

of Company under applicable law.

**9.2 Adjustment Relating to Tax on Excess Parachute Payments.**

**9.2.1. Adjustment.** Notwithstanding anything in this Agreement to the contrary, in the event Company's Law or Accounting Firm (as defined in Section 9.2.2) determines that any portion of the cash compensation payable under this Agreement (such portion of compensation, the "**Agreement Payment**"), and the portions, if any, of other payments or distributions in the nature of compensation by Company to or for the benefit of Employee (including, but not limited to, the value of the acceleration in vesting or exercisability of stock options) whether paid or payable or distributed or distributable pursuant to the terms of this Agreement (the Agreement Payment, together with such portions of other payments and distributions, the "**Payments**"), would cause any portion of the Payments to be subject to the excise tax imposed by section 4999, or any successor provision, of the Code (the portion subject to excise tax, the "**Parachute Payment**"), the Agreement Payment shall be reduced to an amount not less than zero which shall not cause any portion of the Payments to constitute a Parachute Payment, provided that no such reduction shall be made if the Payments, after the reduction and after the application of Federal income tax at the highest rate applicable to individual taxpayers, would not be greater than the present value (determined in accordance with section 280G, or any successor provision, of the Code) of the Payments before the reduction but after the application of (i) excise tax under section 4999 of the Code and (ii) Federal income tax at the highest rate applicable to individual taxpayers.

**9.2.2 Determination.** All determinations required to be made under this Section 9.2, including the assumptions to be utilized in arriving at such determination, shall be made by such nationally recognized law firm (including DLA Piper LLP (US)) or accounting firm (including Ernst & Young LP) as selected by Company (the "**Law or Accounting Firm**"), which shall provide detailed supporting calculations to both Company and Employee (i) within 15 business days after receipt by Company of a notice from Employee that Employee may have a Parachute Payment, or (ii) at such earlier time as may be requested by Company. The Law or Accounting Firm may employ and rely upon the opinions of actuarial or accounting professionals to the extent it deems necessary or advisable. In the event that the Law or Accounting Firm determines, for any reason, that it is unable to perform such services, or declines to do so, Company shall select another nationally recognized law or accounting firm to make the determinations required under this Section (which law or accounting firm shall then be referred to as the Law or Accounting Firm hereunder). All fees and expenses of the Law or Accounting Firm shall be borne solely by Company. Any determination by the Law or Accounting Firm shall be binding upon Company and Employee.

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**10. Successors and Assigns.** The rights, duties and obligations of a party hereunder may not be assigned, delegated or assumed without the prior written consent of the other party, provided that Company may assign this Agreement to any subsidiary thereof, without Employee's consent, and such assignment shall not constitute a termination of employment hereunder. Nothing herein shall cause a termination of this Agreement upon the acquisition, reorganization, or merger of Company. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors or permitted assigns. Nothing herein shall be construed to confer upon any person not a party hereto any right, remedy or claim under or by reason of this Agreement.

**11. Entire Agreement.** This Agreement constitutes the entire understanding of Employee and Company with respect to the subject matter hereof and supersedes and voids any and all prior agreements or understandings, written or oral, regarding the subject matter hereof.

**12. Amendment and Waiver.** This Agreement may not be changed, modified or discharged orally, but only by an instrument in writing signed by the parties. No waiver of any term or condition of this Agreement shall be effective unless agreed to in writing between the parties.

**13. Governing Law and Severability.** This Agreement shall be governed by the laws of the State of Maryland (without giving effect to choice of law principles or rules thereof that would cause the application of the laws of any jurisdiction other than the State of Maryland) and the invalidity or unenforceability of any provisions hereof shall in no way affect the validity or enforceability of any other provision. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**14. Arbitration.** DISPUTES REGARDING EMPLOYEE'S EMPLOYMENT WITH COMPANY, INCLUDING, WITHOUT LIMITATION, ANY DISPUTE UNDER THIS AGREEMENT WHICH CANNOT BE RESOLVED BY NEGOTIATIONS BETWEEN COMPANY AND EMPLOYEE, BUT EXCLUDING ANY DISPUTES REGARDING EMPLOYEE'S COMPLIANCE WITH SECTION 7, SHALL BE SUBMITTED TO, AND SOLELY DETERMINED BY, FINAL AND BINDING ARBITRATION CONDUCTED BY JAMS/ENDISPUTE, INC.'S ARBITRATION RULES APPLICABLE TO EMPLOYMENT DISPUTES, AND THE PARTIES AGREE TO BE BOUND BY THE FINAL AWARD OF THE ARBITRATOR IN ANY SUCH PROCEEDING. THE ARBITRATOR SHALL APPLY THE LAWS OF THE STATE OF MARYLAND (WITHOUT GIVING EFFECT TO CHOICE OF LAW PRINCIPLES OR RULES THEREOF THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF MARYLAND) WITH RESPECT TO THE INTERPRETATION OR ENFORCEMENT OF ANY MATTER RELATING TO THIS AGREEMENT; IN ALL OTHER CASES THE ARBITRATOR SHALL APPLY THE LAWS OF THE STATE SPECIFIED IN COMPANY'S ALTERNATIVE DISPUTE RESOLUTION POLICY AS IN EFFECT FROM TIME TO TIME (IF ANY). ARBITRATION SHALL BE HELD IN BALTIMORE,

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MARYLAND, OR SUCH OTHER PLACE AS THE PARTIES MAY MUTUALLY AGREE, AND SHALL BE CONDUCTED ONLY BY A FORMER JUDGE. JUDGMENT UPON THE AWARD BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF.

**15. Section 409A Compliance.**

- 15.1 This Agreement is intended to comply with, or otherwise be exempt from, section 409A of the Code.
  - 15.2 Company shall undertake to administer, interpret, and construe this Agreement in a manner that does not result in the imposition on Employee of any additional tax, penalty, or interest under section 409A of the Code.
  - 15.3 If Company determines in good faith that any provision of this Agreement would cause Employee to incur an additional tax, penalty, or interest under section 409A of the Code, Company and Employee shall use reasonable efforts to reform such provision, if possible, in a mutually agreeable fashion to maintain to the maximum extent practicable the original intent of the applicable provision without violating the provisions of section 409A of the Code.
  - 15.4 The preceding provisions, however, shall not be construed as a guarantee by Company of any particular tax effect to Employee under this Agreement. Company shall not be liable to Employee for any payment made under this Agreement, at the direction or with the consent of Employee, that is determined to result in an additional tax, penalty, or interest under section 409A of the Code, nor for reporting in good faith any payment made under this Agreement as an amount includible in gross income under section 409A of the Code.
  - 15.5 For purposes of section 409A of the Code, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments.
  - 15.6 With respect to any reimbursement of expenses of, or any provision of in-kind benefits to, Employee, as specified under this Agreement, such reimbursement of expenses or provision of in-kind benefits shall be subject to the following conditions: (i) the expenses eligible for reimbursement or the amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year, except for any medical reimbursement arrangement providing for the reimbursement of expenses referred to in section 105(b) of the Code; (ii) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation
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or exchange for another benefit.

- 15.7** If a payment obligation under this Agreement arises on account of Employee's "separation from service" while Employee is a "specified employee" (as each such term is defined under section 409A of the Code and determined in good faith by Company), any payment of "deferred compensation" (as defined under Treasury Regulation section 1.409A-e 1.409A-1(b)(3) through (b)(12)) that is scheduled to be paid within six months after such separation from service shall accrue with interest and shall be paid within 15 days after the end of the six-month period beginning on the date of such separation from service or, if earlier, within 15 days after the appointment of the personal representative or executor of Employee's estate following the death of the Employee. For purposes of the preceding sentence, interest shall accrue at the prime rate of interest published in the northeast edition of *The Wall Street Journal* on the date of Employee's separation from service.

**[Signatures appear on following page]**

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IN WITNESS WHEREOF, the parties have executed and delivered this 5<sup>th</sup> day of March 2010.

WITNESS/ATTEST

/s/ Bruce A. White

/s/ Bruce A. White

TELECOMMUNICATION SYSTEMS, INC.

By: /s/ Richard A. Young

Title: Exec. VP & COO

EMPLOYEE

/s/ Thomas M. Brandt, Jr.

Thomas M. Brandt, Jr.

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ATTACHMENT A TO EMPLOYMENT AGREEMENT

Employee: Thomas M. Brandt, Jr.

Agreement dated: February 1, 2010

In accordance with paragraph 2 of the Employment Agreement, Company hereby consents to the following other business activities:  
Antenna Research Associates, Inc., and affiliates—part owner and Board member.

WITNESS/ATTEST

/s/ Bruce A. White

/s/ Bruce A. White

TELECOMMUNICATION SYSTEMS, INC.

By: /s/ Richard A. Young

Title: Exec. VP & COO

EMPLOYEE

/s/ Thomas M. Brandt, Jr.

**EMPLOYMENT AGREEMENT**

Between  
TeleCommunication Systems, Inc.  
and

**Drew A. Morin**

(Employee Name)

THIS EMPLOYMENT AGREEMENT ("**Agreement**"), between the individual signing as "Employee" at the end of this Agreement (hereinafter referred to as "**Employee**"), and TeleCommunication Systems, Inc. (hereinafter referred to as "**Company**") is effective as of the 1<sup>st</sup> day of February, 2010 ("**Effective Date**");

WHEREAS, Company desires to continue to employ Employee and Employee desires to be employed by Company on the terms and conditions hereinafter set forth;

WHEREAS, Company and Executive wish to replace all previous employment agreements between them with this Agreement;

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

**1. Employment.** Company agrees to employ Employee for the position of **Senior Vice President & Chief Technology Officer**. Employee shall perform such duties as the management of Company may from time to time assign to Employee hereunder, including (without limitation) responsibility for **the Company's technology strategy and initiatives, and leading initial projects in new technology areas**.

**2. Duties and Responsibilities.** Employee agrees to devote full time and attention and best efforts to performing the duties hereunder. While employed by Company, Employee will not, without Company's prior written consent, engage in any other business activity, other than investment of Employee's personal funds on a passive basis and without lending assistance directly or indirectly to any competitor.

Attachment A hereto is a complete list of Employee's current other business activities to which Company consents. In the event Employee wishes to change the approved activities, then Employee shall submit the requested change in writing to Company. Any changes consented to by Company shall be documented as a revised Attachment A and will become incorporated into the Agreement by reference. In no event shall Employee pursue outside business or personal interests that interfere with Employee's full-time responsibilities or entail any use of Company's resources.

**5. Compensation and Benefits.**

- 3.1 Base Salary.** During Employee's employment under this Agreement, Company shall pay or cause to be paid to Employee a base salary at an annual rate of not less than **\$322,147**, payable in cash in equal periodic installments not less frequent than the periodic installments in effect for

salaries of Company employees of the same level as Employee (the "**Base Salary**"). The Base Salary may be subject to increases pursuant to reviews by the Board of Directors, where applicable, or a committee appointed by the Board of Directors, at such times as salary reviews are conducted generally for Company employees of the same level as Employee, but in no event less frequent than annually.

- 3.2 Incentive Compensation.** During Employee's employment under this Agreement, Company shall cause Employee to be eligible to participate in each bonus or incentive compensation plan, program or policy maintained by Company from time to time, in whole or in part, for employees of Employee's level ("**Bonus Plan**"). Employee's target and maximum compensation under, and the performance goals and all other terms of participation in, each Bonus Plan shall be determined solely by Company or by such person or administrative body as provided in the Bonus Plan. Said incentive compensation is not guaranteed and is contingent upon Employee and Company achieving deliverables or goals agreed upon. Said incentive compensation shall not be considered "earned" by Employee until Company has allocated payment to be made to Employee for any performance period. Payment under any Bonus Plan shall be made, if at all, by no later than March 15<sup>th</sup> of the year after the year in which the incentive compensation is earned.
- 3.3 Incentive Stock Compensation.** During Employee's employment with Company, Employee will be eligible to participate in stock incentive plans maintained by Company, and has received, and may receive in the future, awards of restricted or unrestricted stock, stock units, stock options and other stock-based awards (collectively, "Incentive Stock Awards"). Recognizing the unique position held by Executive and in consideration for the mutual promises contained in this Employment Agreement and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Company and Executive agree that certain restrictions on the sale of common stock of the Company by Executive that was or may be issued under an Incentive Stock Award are in the best interest of the Company. In this regard, Executive agrees that, unless advance written permission is provided to Executive by the Chief Executive Officer of the Company to sell more shares than would otherwise be permitted under this Agreement, during the Term Executive shall abide by the following limitations on the sale or other disposition of shares of common stock of the Company issued or issuable to him under Incentive Stock Awards:
- (e) In any given calendar year, Executive shall not sell or otherwise dispose of a number of shares of common stock of the Company acquired under Incentive Stock Awards in excess of the product of (i) ten percent (10%) times (ii) the sum of (A) the number of shares of common stock of the Company to which Executive holds title, determined as of the date immediately before the proposed sale or disposition date, that were issued pursuant to an Incentive Stock Award, plus (B) seventy
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percent (70%) of the number of shares of common stock of the Company for which Incentive Stock Awards are exercisable determined as of the date immediately before the proposed sale or disposition date.

