to its employees, including, but not limited to, life, disability, medical and dental insurance, vacations, reimbursement for reasonable expenses incurred in connection with performing services for the Corporation, participation in stock option, stock bonus, profit sharing and retirement plans and such other benefits as the Board of Directors of the Corporation may from time to time determine based upon the benefits paid to other officers of the Corporation.
- In the event that the Corporation termi-(b) nates this Agreement other than for Cause (as defined in paragraph 5), the Employee shall be granted options ("New Options") to purchase that number of shares of the Corporation's Common Stock equal to the number of shares of Common Stock subject to options awarded to the Employee pursuant to the Corporation's Amended and Restated 1983 Stock Option Plan, any successor plan or other stock option plan (the "Plan") which are outstanding as of the effective date of such termination and are not subsequently exercised by the Employee prior to the expiration date of such options, as determined pursuant to the Plan. Options shall be issued to the Employee only upon the surrender and cancellation of the Plan options. The New Options shall have a term of two (2) years from the effective date of such The exercise price of the shares subject to the termination. New Options shall equal the exercise price of the shares subject to the cancelled Plan options referred to above. If this Agreement terminates for any reason other than those set forth in the first sentence of this paragraph 4(b), any options owned by the Employee pursuant to the Plan shall be governed by the provisions of the Plan.
- (c) In the event that the Corporation terminates this Agreement other than for Cause (as defined in paragraph 5), then all shares of Common Stock of the Corporation granted or issued to the Employee pursuant to the Corporation's 1990 Stock Bonus Plan or any other restricted stock bonus plan of the Corporation shall immediately and automatically vest in full with the Employee or to the extent such vesting is not permitted pursuant to the terms of such plan, the Corporation shall issue to the Employee that number of shares of Common Stock equal to the number that would have then vested if permitted pursuant to the terms of such plan.
- (d) In the event that the Corporation terminates this Agreement during the initial one-year Employment Term other than for Cause (as defined in paragraph 5), the

Employee shall be paid by the Corporation in bi-weekly installments during the one year period following the effective date of such termination an amount equal to the Employee's Basic Annual Salary. Such severance payment shall be conditioned upon the Employee's continued compliance with the terms of this Agreement. The Corporation may terminate such payments upon a finding by the Board of Directors that Employee is not in compliance with any of the provisions of this Agreement.

5. Termination.

- (a) Except for a termination for Cause (as defined below) by the Corporation or a termination resulting from the death of Employee, this Agreement may be terminated upon thirty (30) days written notice by either party. This Agreement automatically terminates upon the death of Employee.
- (b) This Agreement may be terminated immediately for Cause by the Corporation upon delivery of written notice.
- (c) "Cause" for termination shall be defined to include the following circumstances:
- (i) an act of moral turpitude on the part of the Employee;
- (ii) a material breach by Employee of any duty or obligation imposed upon Employee by or pursuant to this Agreement; or
- (iii) an act of gross negligence, malfeasance or dishonesty in the performance of Employee's duties to the Corporation.
- (d) In the event of the termination of this Agreement for any reason, paragraphs 6, 7 and 8 shall survive.
- Agreement, Confidential Information. For purposes of this Agreement, Confidential Information shall mean all confidential and proprietary technical, business and financial information of the Corporation, including, but not limited to, information with respect to customer lists, marketing and financial information, personnel, sales and statistical data, plans for future development, computer programs, and information with respect to various techniques, procedures, processes and methods and any other information acquired, used or developed by Employee or other employees or agents of the Corporation during the Employment Term in carrying out the business of the Corporation. Except for actions taken in the course of his employment hereunder, Employee shall not, during the Employment Term or two

Employee shall be paid by the Corporation in bi-weekly installments during the one year period following the effective date of such termination an amount equal to the Employee's Basic Annual Salary. Such severance payment shall be conditioned upon the Employee's continued compliance with the terms of this Agreement. The Corporation may terminate such payments upon a finding by the Board of Directors that Employee is not in compliance with any of the provisions of this Agreement.

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- (i) an act of moral turpitude on the part of the Employee;
- (ii) a material breach by Employee of any duty or obligation imposed upon Employee by or pursuant to this Agreement; or
- (iii) an act of gross negligence, malfeasance or dishonesty in the performance of Employee's duties to the Corporation.
- (d) In the event of the termination of this Agreement for any reason, paragraphs 6, 7 and 8 shall survive.
- 6. Confidential Information. For purposes of this Agreement, Confidential Information shall mean all confidential and proprietary technical, business and financial information of the Corporation, including, but not limited to, information with respect to customer lists, marketing and financial information, personnel, sales and statistical data, plans for future development, computer programs, and information with respect to various techniques, procedures, processes and methods and any other information acquired, used or developed by Employee or other employees or agents of the Corporation during the Employment Term in carrying out the business of the Corporation. Except for actions taken in the course of his employment hereunder, Employee shall not, during the Employment Term or two

- (2) years thereafter, use, divulge, furnish or make accessible to any person any Confidential Information obtained by him while employed by the Corporation except as authorized in writing by the Board of Directors. However, Employee shall be relieved of his responsibilities under this paragraph with respect to any Confidential Information which has been made public or otherwise made available on a non-confidential basis, or made available with the agreement of the Board of Directors to any persons or entities outside the Corporation by any person or persons other than Employee. All documents, magnetic media and other materials containing Confidential Information made or compiled by or made available to Employee during the course of his employment, and all copies thereof, are and shall be the property of the Corporation and shall be delivered to the Corporation by Employee immediately upon the conclusion of his employment.
- <u>Developments</u>. All inventions, ideas, reports. discoveries, developments, designs, improvements, techniques, "know-how," data and other creative ideas (all of the foregoing to be hereafter referred to as "Proprietary Information"), whether or not patentable or registerable under copyright or similar statutes, hereinafter generated by Employee either alone or jointly with others in the course of his acting as an employee pursuant to this Agreement relating or useful to the business of the Corporation shall promptly be disclosed to the Corporation and shall be the sole property of the Corporation. Employee hereby assigns to the Corporation any rights which he may acquire or develop in such Proprietary Information. ployee shall cooperate with the Corporation in patenting or copyrighting any such Proprietary Information, shall execute any documents tendered by the Corporation to evidence its ownership thereof, and shall cooperate with the Corporation in defending and enforcing its rights therein. Employee's obliqations under this section to assist the Corporation in obtaining and enforcing patents, copyrights, and other rights and protections relating to such Proprietary Information in any and all countries shall continue beyond the termination of this Agree-The Corporation agrees to compensate Employee at a reasonable rate for time actually spent by Employee at the Corporation's request on such assistance after termination of this Agreement. If the Corporation is unable, after reasonable effort, to secure Employee's signature on any documents or documents needed to apply for or prosecute any patent, copyright, or right or protection relating to such Proprietary Information, whether because of Employee's physical or mental incapacity or for any other reason whatsoever, Employee hereby irrevocably designates and appoints the Corporation and its duly authorized officers and agents as Employee's agent and attorneyin-fact, to act for and in his behalf and stead to execute and file any such application or applications and to do all other

lawfully permitted acts to further the prosecution and issuance of patents, copyrights, or similar protections thereon with the same legal force and effect as if executed by Employee.

8. Non-Competition.

- (a) Employee shall not during the term of this Agreement, for one year following the termination of this Agreement, and, if the Employee receives any payments pursuant to paragraph 4(d) hereof, for six months following the last payment to Employee pursuant to that paragraph 4(d) engage directly or indirectly (either for his own account, or as an agent, employee, consultant, partner, officer, director, stockholder or otherwise of any person, firm, corporation or other enterprise) in any business or activity in competition or own any interest in any business which competes with the principal business of the Corporation or any of its subsidiaries.
- (b) Employee agrees that during the term of this Agreement, for one year following the termination of this Agreement, and, if the Employee receives any payments pursuant to paragraph 4(d) hereof, for six months following the last payment to Employee pursuant to that paragraph 4(d):
- (i) Employee will not render financial assistance to any person, firm, corporation or enterprise engaged in the same or similar business as the Corporation or any of its subsidiaries; provided, however, that nothing in this Agreement shall prevent the Employee from purchasing or holding 5% or less of the stock or other ownership interest of any publicly held entity;
- (ii) Employee will not directly or indirectly contact or attempt to persuade any agents or employees of the Corporation or any of its subsidiaries to terminate their relationship with the Corporation or any of its subsidiaries, nor do any act which may result in the impairment of the relationship between the Corporation or any of its subsidiaries and its agents or employees, provided however, that nothing contained herein shall prevent Employee from terminating agents or employees of the Corporation pursuant to Employee's authority during the Employment Term.
- 9. Remedy. Employee recognizes and agrees that his violation of any terms contained in paragraphs 6, 7 or 8 will cause irreparable damage to the Corporation, the amount of which will be impossible to estimate or determine. Therefore, Employee further agrees that the Corporation shall be entitled, as a matter of course, to an injunction restraining any violation or further violations of any such covenant or covenants by Employee, his employees, partners, agents or associates, such

right to an injunction to be cumulative and in addition to any other remedies, at law or otherwise, which the Corporation might have. Such covenants shall be severable, and if the same be held invalid by reason of length of time, area covered, or activity covered, or any or all of them, shall be reduced to the extent necessary to cure such invalidity.

- 10. Consolidation, Merger, or Sale of Assets. It shall be an irrevocable condition of the Corporation's consolidating or merging into or with or transferring all or substantially all of its assets to another corporation that such other corporation assume this Agreement and all obligations and understandings of the Corporation hereunder. Upon such a consolidation, merger, or transfer of assets and assumption, the term "Corporation," as used herein, shall mean such other corporation and this Agreement shall continue in full force and effect.
- 11. Notices. All notices or other communications which may be or are required to be given pursuant to this Agreement shall be deemed to have been given if in writing and, if delivered personally or by facsimile transmission, upon delivery, or, if mailed, two days after mailing by registered or certified mail, postage prepaid and properly addressed to the other party at the address stated above, or such other address as either party may give notice as provided in this paragraph.
- ment shall be invalid or unenforceable under applicable law, such provision shall be given the broadest interpretation which would render it valid and enforceable. The invalidity or unenforceability of one provision shall not affect the remaining parts of such provision or the remaining provisions of this Agreement.
- 13. <u>Binding Effect</u>. This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective heirs, devisees, executors, administrators, legal representatives, successors, and assigns.
- 14. Entire Agreement. The provisions contained herein constitute the entire agreement between the parties with respect to the subject matter hereof and supersede any and all prior agreements, understandings and communications between the parties, oral or written, with respect to such subject matter.
- 15. <u>Modification</u>. Any waiver, alteration, amendment or modification of any provisions of this Agreement shall not be valid unless in writing and signed by both the Employee and President of the Corporation.

- 16. <u>Assignment</u>. The Employee may not assign any of his rights or delegate any of his duties hereunder without the written consent of the Corporation. The Corporation may not assign any of its rights or delegate any of its obligations hereunder.
- 17. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the state or other jurisdiction in which the Corporation has its principal executive offices.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Agreement.

GEOSTAR CORPORATION

By authority of the Board of Directors

By: Martin R. Snoey, President

Robert D. Briskman, Employee

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into as of August 28, 1990 by and between GEOSTAR CORPORATION, a Delaware corporation (the "Corporation"), having its principal place of business at 1001 22nd Street, N.W., Washington, D.C. 20037 and DONALD E. BROWN ("Employee"), whose address is 23-29 Bayside Drive, Stevensville, Maryland 21666.

Background. The Employee is currently employed by the Corporation. The Corporation and the Employee mutually desire to continue the employment of the Employee, and to set forth the terms and conditions of such employment in writing.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto, intending to be legally bound hereby, agree as follows:

- ditions set forth herein, the Corporation hereby agrees to employ the Employee and the Employee agrees to accept such employment as Senior Vice President, Corporate and International of the Corporation. In the performance of services hereunder, Employee will devote his best efforts and essentially all of his time during normal business hours to the business of the Corporation, subject to vacations and sick leave. Employee shall, subject to the management or the direction of the Corporation's President, perform such duties and functions customarily performed by the Senior Vice President, Corporate and International of businesses comparable in size and scope to that of the Corporation and such other comparable duties as may from time to time be designated by the Corporation's Board of Directors or President.
- 2. Term. Unless sooner terminated in accordance with the provisions hereof, the term of employment shall commence on the date hereof and shall continue for one year (the "Employment Term"). Subsequent to the initial one-year Employment Term, this Agreement and the Employment Term shall continue until this Agreement is terminated by 30 days written notice by either party.
- 3. <u>Salary</u>. For all services rendered by the Employee under this Agreement, the basic annual salary to be paid by the Corporation to the Employee (the "Basic Annual Salary") shall be \$130,000.00, which may be increased from time to time by the Board of Directors of the Corporation, provided that the Basic Annual Salary shall not be decreased by the Board of

Directors except with the written consent of the Employee. Such Basic Annual Salary shall be paid in bi-weekly installments.

4. Benefits.

- (a) Employee shall be entitled to all normal and usual benefits provided by the Corporation to its employees, including, but not limited to, life, disability, medical and dental insurance, vacations, reimbursement for reasonable expenses incurred in connection with performing services for the Corporation, participation in stock option, stock bonus, profit sharing and retirement plans and such other benefits as the Board of Directors of the Corporation may from time to time determine based upon the benefits paid to other officers of the Corporation.
- In the event that the Corporation termi-(b) nates this Agreement other than for Cause (as defined in paragraph 5), the Employee shall be granted options ("New Options") to purchase that number of shares of the Corporation's Common Stock equal to the number of shares of Common Stock subject to options awarded to the Employee pursuant to the Corporation's Amended and Restated 1983 Stock Option Plan, any successor plan or other stock option plan (the "Plan") which are outstanding as of the effective date of such termination and are not subsequently exercised by the Employee prior to the expiration date of such options, as determined pursuant to the Plan. Such New Options shall be issued to the Employee only upon the surrender and cancellation of the Plan options. The New Options shall have a term of two (2) years from the effective date of such termination. The exercise price of the shares subject to the New Options shall equal the exercise price of the shares subject to the cancelled Plan options referred to above. If this Agreement terminates for any reason other than those set forth in the first sentence of this paragraph 4(b), any options owned by the Employee pursuant to the Plan shall be governed by the provisions of the Plan.
- (c) In the event that the Corporation terminates this Agreement other than for Cause (as defined in paragraph 5), then all shares of Common Stock of the Corporation granted or issued to the Employee pursuant to the Corporation's 1990 Stock Bonus Plan or any other restricted stock bonus plan of the Corporation shall immediately and automatically vest in full with the Employee or to the extent such vesting is not permitted pursuant to the terms of such plan, the Corporation shall issue to the Employee that number of shares of Common Stock equal to the number that would have then vested if permitted pursuant to the terms of such plan.

(d) In the event that the Corporation terminates this Agreement during the initial one-year Employment Term other than for Cause (as defined in paragraph 5), the Employee shall be paid by the Corporation in bi-weekly installments during the one year period following the effective date of such termination an amount equal to the Employee's Basic Annual Salary. Such severance payment shall be conditioned upon the Employee's continued compliance with the terms of this Agreement. The Corporation may terminate such payments upon a finding by the Board of Directors that Employee is not in compliance with any of the provisions of this Agreement.

5. <u>Termination</u>.

- (a) Except for a termination for Cause (as defined below) by the Corporation or a termination resulting from the death of Employee, this Agreement may be terminated upon thirty (30) days written notice by either party. This Agreement automatically terminates upon the death of Employee.
- (b) This Agreement may be terminated immediately for Cause by the Corporation upon delivery of written notice.
- (c) "Cause" for termination shall be defined to include the following circumstances:
- (i) an act of moral turpitude on the part of the Employee;
- (ii) a material breach by Employee of any duty or obligation imposed upon Employee by or pursuant to this Agreement; or
- (iii) an act of gross negligence, malfeasance or dishonesty in the performance of Employee's duties to the Corporation.
- (d) In the event of the termination of this Agreement for any reason, paragraphs 6, 7 and 8 shall survive.
- Agreement, Confidential Information. For purposes of this Agreement, Confidential Information shall mean all confidential and proprietary technical, business and financial information of the Corporation, including, but not limited to, information with respect to customer lists, marketing and financial information, personnel, sales and statistical data, plans for future development, computer programs, and information with respect to various techniques, procedures, processes and methods and any other information acquired, used or developed by Employee or other employees or agents of the Corporation during the

Employment Term in carrying out the business of the Corporation. Except for actions taken in the course of his employment hereunder, Employee shall not, during the Employment Term or two (2) years thereafter, use, divulge, furnish or make accessible to any person any Confidential Information obtained by him while employed by the Corporation except as authorized in writing by the Board of Directors. However, Employee shall be relieved of his responsibilities under this paragraph with respect to any Confidential Information which has been made public or otherwise made available on a non-confidential basis, or made available with the agreement of the Board of Directors to any persons or entities outside the Corporation by any person or persons other than Employee. All documents, magnetic media and other materials containing Confidential Information made or compiled by or made available to Employee during the course of his employment, and all copies thereof, are and shall be the property of the Corporation and shall be delivered to the Corporation by Employee immediately upon the conclusion of his employment.

Developments. All inventions, ideas, reports, discoveries, developments, designs, improvements, techniques, "know-how," data and other creative ideas (all of the foregoing to be hereafter referred to as "Proprietary Information"), whether or not patentable or registerable under copyright or similar statutes, hereinafter generated by Employee either alone or jointly with others in the course of his acting as an employee pursuant to this Agreement relating or useful to the business of the Corporation shall promptly be disclosed to the Corporation and shall be the sole property of the Corporation. Employee hereby assigns to the Corporation any rights which he may acquire or develop in such Proprietary Information. ployee shall cooperate with the Corporation in patenting or copyrighting any such Proprietary Information, shall execute any documents tendered by the Corporation to evidence its ownership thereof, and shall cooperate with the Corporation in defending and enforcing its rights therein. Employee's obligations under this section to assist the Corporation in obtaining and enforcing patents, copyrights, and other rights and protections relating to such Proprietary Information in any and all countries shall continue beyond the termination of this Agree-The Corporation agrees to compensate Employee at a reasonable rate for time actually spent by Employee at the Corporation's request on such assistance after termination of this Agreement. If the Corporation is unable, after reasonable effort, to secure Employee's signature on any documents or documents needed to apply for or prosecute any patent, copyright, or right or protection relating to such Proprietary Information, whether because of Employee's physical or mental incapacity or for any other reason whatsoever, Employee hereby irrevocably designates and appoints the Corporation and its duly

authorized officers and agents as Employee's agent and attorney-in-fact, to act for and in his behalf and stead to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyrights, or similar protections thereon with the same legal force and effect as if executed by Employ-ee.