- (f) In any given calendar quarter, Executive shall not sell or otherwise dispose of a number of shares of common stock of the Company acquired under Incentive Stock Awards in excess of the product of (i) two and one-half percent (2.5%) times (ii) the sum of (A) the number of shares of common stock of the Company to which Executive holds title, determined as of the date immediately before the proposed sale or disposition date, that were issued pursuant to an Incentive Stock Award, plus (B) seventy percent (70%) of the number of shares of common stock of the Company for which Incentive Stock Awards are exercisable determined as of the date immediately before the proposed sale or disposition date.

Employee understands and agrees that the restrictions set forth above shall apply to any award agreement evidencing an Incentive Stock Award (collectively, "**Stock Agreements**") previously entered into between Employee and Company or which may be entered into between Employee and Company after the date of this Agreement and that this Section 3.3 shall be incorporated in any such Stock Agreements as if fully stated therein.

Other than the restriction set forth herein, the specific terms and conditions of any Incentive Stock Awards shall be set out in an award agreement between Employee and Company, and shall contain a provision for accelerated vesting of options in the event of a Change in Control (as defined in Section 5.4.3).

The grant of Incentive Stock Awards shall not be construed to constitute or to be evidence of a commitment or guarantee to renew this Agreement or to employ or retain Employee for any period of time inconsistent with Sections 4 and 5 of this Agreement.

Any violation of the restrictions set forth in this Section 3.3 shall be grounds for dismissal for Good Cause pursuant to Section 5.2.1.

- 3.4 Benefits.** During employment under this Agreement, Employee shall be entitled to: (A) participation in such employee retirement and welfare benefit plans, programs, policies and arrangements as maintained by Company from time to time, in whole or in part, for employees of Employee's level, including but not limited to Company's employee stock ownership plan, and its health, disability, life insurance and sickness and accident insurance plans; and (B) paid vacation, holidays, leave of absence, leave for illness, funeral leave and temporary disability leave in accordance with the policies of Company; and (C) perquisites as from time to time provided by Company to employees of Employee's level.
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**3.5 Expenses.** During Employee's employment under this Agreement, Company shall reimburse Employee for ordinary and reasonable out-of-pocket expenses incurred by Employee in the performance of duties hereunder, provided that Employee shall account to Company for such expenses in accordance with the employee business expense policies and practices of Company.

**3.6 Effect of Termination.** Upon termination of employment for any reason, Employee shall no longer be entitled to participation in any benefits programs, including the period when severance is payable under the Agreement.

**4. Term of Employment.** The term of Employee's employment ("**Term**") shall commence on the Effective Date and continue through January 31, 2011 for the initial term ("**Initial Term**"), unless sooner terminated as provided herein. Upon expiration of the Initial Term, unless either party has given the other party written notice of an intention not to renew at least 30 days' prior to the anniversary date of the Agreement, the term of Employee's employment shall automatically renew on the anniversary date of the Agreement for successive 12-month renewal periods (each, a "**Renewal Term**"). Thereafter, this Agreement may be terminated at the end of any Renewal Term pursuant to 30 days' notice of non-renewal or during any 12-month Renewal Term as provided herein.

**5. Termination of Employment.**

**5.1 Dismissal Without Good Cause and Resignation for Good Reason.**

**5.1.1 Dismissal Without Good Cause.** Company may terminate Employee's employment under this Agreement without Good Cause (as defined in Section 5.1.4) at any time by giving notice thereof to Employee at least 30 days before the effective date of such termination. Upon such termination, Employee shall be entitled to such compensation as provided in Section 5.1.3.

**5.1.2 Resignation for Good Reason.** Employee may terminate employment under this Agreement for Good Reason (as defined in Section 5.1.5) at any time by written notice thereof to Company at least 30 days before the effective date of such termination. Such notice shall specify in reasonable detail the Good Reason based upon which Employee intends to terminate employment. Upon such termination, Employee shall be entitled to such compensation as provided in Section 5.1.3.

**5.1.3 Severance Pay upon Dismissal Without Good Cause or Resignation for Good Reason.** If Employee's employment under this Agreement is terminated by Company without Good Cause or by Employee for Good Reason, Employee shall be entitled to the sum of the following, payable in equal periodic installments the same as Base Salary was received during the term of Employee's employment as provided in Section 3.1 herein, which installments shall commence within 60 days after the last day of employment:

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- (A) Base Salary, at the rate in effect immediately before the date of termination, for the greater of (i) the period from the day after the last day of employment hereunder through the last day of the Term, or (ii) six months; and
- (B) The amount "earned" by Employee under the annual Bonus Plan if at the time of termination Company has allocated payment to be made to Employee under the terms of the Bonus Plan for any performance period. Employee will not be eligible to receive payment under the Bonus Plan for any performance period if Employee is terminated prior to a decision by Company as to the payment due to Employee, if any, under the terms of the Bonus Plan. If no such decision by Company is made or necessary, Employee will not be eligible to receive any payments under the Bonus Plan if Employee is not employed at the time bonus payments are made to employees;  
so long as Employee (1) executes and delivers to Company, before such sum becomes payable, a general release, in form and substance acceptable to Company, by which Employee releases Company from all claims arising from Employee's employment by Company or termination of employment therefrom, in consideration for such payment, and (2) Employee shall not be in breach of any of the provisions of Section 7 at any time during the effectiveness thereof. In no event will any payment be made before the release becomes effective upon expiration of any applicable withdrawal period.

**5.1.4 Definition of "Good Cause." "Good Cause" means:**

- (A) Employee's willful gross misconduct, willful gross neglect, willful malfeasance or gross negligence in carrying out the duties hereunder, or "willful breach" of this Agreement (other than an inadvertent or nonrecurring breach cured and corrected by Employee within 30 days after notice thereof by Company). Under this provision, "willful breach" shall include, but not be limited to, insubordination, serious dereliction of fiduciary obligation, chronic abuse by Employee of alcohol or narcotics, a violation of any material Company rule, regulation or policy, or a serious violation of any law governing the workplace. It is provided further that no act or failure to act shall be considered "willful" if Employee reasonably believed in good faith that such act or failure to act was in, or not opposed to, the best interests of Company and its affiliates;
  - (B) Any act or conduct of dishonesty to Company by Employee involving fraud and embezzlement; or
  - (C) Employee's conviction, including a plea of guilty or *nolo contendere*,
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of a felony involving theft or moral turpitude, other than a felony predicated on Employee's vicarious liability (for purposes of this Agreement, "**vicarious liability**" means Employee's liability based on acts of Company for which Employee is charged solely as a result of Employee's offices with Company and in which Employee was not directly involved or did not have prior knowledge of such acts).

**5.1.5 Definition of "Good Reason."** "**Good Reason**" means, without Employee's consent, any of the following conditions:

- (A) Any change in Employee's title or position that constitutes a material diminution in authority as compared to the authority of Employee's title or position as of the Effective Date, or any substantial diminution in Employee's duties and responsibilities (other than a change due to Employee's Disability), provided that no diminution of title, position, duties or responsibilities shall be deemed to occur solely because Company becomes a subsidiary of another corporation or because there has been a change in the reporting hierarchy incident thereto involving Employee;
- (B) Any requirement by Company that Employee involuntarily physically relocate from Employee's work location as of the Effective Date to another work location more than 75 miles away; or
- (C) Any material breach by Company of its obligations under this Agreement; so long as Employee notifies Company within 90 days after the existence of any such condition and Company fails to cure and correct such condition within 30 days after receipt of such notice. Notwithstanding the foregoing, Good Reason shall not exist unless the termination of employment occurs no later than two years following the initial existence of any condition provided in this Section 5.1.5.

**5.2 Dismissal for Good Cause, Resignation Without Good Reason and Termination upon Death or Disability.**

- 5.2.1 Dismissal for Good Cause.** Company may terminate Employee's employment under this Agreement for Good Cause by (A) giving notice thereof to Employee specifying in reasonable detail the Good Cause based upon which Company intends to terminate his employment; (B) if Good Cause exists under 5.1.4(A) only, after at least 30 days after such notice, providing Employee an opportunity to be heard at a meeting with the CEO and the Board of Directors; and (C) thereafter, effectuating such termination by a majority vote of the Board of Directors. For Good Cause terminations under Sections 5.1.4(B) & (C), Company may terminate Employee's employment immediately under this Agreement upon notice thereof to Employee. The effect of such termination is
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provided in Section 5.2.4.

- 5.2.2 Resignation Without Good Reason.** Employee may terminate employment hereunder at any time without Good Reason by notice thereof to Company at least 30 days before the effective date of such termination. The effect of such termination is provided in Section 5.2.4.
- 5.2.3 Termination upon Death or Disability.** This Agreement shall terminate automatically upon Employee's death. If Company determines in good faith that Employee has a Disability (as defined in this Section 5.2.3), Company may terminate employment under this Agreement by notifying Employee thereof at least 30 days before the effective date of termination. For purposes of this Agreement, "**Disability**" means any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than six months and which renders Employee unable to perform the material duties under this Agreement. If there is any dispute between the parties as to Employee's Disability, Company shall select or approve a physician whose determination as to Employee's Disability shall bind the parties hereto. The effect of a termination due to Employee's death or Disability is provided in Section 5.2.4.
- 5.2.4 Effect of Dismissal for Good Cause, Resignation Without Good Reason, or Termination upon Death or Disability.** If Employee's employment under this Agreement is terminated by Company for Good Cause, by Employee without Good Reason, or due to Employee's death or Disability as provided in this Agreement, all obligations of Company under this Agreement shall terminate, except as provided in Section 5.6.
- 5.3 Termination by Mutual Consent.** Company and Employee may terminate Employee's employment under this Agreement at any time and for any reason upon the mutual consent of both parties, effective as of such date as agreed upon by the parties. Upon such termination, except as provided in Section 5.6 or as agreed to by the parties in connection with their mutual consent to terminate Employee's employment, all obligations of Company hereunder shall terminate.
- 5.4 Termination After a Change in Control.**
- 5.4.1 Termination Events Triggering Compensation.** Company shall pay or cause to be paid to Employee such compensation as provided in Section 5.4.2, if Employee's employment under this Agreement is terminated by Company without Good Cause or by Employee for Good Reason coincident with or within 12 months after a Change in Control (as defined in Section 5.4.3).
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**5.4.2 Compensation upon Termination.** If Employee's employment hereunder is terminated as provided in Section 5.4.1, Company shall pay or cause to be paid to Employee in a cash lump sum within 30 days after the date of termination, one times the annual Base Salary at the greater of (A) the rate in effect immediately before the date of termination or (B) the rate in effect immediately before the Change in Control; so long as Employee (i) executes and delivers to Company, before such sum becomes payable, a general release, in form and substance acceptable to Company, by which Employee releases Company from all claims arising from Employee's employment by Company or termination of employment therefrom, in consideration for such payment, and (ii) Employee shall not be in breach of any of the provisions of Section 7 at any time during the effectiveness thereof. In no event will any payment be made before the release becomes effective upon expiration of any applicable withdrawal period.

**5.4.3 Definition of "Change in Control."** A "Change in Control" means the earliest to occur of any of the following events, construed in accordance with Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**");

- (A) Any one person or more than one person acting as a group (as defined in section 409A of the Code) other than Company, its subsidiaries, any employee benefit plan of Company, or an underwriter temporarily holding securities pursuant to an offering of such securities, acquires ownership of stock of Company that, together with stock held by such person or group, constitutes more than 50 percent of the total fair market value or total voting power of the stock of Company;
  - (B) Any one person or more than one person acting as a group (as defined in section 409A of the Code), other than any subsidiary or parent of Company, acquires, or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or group, assets from Company that have a total gross fair market value of eighty-five percent or more of the total gross fair market value of all of the assets of Company immediately before such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets; or
  - (C) Any merger, consolidation or reorganization involving Company immediately after which either (i) a majority of the directors of the surviving entity is not comprised of persons who were directors of Company immediately prior to such transaction and whose appointment or election is not endorsed or approved by a majority of the directors of Company before the transaction or (ii) persons who hold more than a majority of the total voting power represented
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by outstanding voting securities of the surviving entity are not persons who held outstanding voting securities of Company immediately prior to such transaction.