8. Non-Competition.

- (a) Employee shall not during the term of this Agreement, for one year following the termination of this Agreement, and, if the Employee receives any payments pursuant to paragraph 4(d) hereof, for six months following the last payment to Employee pursuant to that paragraph 4(d) engage directly or indirectly (either for his own account, or as an agent, employee, consultant, partner, officer, director, stockholder or otherwise of any person, firm, corporation or other enterprise) in any business or activity in competition or own any interest in any business which competes with the principal business of the Corporation or any of its subsidiaries.
- (b) Employee agrees that during the term of this Agreement, for one year following the termination of this Agreement, and, if the Employee receives any payments pursuant to paragraph 4(d) hereof, for six months following the last payment to Employee pursuant to that paragraph 4(d):
- (i) Employee will not render financial assistance to any person, firm, corporation or enterprise engaged in the same or similar business as the Corporation or any of its subsidiaries; provided, however, that nothing in this Agreement shall prevent the Employee from purchasing or holding 5% or less of the stock or other ownership interest of any publicly held entity;
- (ii) Employee will not directly or indirectly contact or attempt to persuade any agents or employees of the Corporation or any of its subsidiaries to terminate their relationship with the Corporation or any of its subsidiaries, nor do any act which may result in the impairment of the relationship between the Corporation or any of its subsidiaries and its agents or employees, provided however, that nothing contained herein shall prevent Employee from terminating agents or employees of the Corporation pursuant to Employee's authority during the Employment Term.
- 9. Remedy. Employee recognizes and agrees that his violation of any terms contained in paragraphs 6, 7 or 8 will cause irreparable damage to the Corporation, the amount of which will be impossible to estimate or determine. Therefore,

Employee further agrees that the Corporation shall be entitled, as a matter of course, to an injunction restraining any violation or further violations of any such covenant or covenants by Employee, his employees, partners, agents or associates, such right to an injunction to be cumulative and in addition to any other remedies, at law or otherwise, which the Corporation might have. Such covenants shall be severable, and if the same be held invalid by reason of length of time, area covered, or activity covered, or any or all of them, shall be reduced to the extent necessary to cure such invalidity.

- 10. Consolidation, Merger, or Sale of Assets. It shall be an irrevocable condition of the Corporation's consolidating or merging into or with or transferring all or substantially all of its assets to another corporation that such other corporation assume this Agreement and all obligations and understandings of the Corporation hereunder. Upon such a consolidation, merger, or transfer of assets and assumption, the term "Corporation," as used herein, shall mean such other corporation and this Agreement shall continue in full force and effect.
- 11. Notices. All notices or other communications which may be or are required to be given pursuant to this Agreement shall be deemed to have been given if in writing and, if delivered personally or by facsimile transmission, upon delivery, or, if mailed, two days after mailing by registered or certified mail, postage prepaid and properly addressed to the other party at the address stated above, or such other address as either party may give notice as provided in this paragraph.
- ment shall be invalid or unenforceable under applicable law, such provision shall be given the broadest interpretation which would render it valid and enforceable. The invalidity or unenforceability of one provision shall not affect the remaining parts of such provision or the remaining provisions of this Agreement.
- 13. <u>Binding Effect</u>. This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective heirs, devisees, executors, administrators, legal representatives, successors, and assigns.
- 14. Entire Agreement. The provisions contained herein constitute the entire agreement between the parties with respect to the subject matter hereof and supersede any and all prior agreements, understandings and communications between the parties, oral or written, with respect to such subject matter.

- 15. <u>Modification</u>. Any waiver, alteration, amendment or modification of any provisions of this Agreement shall not be valid unless in writing and signed by both the Employee and President of the Corporation.
- 16. <u>Assignment</u>. The Employee may not assign any of his rights or delegate any of his duties hereunder without the written consent of the Corporation. The Corporation may not assign any of its rights or delegate any of its obligations hereunder.
- 17. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the state or other jurisdiction in which the Corporation has its principal executive offices.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Agreement.

GEOSTAR CORPORATION

By authority of the Board of Directors

sy: Warte

Snoey President

Donald E. Brown, Employee

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into as of August 28, 1990 by and between GEOSTAR CORPORATION, a Delaware corporation (the "Corporation"), having its principal place of business at 1001 22nd Street, N.W., Washington, D.C. 20037 and T. STEPHEN CHESTON ("Employee"), whose address is 1431 Ironwood Drive, McLean, Virginia 22101.

<u>Background</u>. The Employee is currently employed by the Corporation. The Corporation and the Employee mutually desire to continue the employment of the Employee, and to set forth the terms and conditions of such employment in writing.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto, intending to be legally bound hereby, agree as follows:

- 1. Employment and Duties. Upon the terms and conditions set forth herein, the Corporation hereby agrees to employ the Employee and the Employee agrees to accept such employment as Executive Vice President of the Corporation. In the performance of services hereunder, Employee will devote his best efforts and essentially all of his time during normal business hours to the business of the Corporation, subject to vacations and sick leave. Employee shall, subject to the management or the direction of the Corporation's President, perform such duties and functions customarily performed by the Executive Vice President of businesses comparable in size and scope to that of the Corporation and such other comparable duties as may from time to time be designated by the Corporation's Board of Directors or President.
- 2. Term. Unless sooner terminated in accordance with the provisions hereof, the term of employment shall commence on the date hereof and shall continue for one year (the "Employment Term"). Subsequent to the initial one-year Employment Term, this Agreement and the Employment Term shall continue until this Agreement is terminated by 30 days written notice by either party.
- 3. <u>Salary</u>. For all services rendered by the Employee under this Agreement, the basic annual salary to be paid by the Corporation to the Employee (the "Basic Annual Salary") shall be \$115,000.00, which may be increased from time to time by the Board of Directors of the Corporation, provided that the Basic Annual Salary shall not be decreased by the Board of Directors except with the written consent of the Employee. Such Basic Annual Salary shall be paid in bi-weekly installments.

4. Benefits.

- (a) Employee shall be entitled to all normal and usual benefits provided by the Corporation to its employees, including, but not limited to, life, disability, medical and dental insurance, vacations, reimbursement for reasonable expenses incurred in connection with performing services for the Corporation, participation in stock option, stock bonus, profit sharing and retirement plans and such other benefits as the Board of Directors of the Corporation may from time to time determine based upon the benefits paid to other officers of the Corporation.
- In the event that the Corporation terminates this Agreement other than for Cause (as defined in paragraph 5), the Employee shall be granted options ("New Options") to purchase that number of shares of the Corporation's Common Stock equal to the number of shares of Common Stock subject to options awarded to the Employee pursuant to the Corporation's Amended and Restated 1983 Stock Option Plan, any successor plan or other stock option plan (the "Plan") which are outstanding as of the effective date of such termination and are not subsequently exercised by the Employee prior to the expiration date of such options, as determined pursuant to the Plan. Such New Options shall be issued to the Employee only upon the surrender and cancellation of the Plan options. The New Options shall have a term of two (2) years from the effective date of such The exercise price of the shares subject to the termination. New Options shall equal the exercise price of the shares subject to the cancelled Plan options referred to above. Agreement terminates for any reason other than those set forth in the first sentence of this paragraph 4(b), any options owned by the Employee pursuant to the Plan shall be governed by the provisions of the Plan.
- (c) In the event that the Corporation terminates this Agreement other than for Cause (as defined in paragraph 5), then all shares of Common Stock of the Corporation granted or issued to the Employee pursuant to the Corporation's 1990 Stock Bonus Plan or any other restricted stock bonus plan of the Corporation shall immediately and automatically vest in full with the Employee or to the extent such vesting is not permitted pursuant to the terms of such plan, the Corporation shall issue to the Employee that number of shares of Common Stock equal to the number that would have then vested if permitted pursuant to the terms of such plan.
- (d) In the event that the Corporation terminates this Agreement during the initial one-year Employment Term other than for Cause (as defined in paragraph 5), the

- (2) years thereafter, use, divulge, furnish or make accessible to any person any Confidential Information obtained by him while employed by the Corporation except as authorized in writing by the Board of Directors. However, Employee shall be relieved of his responsibilities under this paragraph with respect to any Confidential Information which has been made public or otherwise made available on a non-confidential basis, or made available with the agreement of the Board of Directors to any persons or entities outside the Corporation by any person or persons other than Employee. All documents, magnetic media and other materials containing Confidential Information made or compiled by or made available to Employee during the course of his employment, and all copies thereof, are and shall be the property of the Corporation and shall be delivered to the Corporation by Employee immediately upon the conclusion of his employment.
- <u>Developments</u>. All inventions, ideas, reports, discoveries, developments, designs, improvements, techniques. "know-how," data and other creative ideas (all of the foregoing to be hereafter referred to as "Proprietary Information"), whether or not patentable or registerable under copyright or similar statutes, hereinafter generated by Employee either alone or jointly with others in the course of his acting as an employee pursuant to this Agreement relating or useful to the business of the Corporation shall promptly be disclosed to the Corporation and shall be the sole property of the Corporation. Employee hereby assigns to the Corporation any rights which he may acquire or develop in such Proprietary Information. Employee shall cooperate with the Corporation in patenting or copyrighting any such Proprietary Information, shall execute any documents tendered by the Corporation to evidence its own-ership thereof, and shall cooperate with the Corporation in defending and enforcing its rights therein. Employee's obligations under this section to assist the Corporation in obtaining and enforcing patents, copyrights, and other rights and protections relating to such Proprietary Information in any and all countries shall continue beyond the termination of this Agreement. The Corporation agrees to compensate Employee at a reasonable rate for time actually spent by Employee at the Corporation's request on such assistance after termination of this Agreement. If the Corporation is unable, after reasonable effort, to secure Employee's signature on any documents or documents needed to apply for or prosecute any patent, copyright, or right or protection relating to such Proprietary Information, whether because of Employee's physical or mental incapacity or for any other reason whatsoever, Employee hereby irrevocably designates and appoints the Corporation and its duly authorized officers and agents as Employee's agent and attorneyin-fact, to act for and in his behalf and stead to execute and file any such application or applications and to do all other

lawfully permitted acts to further the prosecution and issuance of patents, copyrights, or similar protections thereon with the same legal force and effect as if executed by Employee.

8. Non-Competition.

- (a) Employee shall not during the term of this Agreement, for one year following the termination of this Agreement, and, if the Employee receives any payments pursuant to paragraph 4(d) hereof, for six months following the last payment to Employee pursuant to that paragraph 4(d) engage directly or indirectly (either for his own account, or as an agent, employee, consultant, partner, officer, director, stockholder or otherwise of any person, firm, corporation or other enterprise) in any business or activity in competition or own any interest in any business which competes with the principal business of the Corporation or any of its subsidiaries.
- (b) Employee agrees that during the term of this Agreement, for one year following the termination of this Agreement, and, if the Employee receives any payments pursuant to paragraph 4(d) hereof, for six months following the last payment to Employee pursuant to that paragraph 4(d):
- (i) Employee will not render financial assistance to any person, firm, corporation or enterprise engaged in the same or similar business as the Corporation or any of its subsidiaries; provided, however, that nothing in this Agreement shall prevent the Employee from purchasing or holding 5% or less of the stock or other ownership interest of any publicly held entity;
- (ii) Employee will not directly or indirectly contact or attempt to persuade any agents or employees of the Corporation or any of its subsidiaries to terminate their relationship with the Corporation or any of its subsidiaries, nor do any act which may result in the impairment of the relationship between the Corporation or any of its subsidiaries and its agents or employees, provided however, that nothing contained herein shall prevent Employee from terminating agents or employees of the Corporation pursuant to Employee's authority during the Employment Term.
- 9. Remedy. Employee recognizes and agrees that his violation of any terms contained in paragraphs 6, 7 or 8 will cause irreparable damage to the Corporation, the amount of which will be impossible to estimate or determine. Therefore, Employee further agrees that the Corporation shall be entitled, as a matter of course, to an injunction restraining any violation or further violations of any such covenant or covenants by Employee, his employees, partners, agents or associates, such

right to an injunction to be cumulative and in addition to any other remedies, at law or otherwise, which the Corporation might have. Such covenants shall be severable, and if the same be held invalid by reason of length of time, area covered, or activity covered, or any or all of them, shall be reduced to the extent necessary to cure such invalidity.

- 10. Consolidation, Merger, or Sale of Assets. It shall be an irrevocable condition of the Corporation's consolidating or merging into or with or transferring all or substantially all of its assets to another corporation that such other corporation assume this Agreement and all obligations and understandings of the Corporation hereunder. Upon such a consolidation, merger, or transfer of assets and assumption, the term "Corporation," as used herein, shall mean such other corporation and this Agreement shall continue in full force and effect.
- 11. Notices. All notices or other communications which may be or are required to be given pursuant to this Agreement shall be deemed to have been given if in writing and, if delivered personally or by facsimile transmission, upon delivery, or, if mailed, two days after mailing by registered or certified mail, postage prepaid and properly addressed to the other party at the address stated above, or such other address as either party may give notice as provided in this paragraph.
- ment shall be invalid or unenforceable under applicable law, such provision shall be given the broadest interpretation which would render it valid and enforceable. The invalidity or unenforceability of one provision shall not affect the remaining parts of such provision or the remaining provisions of this Agreement.
- 13. <u>Binding Effect</u>. This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective heirs, devisees, executors, administrators, legal representatives, successors, and assigns.
- 14. Entire Agreement. The provisions contained herein constitute the entire agreement between the parties with respect to the subject matter hereof and supersede any and all prior agreements, understandings and communications between the parties, oral or written, with respect to such subject matter.
- 15. <u>Modification</u>. Any waiver, alteration, amendment or modification of any provisions of this Agreement shall not be valid unless in writing and signed by both the Employee and President of the Corporation.

- 16. <u>Assignment</u>. The Employee may not assign any of his rights or delegate any of his duties hereunder without the written consent of the Corporation. The Corporation may not assign any of its rights or delegate any of its obligations hereunder.
- 17. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the state or other jurisdiction in which the Corporation has its principal executive offices.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Agreement.

GEOSTAR CORPORATION

By authority of the Board of Directors

By: | Martin R. Spoey Presiden

T. Stephen Cheston, Employee

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into as of August 28, 1990 by and between GEOSTAR CORPORATION, a Delaware corporation (the "Corporation"), having its principal place of business at 1001 22nd Street, N.W., Washington, D.C. 20037 and MICHAEL J. BRESLIN ("Employee"), whose address is 9511 Chestnut Farm Drive, Vienna, Virginia 22180.

<u>Background</u>. The Employee is currently employed by the Corporation. The Corporation and the Employee mutually desire to continue the employment of the Employee, and to set forth the terms and conditions of such employment in writing.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto, intending to be legally bound hereby, agree as follows:

- Employment and Duties. Upon the terms and conditions set forth herein, the Corporation hereby agrees to employ the Employee and the Employee agrees to accept such employment as Senior Vice President - Sales and Marketing of the In the performance of services hereunder, Employ-Corporation. ee will devote his best efforts and essentially all of his time during normal business hours to the business of the Corporation, subject to vacations and sick leave. Employee shall, subject to the management or the direction of the Corporation's President, perform such duties and functions customarily performed by the Senior Vice President - Sales and Marketing of businesses comparable in size and scope to that of the Corporation and such other comparable duties as may from time to time be designated by the Corporation's Board of Directors or President.
- with the provisions hereof, the term of employment shall commence on the date hereof and shall continue for one year (the "Employment Term"). Subsequent to the initial one-year Employment Term, this Agreement and the Employment Term shall continue until this Agreement is terminated by 30 days written notice by either party.
- 3. Salary. For all services rendered by the Employee under this Agreement, the basic annual salary to be paid by the Corporation to the Employee (the "Basic Annual Salary") shall be \$106,000.00, which may be increased from time to time by the Board of Directors of the Corporation, provided that the Basic Annual Salary shall not be decreased by the Board of

Directors except with the written consent of the Employee. Such Basic Annual Salary shall be paid in bi-weekly installments.

4. Benefits.

- (a) Employee shall be entitled to all normal and usual benefits provided by the Corporation to its employees, including, but not limited to, life, disability, medical and dental insurance, vacations, reimbursement for reasonable expenses incurred in connection with performing services for the Corporation, participation in stock option, stock bonus, profit sharing and retirement plans and such other benefits as the Board of Directors of the Corporation may from time to time determine based upon the benefits paid to other officers of the Corporation.
- (b) In the event that the Corporation terminates this Agreement other than for Cause (as defined in paragraph 5), the Employee shall be granted options ("New Options") to purchase that number of shares of the Corporation's Common Stock equal to the number of shares of Common Stock subject to options awarded to the Employee pursuant to the Corporation's Amended and Restated 1983 Stock Option Plan, any successor plan or other stock option plan (the "Plan") which are outstanding as of the effective date of such termination and are not subsequently exercised by the Employee prior to the expiration date of such options, as determined pursuant to the Plan. Such New Options shall be issued to the Employee only upon the surrender and cancellation of the Plan options. The New Options shall have a term of two (2) years from the effective date of such termination. The exercise price of the shares subject to the New Options shall equal the exercise price of the shares subject to the cancelled Plan options referred to above. If this Agreement terminates for any reason other than those set forth in the first sentence of this paragraph 4(b), any options owned by the Employee pursuant to the Plan shall be governed by the provisions of the Plan.
- (c) In the event that the Corporation terminates this Agreement other than for Cause (as defined in paragraph 5), then all shares of Common Stock of the Corporation granted or issued to the Employee pursuant to the Corporation's 1990 Stock Bonus Plan or any other restricted stock bonus plan of the Corporation shall immediately and automatically vest in full with the Employee or to the extent such vesting is not permitted pursuant to the terms of such plan, the Corporation shall issue to the Employee that number of shares of Common Stock equal to the number that would have then vested if permitted pursuant to the terms of such plan.

(d) In the event that the Corporation terminates this Agreement during the initial one-year Employment Term other than for Cause (as defined in paragraph 5), the Employee shall be paid by the Corporation in bi-weekly installments during the one year period following the effective date of such termination an amount equal to the Employee's Basic Annual Salary. Such severance payment shall be conditioned upon the Employee's continued compliance with the terms of this Agreement. The Corporation may terminate such payments upon a finding by the Board of Directors that Employee is not in compliance with any of the provisions of this Agreement.

5. Termination.

- (a) Except for a termination for Cause (as defined below) by the Corporation or a termination resulting from the death of Employee, this Agreement may be terminated upon thirty (30) days written notice by either party. This Agreement automatically terminates upon the death of Employee.
- (b) This Agreement may be terminated immediately for Cause by the Corporation upon delivery of written notice.
- (c) "Cause" for termination shall be defined to include the following circumstances:
- (i) an act of moral turpitude on the part of the Employee;
- (ii) a material breach by Employee of any duty or obligation imposed upon Employee by or pursuant to this Agreement; or
- (iii) an act of gross negligence, malfeasance or dishonesty in the performance of Employee's duties to the Corporation.
- (d) In the event of the termination of this Agreement for any reason, paragraphs 6, 7 and 8 shall survive.
- 6. <u>Confidential Information</u>. For purposes of this Agreement, Confidential Information shall mean all confidential and proprietary technical, business and financial information of the Corporation, including, but not limited to, information with respect to customer lists, marketing and financial information, personnel, sales and statistical data, plans for future development, computer programs, and information with respect to various techniques, procedures, processes and methods and any other information acquired, used or developed by Employee or other employees or agents of the Corporation during the

Employment Term in carrying out the business of the Corpora-Except for actions taken in the course of his employment hereunder, Employee shall not, during the Employment Term or two (2) years thereafter, use, divulge, furnish or make accessible to any person any Confidential Information obtained by him while employed by the Corporation except as authorized in writing by the Board of Directors. However, Employee shall be relieved of his responsibilities under this paragraph with respect to any Confidential Information which has been made public or otherwise made available on a non-confidential basis, or made available with the agreement of the Board of Directors to any persons or entities outside the Corporation by any person or persons other than Employee. All documents, magnetic media and other materials containing Confidential Information made or compiled by or made available to Employee during the course of his employment, and all copies thereof, are and shall be the property of the Corporation and shall be delivered to the Corporation by Employee immediately upon the conclusion of his employment.