- 5.5 Duplication of Severance Pay.** Employee is entitled to receive the payment under both Section 5.1 and Section 5.4. Employee hereby irrevocably waives the right to receive benefits under any severance or similar plan or policy of Company if Employee is entitled to receive a payment under Section 5.1 and/or 5.4, provided that if the value of such benefits exceeds the amount payable to Employee under Section 5.1 and/or 5.4, Employee may elect to receive such benefits in lieu of the payment under Section 5.1 and/or 5.4.
- 5.6 Payment of Base Salary upon Termination.** Upon a termination of Employee's employment under this Agreement for any reason, Company shall pay or cause to be paid to Employee the increment of Base Salary earned but unpaid in the payroll period immediately preceding the date of termination, payable in cash on or before the day on which Employee would have been paid such amount if Employee's employment hereunder had not been terminated, but in no event later than the date as required by law.
- 5.7 No Duty to Mitigate.** Employee shall not be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Employee under any of the provisions of this Agreement, and such amounts shall not be reduced whether or not Employee obtains other employment.
- 5.8 Expiration of the Agreement.** If the Agreement expires at the end of the Initial Term or any Renewal Term after proper advance notice by either party of the intent not to renew, the Agreement shall expire and Employee shall not be entitled to the payment of severance pay pursuant to any provision of this Section 5 above.
- 6. Ownership of Work Product.**
- 6.1** Company shall own all Work Product (as defined in Section 6.5). To the extent permitted by law, All Work Product shall be considered work made for hire by Employee and owned by Company.
- 6.2** If any of the Work Product may not, by operation of law, be considered work made for hire by Employee for Company (or if ownership of all right, title and interest of the intellectual property rights therein shall not otherwise vest exclusively in Company), Employee agrees to assign, and upon creation thereof automatically assigns, without further consideration, the ownership of all trade secrets, U.S. and international copyrights, patentable inventions, and other intellectual property rights therein to Company, its successors and assigns.
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- 6.3 Company, its successors and assigns, shall have the right to obtain and hold in its or their own name copyrights, registrations, and any other protection available in the foregoing.
- 6.4 Employee agrees to perform upon the reasonable request of Company, during or after Employee's employment, such further acts as may be necessary or desirable to transfer, perfect and defend Company's ownership of the Work Product. When requested, Employee will
- (A) execute, acknowledge and deliver any requested affidavits and documents of assignment and conveyance;
  - (B) obtain and aid in the enforcement of copyrights (and, if applicable, patents) with respect to the Work Product in any countries;
  - (C) provide testimony in connection with any proceeding affecting the right, title or interest of Company in any Work Product; and
  - (D) perform any other acts deemed necessary or desirable to carry out the purposes of this Agreement.
- Company shall reimburse all reasonable out-of-pocket expenses incurred by Employee at Company's request in connection with the foregoing, including (unless Employee is otherwise being compensated at the time) a reasonable per diem or hourly fee for services rendered following termination of Employee's employment.

- 6.5 For purposes hereof, "**Work Product**" shall mean all intellectual property rights, including all trade secrets, U.S. and international copyrights, patentable inventions, discoveries and improvements, and other intellectual property rights, in any programming, documentation, technology or other work product that relates to the business and interests of Company and that Employee conceives, develops, or delivers to Company at any time during the term of Employee's employment. "Work Product" shall also include all intellectual property rights in any programming, documentation, technology or other work product that is now contained in any of the products or systems (including development and support systems) of Company to the extent Employee conceived, developed or delivered such Work Product to Company prior to the date of this Agreement while Employee was engaged as an independent contractor or employee of Company. Employee hereby irrevocably relinquishes for the benefit of Company and its assigns any moral rights in the Work Product recognized by applicable law.

## 9. Restrictive Covenants.

- 7.1 **Competition.** During the Term and, if Employee's employment under this Agreement is terminated by Company or by Employee for any reason, for the greater of, (A) any period of time in which Employee continues to receive compensation of any kind from Company and continuing for a
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period of six months after said payment(s) cease, or (B) one year after the Term, Employee shall not: (i) own, manage, operate, join, control or participate in the ownership, management, operation or control of a Competitor (as defined in Section 7.5); (ii) become a director, officer, employee, consultant or lender of, or be compensated by, a Competitor; or (iii) solicit any client of Company on behalf of or for the benefit of a Competitor. Notwithstanding the foregoing, Employee may own up to 1% of a publicly-traded Competitor.

- 7.2 Confidential Information.** Employee shall at all times hold in a fiduciary capacity for the benefit of Company all secret, confidential or proprietary information, knowledge or data relating to Company, and all of its businesses, which shall have been obtained by Employee during employment by Company and which shall not be or become public knowledge (other than by acts by Employee or Employee's representatives in violation of this Agreement) including, but not limited to, information regarding clients and agents of Company ("**Confidential Information**"). During Employee's employment with Company under this Agreement and after the termination of such employment, Employee shall not, without the prior written consent of Company, communicate or divulge any Confidential Information to any Person (as defined in Section 7.5.3) other than Company and those designated by it or use any Confidential Information except for the benefit of Company, provided that Employee may make disclosures to comply with the law or legal process. Immediately upon termination of Employee's employment with Company at any time and for any reason, Employee shall return to Company all Confidential Information, including, but not limited to, any and all copies, reproductions, notes or extracts of Confidential Information.
- 7.3 Solicitation of Employees.** During the Term and, if Employee's employment under this Agreement is terminated by Company or by Employee for any reason, for the greater of, (A) any period of time in which Employee continues to receive compensation of any kind from Company and continuing for a period of six months after said payment(s) cease, or (B) one year after the Term,, Employee shall not: (i) solicit, participate in or promote the solicitation of any person who was employed by Company at any time during the three-month period prior to Employee's termination of employment under this Agreement to leave the employ of Company; or (ii) on behalf of Employee or any other Person, hire, employ or engage any such person. Employee further agrees that, during such time, if an employee of Company contacts Employee about prospective employment, Employee will inform such employee that Employee cannot discuss the matter further without informing Company.
- 7.4 Remedies for Breach.** Employee agrees that damages in the event of any breach of Sections 7.1 through 7.3 by Employee would be difficult to ascertain. Employee therefore agrees that, notwithstanding anything in
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this Agreement to the contrary, including but not limited to the provisions of Section 14, Company, in addition to and without limiting any other remedy or right it may have, shall have the right to an injunction or other equitable relief in any court of competent jurisdiction, enjoining any such breach. Employee hereby waives any and all defenses Employee may have on the ground of lack of jurisdiction or competence of the court to grant such an injunction or other equitable relief. Employee also agrees that a bond shall not be required by Company in obtaining an injunction. The existence of this right shall not preclude any other rights and remedies at law or in equity that Company may have. The provisions of Section 7 shall survive the termination of this Agreement. The existence of a claim or cause of action of any kind by Employee against Company shall not constitute a defense to the enforcement by Company of the rights provided in this Section 7 and shall not be a defense in any injunction proceeding.

**7.5 Definitions.**

**7.5.1 "Competitor."** For purposes of Section 7, "**Competitor**" means any Person which sells goods or provides services which are directly competitive with those sold or provided by a business that (i) is being conducted by Company at the relevant time and (ii) was being conducted by Company at any time during the Term.

**7.5.2 "Company."** For purposes of Section 7, "**Company**" means TeleCommunication Systems, Inc., and its subsidiaries and affiliates.

**7.5.3 "Person."** For purposes of Section 7, "**Person**" means any individual or entity, including but not limited to any corporation, trust, sole proprietorship, joint venture or partnership.

**7.6 Survival of Section 7.** Employee agrees that the noncompetition agreements, nondisclosure agreements and non-employment agreements in this Section 7 each constitute separate agreements independently supported by good and adequate consideration and, notwithstanding anything in this Agreement to the contrary, shall be severable from the other provisions of, and shall survive, this Agreement.

**8. Notices.** Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and if sent by registered or certified mail to Employee at the last address filed in writing with Company or, in the case of Company, to Company's principal employee offices.

**9. Taxes.**

**9.1 Withholding Taxes.** Company shall have the right, to the extent permitted by law, to withhold from any payment of any kind due to Employee under this Agreement to satisfy the tax withholding obligations

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of Company under applicable law.

**9.2 Adjustment Relating to Tax on Excess Parachute Payments.**

**9.2.1. Adjustment.** Notwithstanding anything in this Agreement to the contrary, in the event Company's Law or Accounting Firm (as defined in Section 9.2.2) determines that any portion of the cash compensation payable under this Agreement (such portion of compensation, the "**Agreement Payment**"), and the portions, if any, of other payments or distributions in the nature of compensation by Company to or for the benefit of Employee (including, but not limited to, the value of the acceleration in vesting or exercisability of stock options) whether paid or payable or distributed or distributable pursuant to the terms of this Agreement (the Agreement Payment, together with such portions of other payments and distributions, the "**Payments**"), would cause any portion of the Payments to be subject to the excise tax imposed by section 4999, or any successor provision, of the Code (the portion subject to excise tax, the "**Parachute Payment**"), the Agreement Payment shall be reduced to an amount not less than zero which shall not cause any portion of the Payments to constitute a Parachute Payment, provided that no such reduction shall be made if the Payments, after the reduction and after the application of Federal income tax at the highest rate applicable to individual taxpayers, would not be greater than the present value (determined in accordance with section 280G, or any successor provision, of the Code) of the Payments before the reduction but after the application of (i) excise tax under section 4999 of the Code and (ii) Federal income tax at the highest rate applicable to individual taxpayers.

**9.2.2 Determination.** All determinations required to be made under this Section 9.2, including the assumptions to be utilized in arriving at such determination, shall be made by such nationally recognized law firm (including DLA Piper LLP (US)) or accounting firm (including Ernst & Young LP) as selected by Company (the "**Law or Accounting Firm**"), which shall provide detailed supporting calculations to both Company and Employee (i) within 15 business days after receipt by Company of a notice from Employee that Employee may have a Parachute Payment, or (ii) at such earlier time as may be requested by Company. The Law or Accounting Firm may employ and rely upon the opinions of actuarial or accounting professionals to the extent it deems necessary or advisable. In the event that the Law or Accounting Firm determines, for any reason, that it is unable to perform such services, or declines to do so, Company shall select another nationally recognized law or accounting firm to make the determinations required under this Section (which law or accounting firm shall then be referred to as the Law or Accounting Firm hereunder). All fees and expenses of the Law or Accounting Firm shall be borne solely by Company. Any determination by the Law or Accounting Firm shall be binding upon Company and Employee.

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**10. Successors and Assigns.** The rights, duties and obligations of a party hereunder may not be assigned, delegated or assumed without the prior written consent of the other party, provided that Company may assign this Agreement to any subsidiary thereof, without Employee's consent, and such assignment shall not constitute a termination of employment hereunder. Nothing herein shall cause a termination of this Agreement upon the acquisition, reorganization, or merger of Company. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors or permitted assigns. Nothing herein shall be construed to confer upon any person not a party hereto any right, remedy or claim under or by reason of this Agreement.

**11. Entire Agreement.** This Agreement constitutes the entire understanding of Employee and Company with respect to the subject matter hereof and supersedes and voids any and all prior agreements or understandings, written or oral, regarding the subject matter hereof.

**12. Amendment and Waiver.** This Agreement may not be changed, modified or discharged orally, but only by an instrument in writing signed by the parties. No waiver of any term or condition of this Agreement shall be effective unless agreed to in writing between the parties.

**13. Governing Law and Severability.** This Agreement shall be governed by the laws of the State of Maryland (without giving effect to choice of law principles or rules thereof that would cause the application of the laws of any jurisdiction other than the State of Maryland) and the invalidity or unenforceability of any provisions hereof shall in no way affect the validity or enforceability of any other provision. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**14. Arbitration.** DISPUTES REGARDING EMPLOYEE'S EMPLOYMENT WITH COMPANY, INCLUDING, WITHOUT LIMITATION, ANY DISPUTE UNDER THIS AGREEMENT WHICH CANNOT BE RESOLVED BY NEGOTIATIONS BETWEEN COMPANY AND EMPLOYEE, BUT EXCLUDING ANY DISPUTES REGARDING EMPLOYEE'S COMPLIANCE WITH SECTION 7, SHALL BE SUBMITTED TO, AND SOLELY DETERMINED BY, FINAL AND BINDING ARBITRATION CONDUCTED BY JAMS/ENDISPUTE, INC.'S ARBITRATION RULES APPLICABLE TO EMPLOYMENT DISPUTES, AND THE PARTIES AGREE TO BE BOUND BY THE FINAL AWARD OF THE ARBITRATOR IN ANY SUCH PROCEEDING. THE ARBITRATOR SHALL APPLY THE LAWS OF THE STATE OF MARYLAND (WITHOUT GIVING EFFECT TO CHOICE OF LAW PRINCIPLES OR RULES THEREOF THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF MARYLAND) WITH RESPECT TO THE INTERPRETATION OR ENFORCEMENT OF ANY MATTER RELATING TO THIS AGREEMENT; IN ALL OTHER CASES THE ARBITRATOR SHALL APPLY THE LAWS OF THE STATE SPECIFIED IN COMPANY'S ALTERNATIVE DISPUTE RESOLUTION POLICY AS IN EFFECT FROM TIME TO TIME (IF ANY). ARBITRATION SHALL BE HELD IN BALTIMORE,

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MARYLAND, OR SUCH OTHER PLACE AS THE PARTIES MAY MUTUALLY AGREE, AND SHALL BE CONDUCTED ONLY BY A FORMER JUDGE. JUDGMENT UPON THE AWARD BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF.