<u>Developments</u>. All inventions, ideas, reports, discoveries, developments, designs, improvements, techniques, "know-how," data and other creative ideas (all of the foregoing to be hereafter referred to as "Proprietary Information"), whether or not patentable or registerable under copyright or similar statutes, hereinafter generated by Employee either alone or jointly with others in the course of his acting as an employee pursuant to this Agreement relating or useful to the business of the Corporation shall promptly be disclosed to the Corporation and shall be the sole property of the Corporation. Employee hereby assigns to the Corporation any rights which he may acquire or develop in such Proprietary Information. Employee shall cooperate with the Corporation in patenting or copyrighting any such Proprietary Information, shall execute any documents tendered by the Corporation to evidence its ownership thereof, and shall cooperate with the Corporation in defending and enforcing its rights therein. Employee's obligations under this section to assist the Corporation in obtaining and enforcing patents, copyrights, and other rights and protections relating to such Proprietary Information in any and all countries shall continue beyond the termination of this Agreement. The Corporation agrees to compensate Employee at a reasonable rate for time actually spent by Employee at the Corporation's request on such assistance after termination of this Agreement. If the Corporation is unable, after reasonable effort, to secure Employee's signature on any documents or documents needed to apply for or prosecute any patent, copyright, or right or protection relating to such Proprietary Information, whether because of Employee's physical or mental incapacity or for any other reason whatsoever, Employee hereby irrevocably designates and appoints the Corporation and its duly

authorized officers and agents as Employee's agent and attorney-in-fact, to act for and in his behalf and stead to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyrights, or similar protections thereon with the same legal force and effect as if executed by Employee.

8. Non-Competition.

- (a) Employee shall not during the term of this Agreement, for one year following the termination of this Agreement, and, if the Employee receives any payments pursuant to paragraph 4(d) hereof, for six months following the last payment to Employee pursuant to that paragraph 4(d) engage directly or indirectly (either for his own account, or as an agent, employee, consultant, partner, officer, director, stockholder or otherwise of any person, firm, corporation or other enterprise) in any business or activity in competition or own any interest in any business which competes with the principal business of the Corporation or any of its subsidiaries.
- (b) Employee agrees that during the term of this Agreement, for one year following the termination of this Agreement, and, if the Employee receives any payments pursuant to paragraph 4(d) hereof, for six months following the last payment to Employee pursuant to that paragraph 4(d):
- (i) Employee will not render financial assistance to any person, firm, corporation or enterprise engaged in the same or similar business as the Corporation or any of its subsidiaries; provided, however, that nothing in this Agreement shall prevent the Employee from purchasing or holding 5% or less of the stock or other ownership interest of any publicly held entity;
- (ii) Employee will not directly or indirectly contact or attempt to persuade any agents or employees of the Corporation or any of its subsidiaries to terminate their relationship with the Corporation or any of its subsidiaries, nor do any act which may result in the impairment of the relationship between the Corporation or any of its subsidiaries and its agents or employees, provided however, that nothing contained herein shall prevent Employee from terminating agents or employees of the Corporation pursuant to Employee's authority during the Employment Term.
- 9. Remedy. Employee recognizes and agrees that his violation of any terms contained in paragraphs 6, 7 or 8 will cause irreparable damage to the Corporation, the amount of which will be impossible to estimate or determine. Therefore,

Employee further agrees that the Corporation shall be entitled, as a matter of course, to an injunction restraining any violation or further violations of any such covenant or covenants by Employee, his employees, partners, agents or associates, such right to an injunction to be cumulative and in addition to any other remedies, at law or otherwise, which the Corporation might have. Such covenants shall be severable, and if the same be held invalid by reason of length of time, area covered, or activity covered, or any or all of them, shall be reduced to the extent necessary to cure such invalidity.

- 10. Consolidation, Merger, or Sale of Assets. It shall be an irrevocable condition of the Corporation's consolidating or merging into or with or transferring all or substantially all of its assets to another corporation that such other corporation assume this Agreement and all obligations and understandings of the Corporation hereunder. Upon such a consolidation, merger, or transfer of assets and assumption, the term "Corporation," as used herein, shall mean such other corporation and this Agreement shall continue in full force and effect.
- 11. Notices. All notices or other communications which may be or are required to be given pursuant to this Agreement shall be deemed to have been given if in writing and, if delivered personally or by facsimile transmission, upon delivery, or, if mailed, two days after mailing by registered or certified mail, postage prepaid and properly addressed to the other party at the address stated above, or such other address as either party may give notice as provided in this paragraph.
- 12. <u>Severability</u>. If any provision of this Agreement shall be invalid or unenforceable under applicable law, such provision shall be given the broadest interpretation which would render it valid and enforceable. The invalidity or unenforceability of one provision shall not affect the remaining parts of such provision or the remaining provisions of this Agreement.
- 13. <u>Binding Effect</u>. This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective heirs, devisees, executors, administrators, legal representatives, successors, and assigns.
- 14. Entire Agreement. The provisions contained herein constitute the entire agreement between the parties with respect to the subject matter hereof and supersede any and all prior agreements, understandings and communications between the parties, oral or written, with respect to such subject matter.

- 15. <u>Modification</u>. Any waiver, alteration, amendment or modification of any provisions of this Agreement shall not be valid unless in writing and signed by both the Employee and President of the Corporation.
- 16. Assignment. The Employee may not assign any of his rights or delegate any of his duties hereunder without the written consent of the Corporation. The Corporation may not assign any of its rights or delegate any of its obligations hereunder.
- 17. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the state or other jurisdiction in which the Corporation has its principal executive offices.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Agreement.

GEOSTAR CORPORATION

By authority of the Board of Directors

Bv:

y President

Michael J. Breslin, Employee

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into as of August 28, 1990 by and between GEOSTAR CORPORATION, a Delaware corporation (the "Corporation"), having its principal place of business at 1001 22nd Street, N.W., Washington, D.C. 20037 and STEVEN W. VAN TILL ("Employee"), whose address is 2950 Van Ness Street, N.W. #919, Washington, D.C. 20008.

Background. The Employee is currently employed by the Corporation. The Corporation and the Employee mutually desire to continue the employment of the Employee, and to set forth the terms and conditions of such employment in writing.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto, intending to be legally bound hereby, agree as follows:

- ditions set forth herein, the Corporation hereby agrees to employ the Employee and the Employee agrees to accept such employment as Vice President Software Information Systems Operations of the Corporation. In the performance of services hereunder, Employee will devote his best efforts and essentially all of his time during normal business hours to the business of the Corporation, subject to vacations and sick leave. Employee shall, subject to the management or the direction of the Corporation's President, perform such duties and functions customarily performed by the Vice President Software Information Systems Operations of businesses comparable in size and scope to that of the Corporation and such other comparable duties as may from time to time be designated by the Corporation's Board of Directors or President.
- 2. Term. Unless sooner terminated in accordance with the provisions hereof, the term of employment shall commence on the date hereof and shall continue for one year (the "Employment Term"). Subsequent to the initial one-year Employment Term, this Agreement and the Employment Term shall continue until this Agreement is terminated by 30 days written notice by either party.
- 3. <u>Salary</u>. For all services rendered by the Employee under this Agreement, the basic annual salary to be paid by the Corporation to the Employee (the "Basic Annual Salary") shall be \$72,000.00, which may be increased from time to time by the Board of Directors of the Corporation, provided that the Basic Annual Salary shall not be decreased by the Board of

Directors except with the written consent of the Employee. Such Basic Annual Salary shall be paid in bi-weekly installments.

4. Benefits.

- (a) Employee shall be entitled to all normal and usual benefits provided by the Corporation to its employees, including, but not limited to, life, disability, medical and dental insurance, vacations, reimbursement for reasonable expenses incurred in connection with performing services for the Corporation, participation in stock option, stock bonus, profit sharing and retirement plans and such other benefits as the Board of Directors of the Corporation may from time to time determine based upon the benefits paid to other officers of the Corporation.
- In the event that the Corporation termi-(b) nates this Agreement other than for Cause (as defined in paragraph 5), the Employee shall be granted options ("New Options") to purchase that number of shares of the Corporation's Common Stock equal to the number of shares of Common Stock subject to options awarded to the Employee pursuant to the Corporation's Amended and Restated 1983 Stock Option Plan, any successor plan or other stock option plan (the "Plan") which are outstanding as of the effective date of such termination and are not subsequently exercised by the Employee prior to the expiration date of such options, as determined pursuant to the Plan. Such New Options shall be issued to the Employee only upon the surrender and cancellation of the Plan options. The New Options shall have a term of two (2) years from the effective date of such The exercise price of the shares subject to the termination. New Options shall equal the exercise price of the shares subject to the cancelled Plan options referred to above. If this Agreement terminates for any reason other than those set forth in the first sentence of this paragraph 4(b), any options owned by the Employee pursuant to the Plan shall be governed by the provisions of the Plan.
- (c) In the event that the Corporation terminates this Agreement other than for Cause (as defined in paragraph 5), then all shares of Common Stock of the Corporation granted or issued to the Employee pursuant to the Corporation's 1990 Stock Bonus Plan or any other restricted stock bonus plan of the Corporation shall immediately and automatically vest in full with the Employee or to the extent such vesting is not permitted pursuant to the terms of such plan, the Corporation shall issue to the Employee that number of shares of Common Stock equal to the number that would have then vested if permitted pursuant to the terms of such plan.