**15. Section 409A Compliance.**

- 15.1 This Agreement is intended to comply with, or otherwise be exempt from, section 409A of the Code.
  - 15.2 Company shall undertake to administer, interpret, and construe this Agreement in a manner that does not result in the imposition on Employee of any additional tax, penalty, or interest under section 409A of the Code.
  - 15.3 If Company determines in good faith that any provision of this Agreement would cause Employee to incur an additional tax, penalty, or interest under section 409A of the Code, Company and Employee shall use reasonable efforts to reform such provision, if possible, in a mutually agreeable fashion to maintain to the maximum extent practicable the original intent of the applicable provision without violating the provisions of section 409A of the Code.
  - 15.4 The preceding provisions, however, shall not be construed as a guarantee by Company of any particular tax effect to Employee under this Agreement. Company shall not be liable to Employee for any payment made under this Agreement, at the direction or with the consent of Employee, that is determined to result in an additional tax, penalty, or interest under section 409A of the Code, nor for reporting in good faith any payment made under this Agreement as an amount includible in gross income under section 409A of the Code.
  - 15.5 For purposes of section 409A of the Code, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments.
  - 15.6 With respect to any reimbursement of expenses of, or any provision of in-kind benefits to, Employee, as specified under this Agreement, such reimbursement of expenses or provision of in-kind benefits shall be subject to the following conditions: (i) the expenses eligible for reimbursement or the amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year, except for any medical reimbursement arrangement providing for the reimbursement of expenses referred to in section 105(b) of the Code; (ii) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation
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or exchange for another benefit.

- 15.7 If a payment obligation under this Agreement arises on account of Employee's "separation from service" while Employee is a "specified employee" (as each such term is defined under section 409A of the Code and determined in good faith by Company), any payment of "deferred compensation" (as defined under Treasury Regulation section 1.409A-e 1.409A-1(b)(3) through (b)(12)) that is scheduled to be paid within six months after such separation from service shall accrue with interest and shall be paid within 15 days after the end of the six-month period beginning on the date of such separation from service or, if earlier, within 15 days after the appointment of the personal representative or executor of Employee's estate following the death of the Employee. For purposes of the preceding sentence, interest shall accrue at the prime rate of interest published in the northeast edition of *The Wall Street Journal* on the date of Employee's separation from service.

**[Signatures appear on following page]**

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IN WITNESS WHEREOF, the parties have executed and delivered this Agreement this 5<sup>th</sup> day of March 2010.

WITNESS/ATTEST

/s/ Bruce A. White

/s/ Bruce A. White

TELECOMMUNICATION SYSTEMS, INC.

By: /s/ Richard A. Young

Title: Exec. VP & COO

EMPLOYEE

/s/ Drew A. Morin

Drew A. Morin

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ATTACHMENT A TO EMPLOYMENT AGREEMENT

Employee: Drew A. Morin

Agreement dated: February 1, 2010

In accordance with paragraph 2 of the Employment Agreement, Company hereby consents to the following other business activities:  
None.

WITNESS/ATTEST

/s/ Bruce A. White

/s/ Bruce A. White

TELECOMMUNICATION SYSTEMS, INC.

By: /s/ Richard A. Young

Title: Exec. VP & COO

EMPLOYEE

/s/ Drew A. Morin

**EMPLOYMENT AGREEMENT**

Between  
TeleCommunication Systems, Inc.  
and

**Timothy J. Lorello**  
(Employee Name)

THIS EMPLOYMENT AGREEMENT ("**Agreement**"), between the individual signing as "Employee" at the end of this Agreement (hereinafter referred to as "**Employee**"), and TeleCommunication Systems, Inc. (hereinafter referred to as "**Company**") is effective as of the 1<sup>st</sup> day of February, 2010 ("**Effective Date**");

WHEREAS, Company desires to continue to employ Employee and Employee desires to be employed by Company on the terms and conditions hereinafter set forth;

WHEREAS, Company and Executive wish to replace all previous employment agreements between them with this Agreement;

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

**1. Employment.** Company agrees to employ Employee for the position of **Senior Vice President, Sales & Chief Marketing Officer**.

Employee shall perform such duties as the management of Company may from time to time assign to Employee hereunder, including (without limitation) responsibility for **leading the Commercial Sales and Marketing organizations, including the day-to-day activities, goal-setting for product and market development and sales targets, public relations, strategic planning, performance monitoring, personnel and fiscal management, strategic planning and quality control of all functions.**

**2. Duties and Responsibilities.** Employee agrees to devote full time and attention and best efforts to performing the duties hereunder. While employed by Company, Employee will not, without Company's prior written consent, engage in any other business activity, other than investment of Employee's personal funds on a passive basis and without lending assistance directly or indirectly to any competitor.

Attachment A hereto is a complete list of Employee's current other business activities to which Company consents. In the event Employee wishes to change the approved activities, then Employee shall submit the requested change in writing to Company. Any changes consented to by Company shall be documented as a revised Attachment A and will become incorporated into the Agreement by reference. In no event shall Employee pursue outside business or personal interests that interfere with Employee's full-time responsibilities or entail any use of Company's resources.

**6. Compensation and Benefits.**

**3.1 Base Salary.** During Employee's employment under this Agreement, Company shall pay or cause to be paid to Employee a base salary at an

annual rate of not less than **\$289,387**, payable in cash in equal periodic installments not less frequent than the periodic installments in effect for salaries of Company employees of the same level as Employee (the "**Base Salary**"). The Base Salary may be subject to increases pursuant to reviews by the Board of Directors, where applicable, or a committee appointed by the Board of Directors, at such times as salary reviews are conducted generally for Company employees of the same level as Employee, but in no event less frequent than annually.

- 3.2 Incentive Compensation.** During Employee's employment under this Agreement, Company shall cause Employee to be eligible to participate in each bonus or incentive compensation plan, program or policy maintained by Company from time to time, in whole or in part, for employees of Employee's level ("**Bonus Plan**"). Employee's target and maximum compensation under, and the performance goals and all other terms of participation in, each Bonus Plan shall be determined solely by Company or by such person or administrative body as provided in the Bonus Plan. Said incentive compensation is not guaranteed and is contingent upon Employee and Company achieving deliverables or goals agreed upon. Said incentive compensation shall not be considered "earned" by Employee until Company has allocated payment to be made to Employee for any performance period. Payment under any Bonus Plan shall be made, if at all, by no later than March 15<sup>th</sup> of the year after the year in which the incentive compensation is earned.
- 3.3 Incentive Stock Compensation.** During Employee's employment with Company, Employee will be eligible to participate in stock incentive plans maintained by Company, and has received, and may receive in the future, awards of restricted or unrestricted stock, stock units, stock options and other stock-based awards (collectively, "Incentive Stock Awards"). Recognizing the unique position held by Executive and in consideration for the mutual promises contained in this Employment Agreement and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Company and Executive agree that certain restrictions on the sale of common stock of the Company by Executive that was or may be issued under an Incentive Stock Award are in the best interest of the Company. In this regard, Executive agrees that, unless advance written permission is provided to Executive by the Chief Executive Officer of the Company to sell more shares than would otherwise be permitted under this Agreement, during the Term Executive shall abide by the following limitations on the sale or other disposition of shares of common stock of the Company issued or issuable to him under Incentive Stock Awards:
- (g) In any given calendar year, Executive shall not sell or otherwise dispose of a number of shares of common stock of the Company acquired under Incentive Stock Awards in excess of the product of (i) ten percent (10%) times (ii) the sum of (A) the number of shares of common stock of the Company to which Executive holds title, determined as of
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the date immediately before the proposed sale or disposition date, that were issued pursuant to an Incentive Stock Award, plus (B) seventy percent (70%) of the number of shares of common stock of the Company for which Incentive Stock Awards are exercisable determined as of the date immediately before the proposed sale or disposition date.

- (h) In any given calendar quarter, Executive shall not sell or otherwise dispose of a number of shares of common stock of the Company acquired under Incentive Stock Awards in excess of the product of (i) two and one-half percent (2.5%) times (ii) the sum of (A) the number of shares of common stock of the Company to which Executive holds title, determined as of the date immediately before the proposed sale or disposition date, that were issued pursuant to an Incentive Stock Award, plus (B) seventy percent (70%) of the number of shares of common stock of the Company for which Incentive Stock Awards are exercisable determined as of the date immediately before the proposed sale or disposition date.

Employee understands and agrees that the restrictions set forth above shall apply to any award agreement evidencing an Incentive Stock Award (collectively, "**Stock Agreements**") previously entered into between Employee and Company or which may be entered into between Employee and Company after the date of this Agreement and that this Section 3.3 shall be incorporated in any such Stock Agreements as if fully stated therein.

Other than the restriction set forth herein, the specific terms and conditions of any Incentive Stock Awards shall be set out in an award agreement between Employee and Company, and shall contain a provision for accelerated vesting of options in the event of a Change in Control (as defined in Section 5.4.3).

The grant of Incentive Stock Awards shall not be construed to constitute or to be evidence of a commitment or guarantee to renew this Agreement or to employ or retain Employee for any period of time inconsistent with Sections 4 and 5 of this Agreement.

Any violation of the restrictions set forth in this Section 3.3 shall be grounds for dismissal for Good Cause pursuant to Section 5.2.1.

- 3.4 Benefits.** During employment under this Agreement, Employee shall be entitled to: (A) participation in such employee retirement and welfare benefit plans, programs, policies and arrangements as maintained by Company from time to time, in whole or in part, for employees of Employee's level, including but not limited to Company's employee stock ownership plan, and its health, disability, life insurance and sickness and accident insurance plans; and (B) paid vacation, holidays, leave of absence, leave for illness, funeral leave and temporary disability leave in accordance with the policies of Company; and (C) perquisites as from time to time provided by Company to employees
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of Employee's level.

- 3.5 Expenses.** During Employee's employment under this Agreement, Company shall reimburse Employee for ordinary and reasonable out-of-pocket expenses incurred by Employee in the performance of duties hereunder, provided that Employee shall account to Company for such expenses in accordance with the employee business expense policies and practices of Company.

- 3.6 Effect of Termination.** Upon termination of employment for any reason, Employee shall no longer be entitled to participation in any benefits programs, including the period when severance is payable under the Agreement.

**4. Term of Employment.** The term of Employee's employment ("**Term**") shall commence on the Effective Date and continue through January 31, 2011 for the initial term ("**Initial Term**"), unless sooner terminated as provided herein. Upon expiration of the Initial Term, unless either party has given the other party written notice of an intention not to renew at least 30 days' prior to the anniversary date of the Agreement, the term of Employee's employment shall automatically renew on the anniversary date of the Agreement for successive 12-month renewal periods (each, a "**Renewal Term**"). Thereafter, this Agreement may be terminated at the end of any Renewal Term pursuant to 30 days' notice of non-renewal or during any 12-month Renewal Term as provided herein.

**5. Termination of Employment.**

**5.1 Dismissal Without Good Cause and Resignation for Good Reason.**

**5.1.1 Dismissal Without Good Cause.** Company may terminate Employee's employment under this Agreement without Good Cause (as defined in Section 5.1.4) at any time by giving notice thereof to Employee at least 30 days before the effective date of such termination. Upon such termination, Employee shall be entitled to such compensation as provided in Section 5.1.3.

**5.1.2 Resignation for Good Reason.** Employee may terminate employment under this Agreement for Good Reason (as defined in Section 5.1.5) at any time by written notice thereof to Company at least 30 days before the effective date of such termination. Such notice shall specify in reasonable detail the Good Reason based upon which Employee intends to terminate employment. Upon such termination, Employee shall be entitled to such compensation as provided in Section 5.1.3.

**5.1.3 Severance Pay upon Dismissal Without Good Cause or Resignation for Good Reason.** If Employee's employment under this Agreement is terminated by Company without Good Cause or by Employee for Good Reason, Employee shall be entitled to the sum of the following, payable in equal periodic installments the same as Base Salary was received during the term of Employee's employment as provided in Section 3.1

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herein, which installments shall commence within 60 days after the last day of employment:

- (A) Base Salary, at the rate in effect immediately before the date of termination, for the greater of (i) the period from the day after the last day of employment hereunder through the last day of the Term, or (ii) six months; and
- (B) The amount "earned" by Employee under the annual Bonus Plan if at the time of termination Company has allocated payment to be made to Employee under the terms of the Bonus Plan for any performance period. Employee will not be eligible to receive payment under the Bonus Plan for any performance period if Employee is terminated prior to a decision by Company as to the payment due to Employee, if any, under the terms of the Bonus Plan. If no such decision by Company is made or necessary, Employee will not be eligible to receive any payments under the Bonus Plan if Employee is not employed at the time bonus payments are made to employees; so long as Employee (1) executes and delivers to Company, before such sum becomes payable, a general release, in form and substance acceptable to Company, by which Employee releases Company from all claims arising from Employee's employment by Company or termination of employment therefrom, in consideration for such payment, and (2) Employee shall not be in breach of any of the provisions of Section 7 at any time during the effectiveness thereof. In no event will any payment be made before the release becomes effective upon expiration of any applicable withdrawal period.

**5.1.4 Definition of "Good Cause." "Good Cause" means:**

- (A) Employee's willful gross misconduct, willful gross neglect, willful malfeasance or gross negligence in carrying out the duties hereunder, or "willful breach" of this Agreement (other than an inadvertent or nonrecurring breach cured and corrected by Employee within 30 days after notice thereof by Company). Under this provision, "**willful breach**" shall include, but not be limited to, insubordination, serious dereliction of fiduciary obligation, chronic abuse by Employee of alcohol or narcotics, a violation of any material Company rule, regulation or policy, or a serious violation of any law governing the workplace. It is provided further that no act or failure to act shall be considered "**willful**" if Employee reasonably believed in good faith that such act or failure to act was in, or not opposed to, the best interests of Company and its affiliates;
  - (B) Any act or conduct of dishonesty to Company by Employee
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involving fraud and embezzlement; or

- (C) Employee's conviction, including a plea of guilty or *nolo contendere*, of a felony involving theft or moral turpitude, other than a felony predicated on Employee's vicarious liability (for purposes of this Agreement, "**vicarious liability**" means Employee's liability based on acts of Company for which Employee is charged solely as a result of Employee's offices with Company and in which Employee was not directly involved or did not have prior knowledge of such acts).

**5.1.5 Definition of "Good Reason."** "Good Reason" means, without Employee's consent, any of the following conditions:

- (A) Any change in Employee's title or position that constitutes a material diminution in authority as compared to the authority of Employee's title or position as of the Effective Date, or any substantial diminution in Employee's duties and responsibilities (other than a change due to Employee's Disability), provided that no diminution of title, position, duties or responsibilities shall be deemed to occur solely because Company becomes a subsidiary of another corporation or because there has been a change in the reporting hierarchy incident thereto involving Employee;
- (B) Any requirement by Company that Employee involuntarily physically relocate from Employee's work location as of the Effective Date to another work location more than 75 miles away; or
- (C) Any material breach by Company of its obligations under this Agreement; so long as Employee notifies Company within 90 days after the existence of any such condition and Company fails to cure and correct such condition within 30 days after receipt of such notice. Notwithstanding the foregoing, Good Reason shall not exist unless the termination of employment occurs no later than two years following the initial existence of any condition provided in this Section 5.1.5.

**5.2 Dismissal for Good Cause, Resignation Without Good Reason and Termination upon Death or Disability.**

- 5.2.1 Dismissal for Good Cause.** Company may terminate Employee's employment under this Agreement for Good Cause by (A) giving notice thereof to Employee specifying in reasonable detail the Good Cause based upon which Company intends to terminate his employment; (B) if Good Cause exists under 5.1.4(A) only, after at least 30 days after such notice, providing Employee an opportunity to be heard at a meeting with the CEO and the Board of Directors; and (C) thereafter, effectuating such termination by a majority vote of the Board of Directors. For Good
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Cause terminations under Sections 5.1.4(B) & (C), Company may terminate Employee's employment immediately under this Agreement upon notice thereof to Employee. The effect of such termination is provided in Section 5.2.4.

- 5.2.2 Resignation Without Good Reason.** Employee may terminate employment hereunder at any time without Good Reason by notice thereof to Company at least 30 days before the effective date of such termination. The effect of such termination is provided in Section 5.2.4.
- 5.2.3 Termination upon Death or Disability.** This Agreement shall terminate automatically upon Employee's death. If Company determines in good faith that Employee has a Disability (as defined in this Section 5.2.3), Company may terminate employment under this Agreement by notifying Employee thereof at least 30 days before the effective date of termination. For purposes of this Agreement, "Disability" means any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than six months and which renders Employee unable to perform the material duties under this Agreement. If there is any dispute between the parties as to Employee's Disability, Company shall select or approve a physician whose determination as to Employee's Disability shall bind the parties hereto. The effect of a termination due to Employee's death or Disability is provided in Section 5.2.4.
- 5.2.4 Effect of Dismissal for Good Cause, Resignation Without Good Reason, or Termination upon Death or Disability.** If Employee's employment under this Agreement is terminated by Company for Good Cause, by Employee without Good Reason, or due to Employee's death or Disability as provided in this Agreement, all obligations of Company under this Agreement shall terminate, except as provided in Section 5.6.
- 5.3 Termination by Mutual Consent.** Company and Employee may terminate Employee's employment under this Agreement at any time and for any reason upon the mutual consent of both parties, effective as of such date as agreed upon by the parties. Upon such termination, except as provided in Section 5.6 or as agreed to by the parties in connection with their mutual consent to terminate Employee's employment, all obligations of Company hereunder shall terminate.
- 5.4 Termination After a Change in Control.**
- 5.4.1 Termination Events Triggering Compensation.** Company shall pay or cause to be paid to Employee such compensation as provided in Section 5.4.2, if Employee's employment under this Agreement is terminated by Company without Good Cause or by Employee for Good
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Reason coincident with or within 12 months after a Change in Control (as defined in Section 5.4.3).

**5.4.2 Compensation upon Termination.** If Employee's employment hereunder is terminated as provided in Section 5.4.1, Company shall pay or cause to be paid to Employee in a cash lump sum within 30 days after the date of termination, one times the annual Base Salary at the greater of (A) the rate in effect immediately before the date of termination or (B) the rate in effect immediately before the Change in Control; so long as Employee (i) executes and delivers to Company, before such sum becomes payable, a general release, in form and substance acceptable to Company, by which Employee releases Company from all claims arising from Employee's employment by Company or termination of employment therefrom, in consideration for such payment, and (ii) Employee shall not be in breach of any of the provisions of Section 7 at any time during the effectiveness thereof. In no event will any payment be made before the release becomes effective upon expiration of any applicable withdrawal period.

**5.4.3 Definition of "Change in Control."** A "Change in Control" means the earliest to occur of any of the following events, construed in accordance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"):

- (A) Any one person or more than one person acting as a group (as defined in section 409A of the Code) other than Company, its subsidiaries, any employee benefit plan of Company, or an underwriter temporarily holding securities pursuant to an offering of such securities, acquires ownership of stock of Company that, together with stock held by such person or group, constitutes more than 50 percent of the total fair market value or total voting power of the stock of Company;
  - (B) Any one person or more than one person acting as a group (as defined in section 409A of the Code), other than any subsidiary or parent of Company, acquires, or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or group, assets from Company that have a total gross fair market value of eighty-five percent or more of the total gross fair market value of all of the assets of Company immediately before such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets; or
  - (C) Any merger, consolidation or reorganization involving Company immediately after which either (i) a majority of the directors of the surviving entity is not comprised of persons who were directors of Company immediately prior to such transaction and whose
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appointment or election is not endorsed or approved by a majority of the directors of Company before the transaction or (ii) persons who hold more than a majority of the total voting power represented by outstanding voting securities of the surviving entity are not persons who held outstanding voting securities of Company immediately prior to such transaction.

- 5.5 Duplication of Severance Pay.** Employee is entitled to receive the payment under both Section 5.1 and Section 5.4. Employee hereby irrevocably waives the right to receive benefits under any severance or similar plan or policy of Company if Employee is entitled to receive a payment under Section 5.1 and/or 5.4, provided that if the value of such benefits exceeds the amount payable to Employee under Section 5.1 and/or 5.4, Employee may elect to receive such benefits in lieu of the payment under Section 5.1 and/or 5.4.
  - 5.6 Payment of Base Salary upon Termination.** Upon a termination of Employee's employment under this Agreement for any reason, Company shall pay or cause to be paid to Employee the increment of Base Salary earned but unpaid in the payroll period immediately preceding the date of termination, payable in cash on or before the day on which Employee would have been paid such amount if Employee's employment hereunder had not been terminated, but in no event later than the date as required by law.
  - 5.7 No Duty to Mitigate.** Employee shall not be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Employee under any of the provisions of this Agreement, and such amounts shall not be reduced whether or not Employee obtains other employment.
  - 5.8 Expiration of the Agreement.** If the Agreement expires at the end of the Initial Term or any Renewal Term after proper advance notice by either party of the intent not to renew, the Agreement shall expire and Employee shall not be entitled to the payment of severance pay pursuant to any provision of this Section 5 above.
  - 6. Ownership of Work Product.**

    - 6.1** Company shall own all Work Product (as defined in Section 6.5). To the extent permitted by law, All Work Product shall be considered work made for hire by Employee and owned by Company.
    - 6.2** If any of the Work Product may not, by operation of law, be considered work made for hire by Employee for Company (or if ownership of all right, title and interest of the intellectual property rights therein shall not otherwise vest exclusively in Company), Employee agrees to assign, and upon creation thereof automatically assigns, without further consideration, the ownership of all trade secrets, U.S. and international copyrights, patentable inventions, and
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other intellectual property rights therein to Company, its successors and assigns.

- 6.3 Company, its successors and assigns, shall have the right to obtain and hold in its or their own name copyrights, registrations, and any other protection available in the foregoing.
- 6.4 Employee agrees to perform upon the reasonable request of Company, during or after Employee's employment, such further acts as may be necessary or desirable to transfer, perfect and defend Company's ownership of the Work Product. When requested, Employee will
- (A) execute, acknowledge and deliver any requested affidavits and documents of assignment and conveyance;
  - (B) obtain and aid in the enforcement of copyrights (and, if applicable, patents) with respect to the Work Product in any countries;
  - (C) provide testimony in connection with any proceeding affecting the right, title or interest of Company in any Work Product; and
  - (D) perform any other acts deemed necessary or desirable to carry out the purposes of this Agreement.
- Company shall reimburse all reasonable out-of-pocket expenses incurred by Employee at Company's request in connection with the foregoing, including (unless Employee is otherwise being compensated at the time) a reasonable per diem or hourly fee for services rendered following termination of Employee's employment.

- 6.5 For purposes hereof, "**Work Product**" shall mean all intellectual property rights, including all trade secrets, U.S. and international copyrights, patentable inventions, discoveries and improvements, and other intellectual property rights, in any programming, documentation, technology or other work product that relates to the business and interests of Company and that Employee conceives, develops, or delivers to Company at any time during the term of Employee's employment. "Work Product" shall also include all intellectual property rights in any programming, documentation, technology or other work product that is now contained in any of the products or systems (including development and support systems) of Company to the extent Employee conceived, developed or delivered such Work Product to Company prior to the date of this Agreement while Employee was engaged as an independent contractor or employee of Company. Employee hereby irrevocably relinquishes for the benefit of Company and its assigns any moral rights in the Work Product recognized by applicable law.

**10. Restrictive Covenants.**

- 7.1 **Competition.** During the Term and, if Employee's employment under this
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Agreement is terminated by Company or by Employee for any reason, for the greater of, (A) any period of time in which Employee continues to receive compensation of any kind from Company and continuing for a period of six months after said payment(s) cease, or (B) one year after the Term, Employee shall not: (i) own, manage, operate, join, control or participate in the ownership, management, operation or control of a Competitor (as defined in Section 7.5); (ii) become a director, officer, employee, consultant or lender of, or be compensated by, a Competitor; or (iii) solicit any client of Company on behalf of or for the benefit of a Competitor. Notwithstanding the foregoing, Employee may own up to 1% of a publicly-traded Competitor.

- 7.2 Confidential Information.** Employee shall at all times hold in a fiduciary capacity for the benefit of Company all secret, confidential or proprietary information, knowledge or data relating to Company, and all of its businesses, which shall have been obtained by Employee during employment by Company and which shall not be or become public knowledge (other than by acts by Employee or Employee's representatives in violation of this Agreement) including, but not limited to, information regarding clients and agents of Company ("**Confidential Information**"). During Employee's employment with Company under this Agreement and after the termination of such employment, Employee shall not, without the prior written consent of Company, communicate or divulge any Confidential Information to any Person (as defined in Section 7.5.3) other than Company and those designated by it or use any Confidential Information except for the benefit of Company, provided that Employee may make disclosures to comply with the law or legal process. Immediately upon termination of Employee's employment with Company at any time and for any reason, Employee shall return to Company all Confidential Information, including, but not limited to, any and all copies, reproductions, notes or extracts of Confidential Information.