(d) In the event that the Corporation terminates this Agreement during the initial one-year Employment Term other than for Cause (as defined in paragraph 5), the Employee shall be paid by the Corporation in bi-weekly installments during the one year period following the effective date of such termination an amount equal to the Employee's Basic Annual Salary. Such severance payment shall be conditioned upon the Employee's continued compliance with the terms of this Agreement. The Corporation may terminate such payments upon a finding by the Board of Directors that Employee is not in compliance with any of the provisions of this Agreement.

5. Termination.

- (a) Except for a termination for Cause (as defined below) by the Corporation or a termination resulting from the death of Employee, this Agreement may be terminated upon thirty (30) days written notice by either party. This Agreement automatically terminates upon the death of Employee.
- (b) This Agreement may be terminated immediately for Cause by the Corporation upon delivery of written notice.
- (c) "Cause" for termination shall be defined to include the following circumstances:
- (i) an act of moral turpitude on the part of the Employee;
- (ii) a material breach by Employee of any duty or obligation imposed upon Employee by or pursuant to this Agreement; or
- (iii) an act of gross negligence, malfeasance or dishonesty in the performance of Employee's duties to the Corporation.
- (d) In the event of the termination of this Agreement for any reason, paragraphs 6, 7 and 8 shall survive.
- 6. <u>Confidential Information</u>. For purposes of this Agreement, Confidential Information shall mean all confidential and proprietary technical, business and financial information of the Corporation, including, but not limited to, information with respect to customer lists, marketing and financial information, personnel, sales and statistical data, plans for future development, computer programs, and information with respect to various techniques, procedures, processes and methods and any other information acquired, used or developed by Employee or other employees or agents of the Corporation during the

Employment Term in carrying out the business of the Corporation. Except for actions taken in the course of his employment hereunder, Employee shall not, during the Employment Term or two (2) years thereafter, use, divulge, furnish or make accessible to any person any Confidential Information obtained by him while employed by the Corporation except as authorized in writing by the Board of Directors. However, Employee shall be relieved of his responsibilities under this paragraph with respect to any Confidential Information which has been made public or otherwise made available on a non-confidential basis, or made available with the agreement of the Board of Directors to any persons or entities outside the Corporation by any person or persons other than Employee. All documents, magnetic media and other materials containing Confidential Information made or compiled by or made available to Employee during the course of his employment, and all copies thereof, are and shall be the property of the Corporation and shall be delivered to the Corporation by Employee immediately upon the conclusion of his employment.

Developments. All inventions, ideas, reports, discoveries, developments, designs, improvements, techniques, "know-how," data and other creative ideas (all of the foregoing to be hereafter referred to as "Proprietary Information"), whether or not patentable or registerable under copyright or similar statutes, hereinafter generated by Employee either alone or jointly with others in the course of his acting as an employee pursuant to this Agreement relating or useful to the business of the Corporation shall promptly be disclosed to the Corporation and shall be the sole property of the Corporation. Employee hereby assigns to the Corporation any rights which he may acquire or develop in such Proprietary Information. ployee shall cooperate with the Corporation in patenting or copyrighting any such Proprietary Information, shall execute any documents tendered by the Corporation to evidence its ownership thereof, and shall cooperate with the Corporation in defending and enforcing its rights therein. Employee's obligations under this section to assist the Corporation in obtaining and enforcing patents, copyrights, and other rights and protections relating to such Proprietary Information in any and all countries shall continue beyond the termination of this Agreement. The Corporation agrees to compensate Employee at a reasonable rate for time actually spent by Employee at the Corporation's request on such assistance after termination of this Agreement. If the Corporation is unable, after reasonable effort, to secure Employee's signature on any documents or documents needed to apply for or prosecute any patent, copyright, or right or protection relating to such Proprietary Information, whether because of Employee's physical or mental incapacity or for any other reason whatsoever, Employee hereby irrevocably designates and appoints the Corporation and its duly

authorized officers and agents as Employee's agent and attorney-in-fact, to act for and in his behalf and stead to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyrights, or similar protections thereon with the same legal force and effect as if executed by Employee.

8. Non-Competition.

- (a) Employee shall not during the term of this Agreement, for one year following the termination of this Agreement, and, if the Employee receives any payments pursuant to paragraph 4(d) hereof, for six months following the last payment to Employee pursuant to that paragraph 4(d) engage directly or indirectly (either for his own account, or as an agent, employee, consultant, partner, officer, director, stockholder or otherwise of any person, firm, corporation or other enterprise) in any business or activity in competition or own any interest in any business which competes with the principal business of the Corporation or any of its subsidiaries.
- (b) Employee agrees that during the term of this Agreement, for one year following the termination of this Agreement, and, if the Employee receives any payments pursuant to paragraph 4(d) hereof, for six months following the last payment to Employee pursuant to that paragraph 4(d):
- (i) Employee will not render financial assistance to any person, firm, corporation or enterprise engaged in the same or similar business as the Corporation or any of its subsidiaries; provided, however, that nothing in this Agreement shall prevent the Employee from purchasing or holding 5% or less of the stock or other ownership interest of any publicly held entity;
- (ii) Employee will not directly or indirectly contact or attempt to persuade any agents or employees of the Corporation or any of its subsidiaries to terminate their relationship with the Corporation or any of its subsidiaries, nor do any act which may result in the impairment of the relationship between the Corporation or any of its subsidiaries and its agents or employees, provided however, that nothing contained herein shall prevent Employee from terminating agents or employees of the Corporation pursuant to Employee's authority during the Employment Term.
- 9. Remedy. Employee recognizes and agrees that his violation of any terms contained in paragraphs 6, 7 or 8 will cause irreparable damage to the Corporation, the amount of which will be impossible to estimate or determine. Therefore,

Employee further agrees that the Corporation shall be entitled, as a matter of course, to an injunction restraining any violation or further violations of any such covenant or covenants by Employee, his employees, partners, agents or associates, such right to an injunction to be cumulative and in addition to any other remedies, at law or otherwise, which the Corporation might have. Such covenants shall be severable, and if the same be held invalid by reason of length of time, area covered, or activity covered, or any or all of them, shall be reduced to the extent necessary to cure such invalidity.

- 10. Consolidation, Merger, or Sale of Assets. It shall be an irrevocable condition of the Corporation's consolidating or merging into or with or transferring all or substantially all of its assets to another corporation that such other corporation assume this Agreement and all obligations and understandings of the Corporation hereunder. Upon such a consolidation, merger, or transfer of assets and assumption, the term "Corporation," as used herein, shall mean such other corporation and this Agreement shall continue in full force and effect.
- 11. Notices. All notices or other communications which may be or are required to be given pursuant to this Agreement shall be deemed to have been given if in writing and, if delivered personally or by facsimile transmission, upon delivery, or, if mailed, two days after mailing by registered or certified mail, postage prepaid and properly addressed to the other party at the address stated above, or such other address as either party may give notice as provided in this paragraph.
- 12. <u>Severability</u>. If any provision of this Agreement shall be invalid or unenforceable under applicable law, such provision shall be given the broadest interpretation which would render it valid and enforceable. The invalidity or unenforceability of one provision shall not affect the remaining parts of such provision or the remaining provisions of this Agreement.
- 13. <u>Binding Effect</u>. This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective heirs, devisees, executors, administrators, legal representatives, successors, and assigns.
- 14. Entire Agreement. The provisions contained herein constitute the entire agreement between the parties with respect to the subject matter hereof and supersede any and all prior agreements, understandings and communications between the parties, oral or written, with respect to such subject matter.

- 15. <u>Modification</u>. Any waiver, alteration, amendment or modification of any provisions of this Agreement shall not be valid unless in writing and signed by both the Employee and President of the Corporation.
- 16. <u>Assignment</u>. The Employee may not assign any of his rights or delegate any of his duties hereunder without the written consent of the Corporation. The Corporation may not assign any of its rights or delegate any of its obligations hereunder.
- 17. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the state or other jurisdiction in which the Corporation has its principal executive offices.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Agreement.

GEOSTAR CORPORATION

By authority of the Board of Directors

By: Martin R. Snoly

Steven W. Van Till, Employee

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into as of August 28, 1990 by and between GEOSTAR CORPORATION, a Delaware corporation (the "Corporation"), having its principal place of business at 1001 22nd Street, N.W., Washington, D.C. 20037 and MARY A. DiMARCO ("Employee"), whose address is 3418 Lakeside View Drive, Falls Church, Virginia 22041.

<u>Background</u>. The Employee is currently employed by the Corporation. The Corporation and the Employee mutually desire to continue the employment of the Employee, and to set forth the terms and conditions of such employment in writing.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto, intending to be legally bound hereby, agree as follows:

- 1. Employment and Duties. Upon the terms and conditions set forth herein, the Corporation hereby agrees to employ the Employee and the Employee agrees to accept such employment as Treasurer and Senior Director Finance and Administration of the Corporation. In the performance of services hereunder, Employee will devote her best efforts and essentially all of her time during normal business hours to the business of the Corporation, subject to vacations and sick leave. Employee shall, subject to the management or the direction of the Corporation's President, perform such duties and functions customarily performed by the Treasurer and Senior Director Finance and Administration of businesses comparable in size and scope to that of the Corporation and such other comparable duties as may from time to time be designated by the Corporation's Board of Directors or President.
- 2. Term. Unless sooner terminated in accordance with the provisions hereof, the term of employment shall commence on the date hereof and shall continue for one year (the "Employment Term"). Subsequent to the initial one-year Employment Term, this Agreement and the Employment Term shall continue until this Agreement is terminated by 30 days written notice by either party.
- 3. <u>Salary</u>. For all services rendered by the Employee under this Agreement, the basic annual salary to be paid by the Corporation to the Employee (the "Basic Annual Salary") shall be \$60,000.00, which may be increased from time to time by the Board of Directors of the Corporation, provided that the Basic Annual Salary shall not be decreased by the Board of

Directors except with the written consent of the Employee. Such Basic Annual Salary shall be paid in bi-weekly installments.