- 7.3 Solicitation of Employees.** During the Term and, if Employee's employment under this Agreement is terminated by Company or by Employee for any reason, for the greater of, (A) any period of time in which Employee continues to receive compensation of any kind from Company and continuing for a period of six months after said payment(s) cease, or (B) one year after the Term,, Employee shall not: (i) solicit, participate in or promote the solicitation of any person who was employed by Company at any time during the three-month period prior to Employee's termination of employment under this Agreement to leave the employ of Company; or (ii) on behalf of Employee or any other Person, hire, employ or engage any such person. Employee further agrees that, during such time, if an employee of Company contacts Employee about prospective employment, Employee will inform such employee that Employee cannot discuss the matter further without informing Company.
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**7.4 Remedies for Breach.** Employee agrees that damages in the event of any breach of Sections 7.1 through 7.3 by Employee would be difficult to ascertain. Employee therefore agrees that, notwithstanding anything in this Agreement to the contrary, including but not limited to the provisions of Section 14, Company, in addition to and without limiting any other remedy or right it may have, shall have the right to an injunction or other equitable relief in any court of competent jurisdiction, enjoining any such breach. Employee hereby waives any and all defenses Employee may have on the ground of lack of jurisdiction or competence of the court to grant such an injunction or other equitable relief. Employee also agrees that a bond shall not be required by Company in obtaining an injunction. The existence of this right shall not preclude any other rights and remedies at law or in equity that Company may have. The provisions of Section 7 shall survive the termination of this Agreement. The existence of a claim or cause of action of any kind by Employee against Company shall not constitute a defense to the enforcement by Company of the rights provided in this Section 7 and shall not be a defense in any injunction proceeding.

**7.5 Definitions.**

**7.5.1 "Competitor."** For purposes of Section 7, "**Competitor**" means any Person which sells goods or provides services which are directly competitive with those sold or provided by a business that (i) is being conducted by Company at the relevant time and (ii) was being conducted by Company at any time during the Term.

**7.5.2 "Company."** For purposes of Section 7, "**Company**" means TeleCommunication Systems, Inc., and its subsidiaries and affiliates.

**7.5.3 "Person."** For purposes of Section 7, "**Person**" means any individual or entity, including but not limited to any corporation, trust, sole proprietorship, joint venture or partnership.

**7.6 Survival of Section 7.** Employee agrees that the noncompetition agreements, nondisclosure agreements and non-employment agreements in this Section 7 each constitute separate agreements independently supported by good and adequate consideration and, notwithstanding anything in this Agreement to the contrary, shall be severable from the other provisions of, and shall survive, this Agreement.

**8. Notices.** Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and if sent by registered or certified mail to Employee at the last address filed in writing with Company or, in the case of Company, to Company's principal employee offices.

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9. **Taxes.**

9.1 **Withholding Taxes.** Company shall have the right, to the extent permitted by law, to withhold from any payment of any kind due to Employee under this Agreement to satisfy the tax withholding obligations of Company under applicable law.

9.2 **Adjustment Relating to Tax on Excess Parachute Payments.**

9.2.1. **Adjustment.** Notwithstanding anything in this Agreement to the contrary, in the event Company's Law or Accounting Firm (as defined in Section 9.2.2) determines that any portion of the cash compensation payable under this Agreement (such portion of compensation, the "**Agreement Payment**"), and the portions, if any, of other payments or distributions in the nature of compensation by Company to or for the benefit of Employee (including, but not limited to, the value of the acceleration in vesting or exercisability of stock options) whether paid or payable or distributed or distributable pursuant to the terms of this Agreement (the Agreement Payment, together with such portions of other payments and distributions, the "**Payments**"), would cause any portion of the Payments to be subject to the excise tax imposed by section 4999, or any successor provision, of the Code (the portion subject to excise tax, the "**Parachute Payment**"), the Agreement Payment shall be reduced to an amount not less than zero which shall not cause any portion of the Payments to constitute a Parachute Payment, provided that no such reduction shall be made if the Payments, after the reduction and after the application of Federal income tax at the highest rate applicable to individual taxpayers, would not be greater than the present value (determined in accordance with section 280G, or any successor provision, of the Code) of the Payments before the reduction but after the application of (i) excise tax under section 4999 of the Code and (ii) Federal income tax at the highest rate applicable to individual taxpayers.

9.2.2 **Determination.** All determinations required to be made under this Section 9.2, including the assumptions to be utilized in arriving at such determination, shall be made by such nationally recognized law firm (including DLA Piper LLP (US)) or accounting firm (including Ernst & Young LP) as selected by Company (the "**Law or Accounting Firm**"), which shall provide detailed supporting calculations to both Company and Employee (i) within 15 business days after receipt by Company of a notice from Employee that Employee may have a Parachute Payment, or (ii) at such earlier time as may be requested by Company. The Law or Accounting Firm may employ and rely upon the opinions of actuarial or accounting professionals to the extent it deems necessary or advisable. In the event that the Law or Accounting Firm determines, for any reason, that it is unable to perform such services, or declines to do so, Company shall select another nationally recognized law or accounting firm to make

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the determinations required under this Section (which law or accounting firm shall then be referred to as the Law or Accounting Firm hereunder). All fees and expenses of the Law or Accounting Firm shall be borne solely by Company. Any determination by the Law or Accounting Firm shall be binding upon Company and Employee.

**10. Successors and Assigns.** The rights, duties and obligations of a party hereunder may not be assigned, delegated or assumed without the prior written consent of the other party, provided that Company may assign this Agreement to any subsidiary thereof, without Employee's consent, and such assignment shall not constitute a termination of employment hereunder. Nothing herein shall cause a termination of this Agreement upon the acquisition, reorganization, or merger of Company. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors or permitted assigns. Nothing herein shall be construed to confer upon any person not a party hereto any right, remedy or claim under or by reason of this Agreement.

**11. Entire Agreement.** This Agreement constitutes the entire understanding of Employee and Company with respect to the subject matter hereof and supersedes and voids any and all prior agreements or understandings, written or oral, regarding the subject matter hereof.

**12. Amendment and Waiver.** This Agreement may not be changed, modified or discharged orally, but only by an instrument in writing signed by the parties. No waiver of any term or condition of this Agreement shall be effective unless agreed to in writing between the parties.

**13. Governing Law and Severability.** This Agreement shall be governed by the laws of the State of Maryland (without giving effect to choice of law principles or rules thereof that would cause the application of the laws of any jurisdiction other than the State of Maryland) and the invalidity or unenforceability of any provisions hereof shall in no way affect the validity or enforceability of any other provision. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**14. Arbitration.** DISPUTES REGARDING EMPLOYEE'S EMPLOYMENT WITH COMPANY, INCLUDING, WITHOUT LIMITATION, ANY DISPUTE UNDER THIS AGREEMENT WHICH CANNOT BE RESOLVED BY NEGOTIATIONS BETWEEN COMPANY AND EMPLOYEE, BUT EXCLUDING ANY DISPUTES REGARDING EMPLOYEE'S COMPLIANCE WITH SECTION 7, SHALL BE SUBMITTED TO, AND SOLELY DETERMINED BY, FINAL AND BINDING ARBITRATION CONDUCTED BY JAMS/ENDISPUTE, INC.'S ARBITRATION RULES APPLICABLE TO EMPLOYMENT DISPUTES, AND THE PARTIES AGREE TO BE BOUND BY THE FINAL AWARD OF THE ARBITRATOR IN ANY SUCH PROCEEDING. THE ARBITRATOR SHALL APPLY THE LAWS OF THE STATE OF MARYLAND (WITHOUT GIVING EFFECT TO CHOICE OF LAW PRINCIPLES OR RULES THEREOF THAT WOULD CAUSE THE

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APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF MARYLAND) WITH RESPECT TO THE INTERPRETATION OR ENFORCEMENT OF ANY MATTER RELATING TO THIS AGREEMENT; IN ALL OTHER CASES THE ARBITRATOR SHALL APPLY THE LAWS OF THE STATE SPECIFIED IN COMPANY'S ALTERNATIVE DISPUTE RESOLUTION POLICY AS IN EFFECT FROM TIME TO TIME (IF ANY). ARBITRATION SHALL BE HELD IN BALTIMORE, MARYLAND, OR SUCH OTHER PLACE AS THE PARTIES MAY MUTUALLY AGREE, AND SHALL BE CONDUCTED ONLY BY A FORMER JUDGE. JUDGMENT UPON THE AWARD BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF.

**15. Section 409A Compliance.**

- 15.1** This Agreement is intended to comply with, or otherwise be exempt from, section 409A of the Code.
  - 15.2** Company shall undertake to administer, interpret, and construe this Agreement in a manner that does not result in the imposition on Employee of any additional tax, penalty, or interest under section 409A of the Code.
  - 15.3** If Company determines in good faith that any provision of this Agreement would cause Employee to incur an additional tax, penalty, or interest under section 409A of the Code, Company and Employee shall use reasonable efforts to reform such provision, if possible, in a mutually agreeable fashion to maintain to the maximum extent practicable the original intent of the applicable provision without violating the provisions of section 409A of the Code.
  - 15.4** The preceding provisions, however, shall not be construed as a guarantee by Company of any particular tax effect to Employee under this Agreement. Company shall not be liable to Employee for any payment made under this Agreement, at the direction or with the consent of Employee, that is determined to result in an additional tax, penalty, or interest under section 409A of the Code, nor for reporting in good faith any payment made under this Agreement as an amount includible in gross income under section 409A of the Code.
  - 15.5** For purposes of section 409A of the Code, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments.
  - 15.6** With respect to any reimbursement of expenses of, or any provision of in-kind benefits to, Employee, as specified under this Agreement, such reimbursement of expenses or provision of in-kind benefits shall be subject to the following conditions: (i) the expenses eligible for reimbursement or the
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amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year, except for any medical reimbursement arrangement providing for the reimbursement of expenses referred to in section 105(b) of the Code; (ii) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

- 15.7 If a payment obligation under this Agreement arises on account of Employee's "separation from service" while Employee is a "specified employee" (as each such term is defined under section 409A of the Code and determined in good faith by Company), any payment of "deferred compensation" (as defined under Treasury Regulation section 1.409A-e 1.409A-1(b)(3) through (b)(12)) that is scheduled to be paid within six months after such separation from service shall accrue with interest and shall be paid within 15 days after the end of the six-month period beginning on the date of such separation from service or, if earlier, within 15 days after the appointment of the personal representative or executor of Employee's estate following the death of the Employee. For purposes of the preceding sentence, interest shall accrue at the prime rate of interest published in the northeast edition of *The Wall Street Journal* on the date of Employee's separation from service.

**[Signatures appear on following page]**

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IN WITNESS WHEREOF, the parties have executed and delivered this Agreement this 5<sup>th</sup> day of March 2010.

WITNESS/ATTEST

/s/ Bruce A. White

TELECOMMUNICATION SYSTEMS, INC.

By: /s/ Richard A. Young

Title: Exec. VP & COO

EMPLOYEE

/s/ Bruce A. White

/s/ Timothy J. Lorello

Timothy J. Lorello

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ATTACHMENT A TO EMPLOYMENT AGREEMENT

Employee: Timothy J. Lorello

Agreement dated: February 1, 2010

In accordance with paragraph 2 of the Employment Agreement, Company hereby consents to the following other business activities:  
None.

WITNESS/ATTEST

/s/ Bruce A. White

TELECOMMUNICATION SYSTEMS, INC.

By: /s/ Richard A. Young

Title: Exec. VP & COO

EMPLOYEE

/s/ Bruce A. White

/s/ Timothy J. Lorello

**Supplemental Financial Schedule II**  
**TeleCommunication Systems, Inc.**  
**Valuation and Qualifying Accounts**  
**(amounts in thousands)**

| <b>Column A</b>                      | <b>Column B</b>                          | <b>Column C</b>                               | <b>Column D</b>   | <b>Column E</b>                |
|--------------------------------------|------------------------------------------|-----------------------------------------------|-------------------|--------------------------------|
| <b>Description</b>                   | <b>Balance<br/>Beginning<br/>of Year</b> | <b>Additions,<br/>Costs, and<br/>Expenses</b> | <b>Deductions</b> | <b>Balance End of<br/>Year</b> |
| Year ended December 31, 2009         |                                          |                                               |                   |                                |
| Allowance for Doubtful Accounts      | \$ 285                                   | \$ 234                                        | \$ (130)          | \$ 389                         |
| Allowance for Inventory Obsolescence | \$ 857                                   | \$ 597                                        | \$ (318)          | \$ 1,136                       |
| Year ended December 31, 2008         |                                          |                                               |                   |                                |
| Allowance for Doubtful Accounts      | \$ 265                                   | \$ 193                                        | \$ (173)          | \$ 285                         |
| Allowance for Inventory Obsolescence | \$ 645                                   | \$ 353                                        | \$ (141)          | \$ 857                         |
| Year ended December 31, 2007         |                                          |                                               |                   |                                |
| Allowance for Doubtful Accounts      | \$ 290                                   | \$ 123                                        | \$ (148)          | \$ 265                         |
| Allowance for Inventory Obsolescence | \$ 616                                   | \$ 100                                        | \$ (71)           | \$ 645                         |

**Subsidiaries of the Registrant**

Networks In Motion, Inc., a Delaware corporation  
Quasar Acquisition, LLC, a Maryland limited liability company  
Solvern Innovations, Inc., a Maryland corporation  
Longhorn Acquisition LLC, a Maryland limited liability company  
NextGen Communications, Inc., a Maryland corporation  
NextGen Communications, Inc., a Virginia corporation  
NIM (TianJin) Co., Ltd., a corporation registered in China  
Networks in Motion Sweden AB, a corporation of Sweden\*  
Canada TeleCommunication Systems ULC, an Alberta, Canada unlimited liability corporation\*  
TeleCommunication Systems Corp. of Maryland, a Maryland corporation\*  
TeleCommunication Systems (Holdings) Limited, a United Kingdom corporation\*

\* These entities were subsidiaries of the Company as of December 31, 2009, but for which articles of liquidation have been filed prior to January 1, 2010.

**Exhibit 23.1****Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-144742, 333-136072, 333-118610, 333-107466, 333-66676, 333-51656, 333-48026) pertaining to various stock incentive and option plans and in the Registration Statements on Form S-3 (Nos. 333-165005, 333-161544, 333-133018, 333-119431, 333-112759, 333-104305) of TeleCommunication Systems, Inc. of our reports dated March 8, 2010, with respect to the consolidated financial statements and schedule of TeleCommunication Systems, Inc. and the effectiveness of internal control over financial reporting of TeleCommunication Systems, Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2009.

/s/ Ernst & Young LLC

Baltimore, Maryland  
March 8, 2010



I, Maurice B. Tosé, certify that:

- a) I have reviewed this annual report on Form 10-K of TeleCommunication Systems, Inc.;
- b) Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- d) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
- e) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

/s/ Maurice B. Tosé

Maurice B. Tosé  
Chairman, CEO and President



I, Thomas M. Brandt, Jr, certify that:

- a) I have reviewed this annual report on Form 10-K of TeleCommunication Systems, Inc.;
- b) Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- d) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
- e) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

/s/ Thomas M. Brandt, Jr.

Thomas M. Brandt, Jr.  
 Sr. Vice President & CFO



**Certification of Principal Executive Officer  
Pursuant to 18 U.S.C. 1350**

**(Section 906 of the Sarbanes-Oxley Act of 2002)**

I, Maurice B. Tosé, President and Chief Executive Officer (principal executive officer) of TeleCommunication Systems, Inc. (the "Registrant"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Annual Report on Form 10-K of the Company for the period ended December 31, 2009 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Act of 1934 (15 U.S.C. 78m); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Maurice B. Tosé

Maurice B. Tosé

Date: March 8, 2010

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.



**Certification of Principal Financial Officer  
Pursuant to 18 U.S.C. 1350**

**(Section 906 of the Sarbanes-Oxley Act of 2002)**

I, Thomas M. Brandt, Jr., Chief Financial Officer (principal financial officer) of TeleCommunication Systems, Inc. (the "Registrant"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Annual Report on Form 10-K of the Company for the period ended December 31, 2009 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Act of 1934 (15 U.S.C. 78m); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Thomas M. Brandt, Jr.

Thomas M. Brandt, Jr.

Date: March 8, 2010

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**EXHIBIT 11**  
**DOCUMENTATION OF FUNDING SOURCES**

Please refer to Exhibit 10 for documentation supporting NextGen's cash and funding sources.

**EXHIBIT 12**  
**DOCUMENTATION ATTESTING TO THE APPLICANT'S TECHNICAL AND**  
**MANAGERIAL EXPERTISE RELATIVE TO THE PROPOSED SERVICE OFFERING(S)**  
**AND PROPOSED SERVICE AREA**

**I. NARRATIVE**

TCS, the parent corporation of NextGen, has been providing telecommunication services to customers across the globe since 1987, and supporting NextGen's efforts since its inception. We are founding members of the SMS Forum ([www.smsforum.net](http://www.smsforum.net)) and the PAM Forum ([www.pamforum.org](http://www.pamforum.org)). We are active members of a number of other professional committees and standards-making organizations including; NENA, NRIC7, APCO, ATIS, CTIA (Board Membership), Federal Communication Commission's CSRIC, ETSI, and 3GPP.

NextGen and TCS provide a variety of telecommunications products and services internationally to approximately 42 wireless carriers including; SMS messaging, Wireless Internet Gateway, satellite communications, IT management services, Mobile Positioning System (MPC), and other location-based services. Our expertise in E911 has been developed over the last 9 years in the wireless industry, providing E911 service to wireless carriers. In that capacity, we have developed a knowledge base and hands-on experience in managing wireless ALI databases, establishing ALI circuits, provisioning ALI databases and selective routers, and installing and provisioning voice and data circuits to a wide variety of selective routers. As an MPC vendor, we are familiar with PSAP messaging, ALI screen formatting, and all messaging related to Phase 1 and Phase 2 wireless E911 deployments. In addition, we provide AGPS PDE service for E911 Phase 2 and host the Wide Area Reference Network (WARN) used by virtually all AGPS users in the United States.

Our equipment is monitored 24x7 in the state of the art Network Operations Center (NOC) located in Seattle, WA with a duplicate active redundant backup NOC in Phoenix, AZ, and a standby NOC in Annapolis, MD. The NOC monitors and average of approximately 140,000 E911 calls per day with a network availability rate in excess of 99.999%. The NOC maintains direct communications with PSAPs, LECs, carrier NOCs, and the NOCs of our customers. Trouble tickets are managed according to strict Service Impairment Levels that mandate escalation according to the nature and extent of the problems, and reports are made to the Federal Communications Commission consistent with established regulations.

NextGen and TCS have years of experience supporting the 9-1-1 call routing process and the selective routing switches of any 9-1-1 provider in the country. NextGen currently supports switch updates and/or external selective routing database (SRDB) functionality to the following equipment: Lucent 5ESS, Lucent ECP, Nortel DMX, CISCO, CedarPoint, and Ericsson.

**II. BRIEF BIOGRAPHIES OF MANAGEMENT PERSONNEL**

**Maurice B. Tosé**  
**Chairman of the Board, Chief Executive Officer, and President**

Maurice B. Tosé founded TeleCommunication Systems (TCS) in 1987, initially as a military contractor for software development and network projects. Since then, TCS has evolved into a leader in wireless messaging and location technology. Today, TCS and NextGen are delivering the essential software, services, and solutions to wireless telecommunication carriers that enable people to better manage their mobile lifestyles.

Since its inception, the company has experienced significant growth, from generating \$28 million in revenues during its first 10 years to \$300 million in revenues in 2009. The company has grown to more than 1,000 employees based principally in Annapolis, Seattle, and Tampa. In August of 2000, TCS became a public company with a successful Initial Public Offering (IPO) that raised \$92 million.

Born in 1957 in Fort Bragg, N.C., Mr. Tosé grew up in Williamsburg, VA., and attended public schools. He graduated from the United States Naval Academy in 1978 with a Bachelor of Science degree in Operations Analysis. Following his graduation, he served on active duty in the United States Navy for eight years in posts throughout the United States, rising to the rank of Lieutenant. Tours of duty at sea included USS Bagley as Damage Control Assistant and as the Operations Officer on USS Mauna Kea, where he was responsible for the operations and maintenance of all voice and data communications. After his service at sea, Mr. Tosé returned immediately to the Naval Academy as an instructor. For more than 10 years, Mr. Tosé has been an active member of the Naval Reserves, attaining the rank of Commander, including an extensive assignment to the staff of the United States Secretary of Defense.

Prior to founding TCS, Mr. Tosé was the Director of Department of Defense Programs for Techmatics, Inc., headquartered in Silver Spring, Maryland. At Techmatics, Mr. Tosé was responsible for the marketing and management of systems integration contracts for the DoD. These contracts involved the installation, maintenance, personnel training, and integrated logistics support for turnkey communications systems.

With over 21 years of experience providing technical solutions through operations research techniques in engineering, telecommunications, complex automated data processing and wireless systems, Mr. Tosé and his company have been recognized through the receipt of numerous awards including 2000 and 1997 Ernst & Young Entrepreneur of the Year finalist, The Lamond Godwin Bridge Builders Award for Excellence in Minority Business Relations, The National Association of Black Telecommunication Professional's Granville T. Woods Award for Outstanding Achievement, the AT&T Spectrum Award for Innovators, three-time winner of the Greater Washington Technology Fast 50 Award, two-time winner of the Maryland Fast 50 Award, the national Technology Fast 500 Award, five times included in the Black Enterprise Top 100, and the Government Computer News Industry Information Technology Award.

Additionally, Mr. Tosé is a member of numerous professional organizations including the Wireless Data Forum, AT&T's Diversity Roundtable, the International Engineering Consortium and the Intelligent Network Forum. Mr. Tosé remains involved with his alma mater and serves on the board of directors of the U.S. Naval Academy Foundation. He also serves as a member of the Federal Communications Commission's (FCC) Communications Security, Reliability, and Interoperability Council (CSRIC) and is a member of the Maryland Governor's International Advisory Council.

Despite the hectic schedule of a CEO, Mr. Tosé has made community service a priority. His current and past affiliations include: treasurer and vice president, U.S. Naval Academy Class of 1978; member, Annapolis Jaycees and Annapolis Kiwanis; treasurer, vice president; director Arundel on the Bay Homeowners Association; member, Budget & Finance Council, Antioch Apostolic Church; co-founder, chairman of the board, United States Naval Academy Samuel P. Massie Education Endowment (through which TCS has provided over \$75,000 in scholarships to at-risk youth in Anne Arundel County, MD); member, Annapolis Small Area Planning Commission; member, board of directors, First Night Annapolis; member, board of directors, Ginger Cover Retirement Community.

**Richard A. Young**

## **Executive Vice President and Chief Operating Officer**

Mr. Young directs all day-to-day activities in the company including goal setting, performance monitoring, and deployment of key personnel. Mr. Young joined TCS in 1992. He has over twenty-seven years of experience in technology management, with in-depth technical experience in hardware and software life cycle program management. Prior to TCS, Mr. Young worked as Senior Manager for ICF Information Technology, Inc. where he was responsible for managing over thirty technical staff in designing and developing applications to customer specifications. From 1986 to 1989, Mr. Young was the Director of the Information Systems Department of the Navy Recruiting Command where he managed over seventy technical employees and was responsible for the information management requirements of the nationwide recruiting force. Mr. Young holds a B.S. degree in Engineering from the U.S. Naval Academy and holds a Master of Science degree in Information Technology from the Naval Postgraduate School.

## **Tom Brandt Senior Vice President and Chief Financial Officer**

As Chief Financial Officer, Mr. Brandt is responsible for the Company's financial management, reporting, controls, accounting, and administration. Mr. Brandt joined TCS in early 1997. He has twenty-seven years experience in finance and accounting. Mr. Brandt was previously Senior Vice President and CFO of DIGEX, Inc., an Internet service provider, where he helped lead its 1996 IPO. His experience includes twelve years with Price Waterhouse, and service as CFO or controller of other corporations including Easco Corporation, a Fortune 500 company listed on the New York Stock Exchange. He serves on the Board of Antenna Research Associates, Inc., a private technology company. He is a CPA with an AB from Duke University and an MBA from the Wharton School of the University of Pennsylvania.

## **Drew Morin, Sr. Senior Vice President and Chief Technology Officer**

As TeleCommunication Systems' Senior Vice President and Chief Technology Officer, Drew Morin is responsible for technical direction, coordination, and development activities across the company's business units.

Mr. Morin has extensive experience in analysis, design, development, and implementation of integrated voice/data/video communication systems for a wide variety of applications in both the government and commercial sectors.

Prior to joining TCS in 1988, Mr. Morin was a Communications Systems Engineer for BDM Corporation. There he designed, developed, and implemented next-generation systems, including a tactical wireless data communications network and one of the first secure local-area networks.

Mr. Morin holds a Bachelor of Science degree in systems engineering from the University of Virginia and a Master of Science degree in systems engineering from George Mason University.