4. Benefits.

- (a) Employee shall be entitled to all normal and usual benefits provided by the Corporation to its employees, including, but not limited to, life, disability, medical and dental insurance, vacations, reimbursement for reasonable expenses incurred in connection with performing services for the Corporation, participation in stock option, stock bonus, profit sharing and retirement plans and such other benefits as the Board of Directors of the Corporation may from time to time determine based upon the benefits paid to other officers of the Corporation.
- (b) In the event that the Corporation terminates this Agreement other than for Cause (as defined in paragraph 5), the Employee shall be granted options ("New Options") to purchase that number of shares of the Corporation's Common Stock equal to the number of shares of Common Stock subject to options awarded to the Employee pursuant to the Corporation's Amended and Restated 1983 Stock Option Plan, any successor plan or other stock option plan (the "Plan") which are outstanding as of the effective date of such termination and are not subsequently exercised by the Employee prior to the expiration date of such options, as determined pursuant to the Plan. Such New Options shall be issued to the Employee only upon the surrender and cancellation of the Plan options. The New Options shall have a term of two (2) years from the effective date of such The exercise price of the shares subject to the termination. New Options shall equal the exercise price of the shares subject to the cancelled Plan options referred to above. If this Agreement terminates for any reason other than those set forth in the first sentence of this paragraph 4(b), any options owned by the Employee pursuant to the Plan shall be governed by the provisions of the Plan.
- (c) In the event that the Corporation terminates this Agreement other than for Cause (as defined in paragraph 5), then all shares of Common Stock of the Corporation granted or issued to the Employee pursuant to the Corporation's 1990 Stock Bonus Plan or any other restricted stock bonus plan of the Corporation shall immediately and automatically vest in full with the Employee or to the extent such vesting is not permitted pursuant to the terms of such plan, the Corporation shall issue to the Employee that number of shares of Common Stock equal to the number that would have then vested if permitted pursuant to the terms of such plan.

(d) In the event that the Corporation terminates this Agreement during the initial one-year Employment Term other than for Cause (as defined in paragraph 5), the Employee shall be paid by the Corporation in bi-weekly installments during the one year period following the effective date of such termination an amount equal to the Employee's Basic Annual Salary. Such severance payment shall be conditioned upon the Employee's continued compliance with the terms of this Agreement. The Corporation may terminate such payments upon a finding by the Board of Directors that Employee is not in compliance with any of the provisions of this Agreement.

5. Termination.

- (a) Except for a termination for Cause (as defined below) by the Corporation or a termination resulting from the death of Employee, this Agreement may be terminated upon thirty (30) days written notice by either party. This Agreement automatically terminates upon the death of Employee.
- (b) This Agreement may be terminated immediately for Cause by the Corporation upon delivery of written notice.
- (c) "Cause" for termination shall be defined to include the following circumstances:
- (i) an act of moral turpitude on the part of the Employee;
- (ii) a material breach by Employee of any duty or obligation imposed upon Employee by or pursuant to this Agreement; or
- (iii) an act of gross negligence, malfeasance or dishonesty in the performance of Employee's duties to the Corporation.
- (d) In the event of the termination of this Agreement for any reason, paragraphs 6, 7 and 8 shall survive.
- 6. Confidential Information. For purposes of this Agreement, Confidential Information shall mean all confidential and proprietary technical, business and financial information of the Corporation, including, but not limited to, information with respect to customer lists, marketing and financial information, personnel, sales and statistical data, plans for future development, computer programs, and information with respect to various techniques, procedures, processes and methods and any other information acquired, used or developed by Employee or other employees or agents of the Corporation during the

Employment Term in carrying out the business of the Corporation. Except for actions taken in the course of her employment hereunder, Employee shall not, during the Employment Term or two (2) years thereafter, use, divulge, furnish or make accessible to any person any Confidential Information obtained by her while employed by the Corporation except as authorized in writing by the Board of Directors. However, Employee shall be relieved of her responsibilities under this paragraph with respect to any Confidential Information which has been made public or otherwise made available on a non-confidential basis, or made available with the agreement of the Board of Directors to any persons or entities outside the Corporation by any person or persons other than Employee. All documents, magnetic media and other materials containing Confidential Information made or compiled by or made available to Employee during the course of her employment, and all copies thereof, are and shall be the property of the Corporation and shall be delivered to the Corporation by Employee immediately upon the conclusion of her employment.

Developments. All inventions, ideas, reports, discoveries, developments, designs, improvements, techniques, "know-how," data and other creative ideas (all of the foregoing to be hereafter referred to as "Proprietary Information"), whether or not patentable or registerable under copyright or similar statutes, hereinafter generated by Employee either alone or jointly with others in the course of her acting as an employee pursuant to this Agreement relating or useful to the business of the Corporation shall promptly be disclosed to the Corporation and shall be the sole property of the Corporation. Employee hereby assigns to the Corporation any rights which she may acquire or develop in such Proprietary Information. ployee shall cooperate with the Corporation in patenting or copyrighting any such Proprietary Information, shall execute any documents tendered by the Corporation to evidence its ownership thereof, and shall cooperate with the Corporation in defending and enforcing its rights therein. Employee's obligations under this section to assist the Corporation in obtaining and enforcing patents, copyrights, and other rights and protections relating to such Proprietary Information in any and all countries shall continue beyond the termination of this Agree-The Corporation agrees to compensate Employee at a reasonable rate for time actually spent by Employee at the Corporation's request on such assistance after termination of this If the Corporation is unable, after reasonable ef-Agreement. fort, to secure Employee's signature on any documents or documents needed to apply for or prosecute any patent, copyright, or right or protection relating to such Proprietary Information, whether because of Employee's physical or mental incapacity or for any other reason whatsoever, Employee hereby irrevocably designates and appoints the Corporation and its duly

authorized officers and agents as Employee's agent and attorney-in-fact, to act for and in her behalf and stead to execute and file any such application or applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyrights, or similar protections thereon with the same legal force and effect as if executed by Employee.

8. Non-Competition.

- (a) Employee shall not during the term of this Agreement, for one year following the termination of this Agreement, and, if the Employee receives any payments pursuant to paragraph 4(d) hereof, for six months following the last payment to Employee pursuant to that paragraph 4(d) engage directly or indirectly (either for her own account, or as an agent, employee, consultant, partner, officer, director, stockholder or otherwise of any person, firm, corporation or other enterprise) in any business or activity in competition or own any interest in any business which competes with the principal business of the Corporation or any of its subsidiaries.
- (b) Employee agrees that during the term of this Agreement, for one year following the termination of this Agreement, and, if the Employee receives any payments pursuant to paragraph 4(d) hereof, for six months following the last payment to Employee pursuant to that paragraph 4(d):
- (i) Employee will not render financial assistance to any person, firm, corporation or enterprise engaged in the same or similar business as the Corporation or any of its subsidiaries; provided, however, that nothing in this Agreement shall prevent the Employee from purchasing or holding 5% or less of the stock or other ownership interest of any publicly held entity;
- (ii) Employee will not directly or indirectly contact or attempt to persuade any agents or employees of the Corporation or any of its subsidiaries to terminate their relationship with the Corporation or any of its subsidiaries, nor do any act which may result in the impairment of the relationship between the Corporation or any of its subsidiaries and its agents or employees, provided however, that nothing contained herein shall prevent Employee from terminating agents or employees of the Corporation pursuant to Employee's authority during the Employment Term.
- 9. Remedy. Employee recognizes and agrees that her violation of any terms contained in paragraphs 6, 7 or 8 will cause irreparable damage to the Corporation, the amount of which will be impossible to estimate or determine. Therefore,

Employee further agrees that the Corporation shall be entitled, as a matter of course, to an injunction restraining any violation or further violations of any such covenant or covenants by Employee, her employees, partners, agents or associates, such right to an injunction to be cumulative and in addition to any other remedies, at law or otherwise, which the Corporation might have. Such covenants shall be severable, and if the same be held invalid by reason of length of time, area covered, or activity covered, or any or all of them, shall be reduced to the extent necessary to cure such invalidity.

- shall be an irrevocable condition of the Corporation's consolidating or merging into or with or transferring all or substantially all of its assets to another corporation that such other corporation assume this Agreement and all obligations and understandings of the Corporation hereunder. Upon such a consolidation, merger, or transfer of assets and assumption, the term "Corporation," as used herein, shall mean such other corporation and this Agreement shall continue in full force and effect.
- 11. Notices. All notices or other communications which may be or are required to be given pursuant to this Agreement shall be deemed to have been given if in writing and, if delivered personally or by facsimile transmission, upon delivery, or, if mailed, two days after mailing by registered or certified mail, postage prepaid and properly addressed to the other party at the address stated above, or such other address as either party may give notice as provided in this paragraph.
- 12. <u>Severability</u>. If any provision of this Agreement shall be invalid or unenforceable under applicable law, such provision shall be given the broadest interpretation which would render it valid and enforceable. The invalidity or unenforceability of one provision shall not affect the remaining parts of such provision or the remaining provisions of this Agreement.
- 13. <u>Binding Effect</u>. This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective heirs, devisees, executors, administrators, legal representatives, successors, and assigns.
- 14. Entire Agreement. The provisions contained herein constitute the entire agreement between the parties with respect to the subject matter hereof and supersede any and all prior agreements, understandings and communications between the parties, oral or written, with respect to such subject matter.

- 15. <u>Modification</u>. Any waiver, alteration, amendment or modification of any provisions of this Agreement shall not be valid unless in writing and signed by both the Employee and President of the Corporation.
- 16. <u>Assignment</u>. The Employee may not assign any of her rights or delegate any of her duties hereunder without the written consent of the Corporation. The Corporation may not assign any of its rights or delegate any of its obligations hereunder.
- 17. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the state or other jurisdiction in which the Corporation has its principal executive offices.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Agreement.

GEOSTAR CORPORATION

By authority of the Board of Directors

... Mut. R

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Martin R. Snoey, President

Mary DiMarco, Employee

PATENT PLEDGE AND SECURITY AGREEMENT

PATENT PLEDGE AND SECURITY AGREEMENT dated August 1, 1990 by and between:

GEOSTAR CORPORATION, a Delaware corporation with its head offices at 1001 22nd Street, N.W., Washington, D.C. 20037, U.S.A. (the "Borrower" or the "Pledgor"), and

MATRA ESPACE S.A., a company organized under the laws of France, having its registered office at 4, rue de Presbourg, 75116 Paris, France (the "Creditor" or the "Pledgee").

Pursuant to a Loan Agreement (Promissory Note) of US Dollars Two (2) Million, the Borrower has granted to the Creditor, to secure the payment of the borrowed monies and performance in full of all of the obligations defined in the Loan Agreement, a security interest and a pledge on certain of its Patent Rights. In consideration of the loan and other due and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Borrower hereby represents and warrants to, and covenants and agrees with the Creditor, as follows:

1. DEFINITIONS

"Owned Patents" shall mean all European patents in or to which the Borrower has or shall in the future have any title of or ownership, or any application for such patents including but not limited to Patent reference #0059755 and Patent Applications #85109942.4 and 85110616.1, having an effect in any country of Europe, as well as the invention disclosed or claimed therein, including the right to make, use, practice, sell, license or otherwise dispose of the invention disclosed or claimed therein in any European country and the rights (but not the obligation) to make and prosecute applications for such patents.

"Patent License" shall mean any and all past, present or future rights and interest of the Borrower pursuant to any and all past, present and future license agreements in favour of the Borrower pertaining to any of the Owned Patents. "Notice of Default" means a written certification sent via registered mail by the Creditor certifying that an event of substantial default has occurred with respect to the obligations of the Borrower under the Loan Agreement, with evidence of such default.

2. REPRESENTATIONS

The Borrower hereby represents and warrants that it has full ownership of the Owned Patents, that the Owned Patents are free of any encumbrance and it has not granted any license rights, except an exclusive royalty bearing license to LOCSTAR S.A., dated May 26, 1989. The Borrower additionally warrants that all Owned Patents detailed in Article 1 hereabove are in full force and effect.

3. GRANT OF SECURITY INTEREST

As security for the Promissory Note, the Borrower hereby unconditionally grants to the Creditor a continuing security interest in and first priority lien, mortgage, pledge on the Owned Patents.

4. REMEDIES

The Borrower irrevocably authorizes the Creditor (i) to do, at its option, all acts which the Creditor deems reasonably necessary to protect the Owned Patents (ii) in the event the situation stated in a Notice of Default has not been cured within Fifteen (15) days after receipt of the Notice of Default, to realize the Owned Patents by seeking and obtaining an order from any competent Court for a public auction sale of the Owned Patents to the sole benefit of the Creditor.

5. BINDING EFFECT; AMENDMENT

This Agreement shall inure to the benefit of the Pledgee, its successors and assigns, and shall be binding on the successors and assigns of the Pledgor. This Agreement may be amended or modified in a writing signed by the Pledgor and the Pledgee shall be bound by any such amendment or modification.

6. NOTICES

Except as otherwise provided in this Agreement, any notice or other communication hereunder shall be in writing and shall be deemed delivered upon personal delivery or upon receipt if mailed by registered or certified first class mail, postage prepaid, or sent by facsimile transmission to the parties at the following addresses:

(a) To the Pledgor:

GEOSTAR CORPORATION 1001 22nd Street, N.W. Washington, D.C. 20037 U.S.A.

Telephone Number:

(202) 887-0870

(202) 887-0874 Telecopy Number:

Attention: Donald E. Brown

(b) To the Pledgee:

MATRA ESPACE S.A. 10, avenue Kleber 75116 - Paris FRANCE

Telephone Number:

40.69.16.00

Telecopy Number:

45.01.82.42

Attention: Yves de Galzain

or to such other addresses or persons as the parties, from time to time, may furnish one another by notice given in accordance with this Article.

7. **EXPENSES**

Any and all fees, costs and expenses, of whatever kind or nature, including but not limited to reasonable fees and disbursements of counsel incurred by the Creditor in connection with the consummation of the transactions contemplated hereby, including all official taxes, shall be borne and paid by the Borrower.

8. TERMINATION

This Agreement shall terminate upon complete satisfaction of the terms of the Promissory Note.

9. RECORDING

Authorization is given to the Bearer designated by the Creditor of one original copy of this Agreement to have it recorded at whatever Patent Office is necessary for rendering the rights of the Creditor opposable to third parties.

10. APPLICABLE LAW

This Agreement shall be construed in accordance with the French Laws and the Courts of Paris will have jurisdiction, including for an order as provided for in Article 4 hereabove.

IN WITNESS WHEREOF, this Agreement has duly executed as of the date and year first above written.

GEOSTAR CORPORATION

Marin R. Snoey

President & Chief Executive Officer

ATTEST:

BY:

[Corporate Seal]

Assistant Corporate Secretary

PROMISSORY NOTE

\$2,000,000 August 1, 1990

FOR VALUE RECEIVED, GEOSTAR CORPORATION, A Delaware corporation ("Maker"), promises to pay to the order of MATRA ESPACE S.A. ("Holder") at the offices of Maker, 1001 22nd Street, N.W., Washington, D.C. 20037, or at such other place as the Holder hereof may direct, the principal sum of Two Million Dollars (\$2,000,000), together with interest in a total amount of Fifty Five Thousand Dollars (\$55,000) (11% per annum). The principal amount of this Note, together with interest shall be due and payable on October 31, 1990. The due date for the payment of the principal amount hereof or interest hereon may be extended by the mutual written consent of the Maker and the Holder. Maker may, without payment of penalty or premium, prepay the principal of this Note in whole or, from time to time, in part. Any payments made on this Note shall be first applied to interest accrued hereon and then to the principal amount hereof.

This Note is secured by a Security Agreement of certain assets of Maker as more fully described and in accordance with the terms of that Patent Pledge and Security Agreement dated August 1, 1990.

If any of the following conditions or events shall occur and be continuing (hereinafter referred to as an "Event of Default"):

- (a) Maker shall fail to pay the principal of this Note when such amount is due and payable, or shall fail to pay other amounts required to be paid pursuant to this Note when such amounts become due and payable and the failure to pay such other amounts continues for a period of fifteen (15) days after the due date; or
- (b) proceedings in bankruptcy, or for reorganization of Maker, or for the readjustment of any of its debts, under the Bankruptcy Code, as amended, or any part thereof, or under any other laws, whether state or federal, for the relief of debtors, now or hereafter existing, shall be commenced against Maker and shall not be discharged within sixty (60) days of their commencement, or shall be commenced by Maker; or
- (c) a proceeding shall be instituted in which a receiver or trustee shall be appointed for Maker or for any substantial part of its assets, or for the dissolution or the full or partial liquidation of Maker, and such receiver or trustee shall not be discharged within thirty (30) days of his appointment, or such proceedings shall not be discharged within thirty (30) days of their commencement, or shall be commenced by Maker, or Maker shall discontinue business or materially change the nature of its business;
- (d) the occurrence of any event having a material adverse affect on the financial position of Maker as of the date hereof, which has not been cured within fifteen (15) days of Maker's receipt of notice thereof;

then, and in any such event, the Holder hereof may at any time thereafter at its option, by written notice to Maker at its offices, declare this Note to be due and payable, whereupon the same shall mature and become due and payable (unless all defaults shall have been remedied), together with interest accrued hereon.

Maker of the debt evidenced by this Note hereby waives presentment, demand for payment, notice of dishonor, protest and notice of protest. In the event that any past due amounts on this Note are collected by or through an attorney for the Holder, Maker of the debt evidenced by this Note shall reimburse Holder for any reasonable attorney fees, court costs or other collection costs incurred by Holder to collect such past due amounts.

All rights and obligations hereunder shall be governed by the laws of Delaware.

GEOSTAR CORPORATION

ATTEST:

[Corporate Seal]

Assistant Corporate Secretary

Martin R Sno

President



DTFL/PS/LH

M.Donald E. BROWN
Senior Vice-President
Corporate & International
GEOSTAR CORPORATION
1001 22nd Street N.W.
WASHINGTON
D.C.20037

Paris, November the 7th 1990

RE. : Extension of the \$ 2 million loan

Dear M. Brown,

With reference to your Prominory Note dated August 11st 1990, and following your request, we are pleased to confirm our agreement for an extension of the loan.

This extension is granted up to December 21rst 1990, and we must underline that we will not be in a position to accept any further delay after this date.

Considering the new due date, the total amount of interest to be paid is eighty five thousand and five hundred Dollars (\$ 85,500), instead of fifty five thousand Dollars (\$ 55,000).

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Please, confirm your agreement on those terms by signing this letter, and return it to us.

Sincerely yours,

Agreed Accepted
Geostar Corporation
Bun

by : Donald E. Brown

Tille : Serior Vice President

Dated: November 8, 1990

Copy : P. WATKINS

MATRA ESPACE. SA ou cophel de 500 330 600 F RCS Peria B 842 360 054 Sago socials 4, rue de Presbourg 87