**Chris Nabinger**  
**Senior Vice President, Service Bureau Operations**

As Senior Vice President of Service Bureau Operations for TeleCommunication Systems and NextGen, Chris Nabinger is responsible for wireless E9-1-1 operations, Voice-over-Internet Protocol (VoIP) E9-1-1 operations, Next Generation 9-1-1, hosted location services, and data center operations. He also ensures that TCS and NextGen maintain the enviable record of reliability through ISO 9001 and TL 9000 certifications [TCS has the only TL9000 certified NOC for a non-carrier organization].

Mr. Nabinger's career in telecom has given him extensive experience building global engineering, operational, and program management teams for both public and private companies worldwide. Most recently, he was an Executive Partner at Gartner Group, where he advised client companies' chief information officers with product, operational, and technology strategies. Previously, Mr. Nabinger was Chief Technology Officer of Masergy Communications, a global wide-area networking company. Prior to Masergy, he held senior management positions in Polycom, Philips, InfoSpace, Verizon, and AT&T.

Mr. Nabinger holds a bachelor's degree in industrial technology from Binghamton University. He earned his master's degree in management, computing, and information systems from Houston Baptist University.

**EXHIBIT 13**  
**NAMES, ADDRESSES, AND TELEPHONE NUMBERS OF NEXTGEN'S OFFICERS AND**  
**DIRECTORS**

**NextGen Company Officers**

**Maurice B. Tosé**

**President and Director**

275 West Street Annapolis, MD 21401 Tel: (410) 263-7616

**Tom Brandt**

**Treasurer and Director**

275 West Street Annapolis, MD 21401 Tel: (410) 263-7616

**Bruce White**

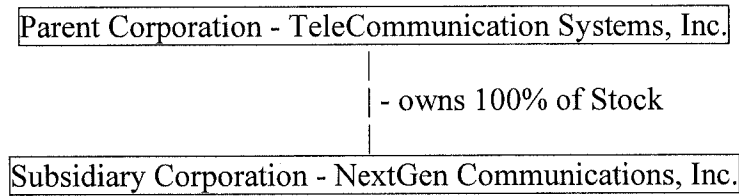
**Secretary**

275 West Street Annapolis, MD 21401 Tel: (410) 263-7616

## EXHIBIT 14

### DOCUMENTS INDICATING CORPORATE STRUCTURE AND OWNERSHIP

Full documentation regarding NextGen is set forth in the SEC form 10K provided with this application. Below is a diagram of the corporate structure and ownership for NextGen.



**EXHIBIT 15**  
**INFORMATION REGARDING SIMILAR OPERATIONS IN OTHER STATES**

NextGen is presently certificated, to provide the services that it seeks to provide in Ohio in thirty-seven other states, and has active applications in 4 additional states. NextGen has never been denied certification and intends to seek authority to enter markets in the rest of the states where it is not presently certificated. NextGen has never been certified in Ohio.

**EXHIBIT 16**  
**VERIFICATION OF MAINTENANCE OF TELEPHONY RECORDS**


I, Kim Robert Scovill, Senior Director for NextGen Communications, Inc., verify that NextGen will maintain its local telephony records in accordance with Generally Accepted Accounting Principles ("GAAP"), as required by O.A.C. 4901:1-6-10(D)(4), adopted pursuant to PUCO Case No. 06-1345-TP-ORD.

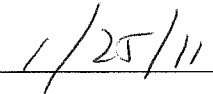
  
\_\_\_\_\_  
Kim Robert Scovill

  
\_\_\_\_\_  
Date

**EXHIBIT 17**  
**VERIFICATION OF AFFILIATE TRANSACTION REQUIREMENTS**

I, Kim Robert Scovill, Senior Director for NextGen Communications, Inc., verify that NextGen will comply with all Affiliate Transaction Requirements set forth in O.A.C. 4901:1-6-10(D)(3), adopted pursuant to PUCO Case No. 06-1345-TP-ORD.

  
\_\_\_\_\_  
Kim Robert Scovill

  
\_\_\_\_\_  
Date

**EXHIBIT 18**  
**EXPLANATION OF RATES**

NextGen's rates are derived through its resale tariffs.

## **EXHIBITS 19 / 20**

### **EXPLANATION OF SERVICE AREAS WHERE COMPANY CURRENTLY HAS APPROVED INTERCONNECTION AGREEMENTS PROPOSED TIMELINE FOR CONSTRUCTION, INTERCONNECTION, AND OFFERING OF SERVICES TO END USERS**

NextGen does not currently have any interconnection or resale agreements with providers for any service area in Ohio. When NextGen provides transport it does so through the resale of facilities of other certified carriers. Therefore, it does not always need to directly have an interconnection agreement to provide its services, as the underlying transport carriers have suitable agreements. On occasion, NextGen may require collocation or some other service only available via interconnection. When this is the case, NextGen will negotiate an interconnection agreement with the appropriate entity at that time.

As noted above, NextGen does not currently propose to construct any facilities, and interconnection needs depend upon the nature of the services requested by the client. NextGen does not have a current timeline for entry into the Competitive Emergency Telecommunications Services market as this depends upon proposal requests PSAPs and/or governmental agencies. NextGen does propose to comply with service implementation deadlines for those proposals that it responds to and is chosen to fulfill.

**EXHIBIT 21**  
**ADVANCE PAYMENT FOR LOCAL SERVICES WHICH REQUIRE PAYMENT IN ADVANCE OF**  
**CUSTOMER RECEIVING DIAL TONE**

NextGen does not provide dial-tone services.

**EXHIBIT 22**  
**TARIFF SHEET LISTING CHARGES HAT MUST BE PAID PRIOR TO CUSTOMER RECEIVING**  
**DIAL TONE**

This requirement is not applicable to NextGen does not provide dial-tone services.

**EXHIBIT 23**  
**SAMPLE CUSTOMER BILL AND DISCONNECTION NOTICE**

NextGen's customers are sophisticated carriers or government agencies, not retail consumers. NextGen's statements do not contain any notices, terms of service, or information other than the statement of charges due and how they are calculated (if appropriate to the particular customer). A sample of NextGen's customer bill is attached.

NextGen does not send disconnection notices.

# NextGen Communications, Inc.

275 West Street - Suite 400 Annapolis, MD 21401

## INVOICE

Invoice Number:

Invoice Date:

Terms:

Carrier ID:

Carrier Name:

Project No.:

SO#:

### BILL TO:

### REMIT PAYMENT TO

TeleCommunication Systems, Inc.

Attn: Accounts Receivable

Dept. CH 17168

Palatine, IL 60055-7168

\*\*\*CONFIDENTIAL\*\*\*

Billing Inquiries: Diane Hoover (206) 792-2670

### January 2011 - E911 Services Invoice Sample

| Ln | Description   | Price | Disc | Disc Price | QTY     | Total |
|----|---------------|-------|------|------------|---------|-------|
| 1  | E911 Services | 0.00  | 0.00 | 0.00       | 0.00 \$ | -     |

Invoice Total: \$ -

**EXHIBIT 24**  
**CUSTOMER APPLICATION FORM**

N/A NextGen does not offer residential service.

**EXHIBIT 25**  
**LIST OF OHIO ILEC EXCHANGES NEXTGEN INTENDS TO SERVE**

Form is attached (spreadsheet from Commission website). NextGen will mirror all ILEC exchanges for all calls.

12/20/2010

Proposed Market Area (PMA) for  
CLECs Provision of Local Service

**Company Name:** NextGen Communications, Inc. Select All AT&T Ohio  
**dba:** Select All United Telephone dba Embarq  
**Certificate Number:** Select All Verizon North Select All Cincinnati Bell

**Designate Proposed Market Area (PMA) by putting an "X" in appropriate boxes**

\* Hanover was inadvertently omitted from the exchange name which was updated on 9-6-06.

| ILEC          | COUNTY     | EXCHANGE                 | PMA |
|---------------|------------|--------------------------|-----|
| Arcadia       | HANCOCK    | Arcadia                  |     |
| Arthur Mutual | PAULDING   | Arthur                   |     |
| AT&T Ohio     | ADAMS      | Winchester               | X   |
| AT&T Ohio     | ATHENS     | Nelsonville              | X   |
| AT&T Ohio     | BELMONT    | Barnesville              | X   |
| AT&T Ohio     | BELMONT    | Bellaire                 | X   |
| AT&T Ohio     | BELMONT    | Bethesda                 | X   |
| AT&T Ohio     | BELMONT    | Martins Ferry-Bridgeport | X   |
| AT&T Ohio     | BELMONT    | Somerton                 | X   |
| AT&T Ohio     | BELMONT    | St. Clairsville          | X   |
| AT&T Ohio     | BROWN      | Aberdeen                 | X   |
| AT&T Ohio     | BROWN      | Ripley                   | X   |
| AT&T Ohio     | BUTLER     | Middletown               | X   |
| AT&T Ohio     | BUTLER     | Monroe                   | X   |
| AT&T Ohio     | BUTLER     | Trenton                  | X   |
| AT&T Ohio     | CHAMPAIGN  | Christiansburg           | X   |
| AT&T Ohio     | CLARK      | Donnelsville             | X   |
| AT&T Ohio     | CLARK      | Enon                     | X   |
| AT&T Ohio     | CLARK      | Medway                   | X   |
| AT&T Ohio     | CLARK      | New Carlisle             | X   |
| AT&T Ohio     | CLARK      | North Hampton            | X   |
| AT&T Ohio     | CLARK      | Pitchin                  | X   |
| AT&T Ohio     | CLARK      | South Charleston         | X   |
| AT&T Ohio     | CLARK      | South Vienna             | X   |
| AT&T Ohio     | CLARK      | Springfield              | X   |
| AT&T Ohio     | CLARK      | Tremont City             | X   |
| AT&T Ohio     | COLUMBIANA | Columbiana               | X   |
| AT&T Ohio     | COLUMBIANA | East Liverpool           | X   |

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Proposed Market Area (PMA) for  
CLECs Provision of Local Service

|           |            |                |   |
|-----------|------------|----------------|---|
| AT&T Ohio | COLUMBIANA | East Palestine | X |
| AT&T Ohio | COLUMBIANA | Leetonia       | X |
| AT&T Ohio | COLUMBIANA | Lisbon         | X |
| AT&T Ohio | COLUMBIANA | New Waterford  | X |
| AT&T Ohio | COLUMBIANA | Rogers         | X |
| AT&T Ohio | COLUMBIANA | Salem          | X |
| AT&T Ohio | COLUMBIANA | Salineville    | X |
| AT&T Ohio | COLUMBIANA | Wellsville     | X |
| AT&T Ohio | COSHOCTON  | Conesville     | X |
| AT&T Ohio | COSHOCTON  | Coshocton      | X |
| AT&T Ohio | COSHOCTON  | West Lafayette | X |
| AT&T Ohio | CUYAHOGA   | Bedford        | X |
| AT&T Ohio | CUYAHOGA   | Berea          | X |
| AT&T Ohio | CUYAHOGA   | Brecksville    | X |
| AT&T Ohio | CUYAHOGA   | Chagrin Falls  | X |
| AT&T Ohio | CUYAHOGA   | Cleveland      | X |
| AT&T Ohio | CUYAHOGA   | Gates Mills    | X |
| AT&T Ohio | CUYAHOGA   | Hillcrest      | X |
| AT&T Ohio | CUYAHOGA   | Independence   | X |
| AT&T Ohio | CUYAHOGA   | Montrose [CUY] | X |
| AT&T Ohio | CUYAHOGA   | North Royalton | X |
| AT&T Ohio | CUYAHOGA   | Olmsted Falls  | X |
| AT&T Ohio | CUYAHOGA   | Strongsville   | X |
| AT&T Ohio | CUYAHOGA   | Terrace        | X |
| AT&T Ohio | CUYAHOGA   | Trinity        | X |
| AT&T Ohio | CUYAHOGA   | Victory        | X |
| AT&T Ohio | ERIE       | Bloomington    | X |
| AT&T Ohio | ERIE       | Castalia       | X |
| AT&T Ohio | ERIE       | Sandusky       | X |
| AT&T Ohio | FAIRFIELD  | Carroll        | X |
| AT&T Ohio | FAIRFIELD  | Lancaster      | X |
| AT&T Ohio | FAIRFIELD  | Rushville      | X |
| AT&T Ohio | FAIRFIELD  | Sugar Grove    | X |
| AT&T Ohio | FAYETTE    | Bloomington    | X |
| AT&T Ohio | FAYETTE    | Jeffersonville | X |
| AT&T Ohio | FAYETTE    | Milledgeville  | X |

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Proposed Market Area (PMA) for  
CLECs Provision of Local Service

|           |          |                        |   |
|-----------|----------|------------------------|---|
| AT&T Ohio | FAYETTE  | Washington Court House | X |
| AT&T Ohio | FRANKLIN | Alton                  | X |
| AT&T Ohio | FRANKLIN | Canal Winchester       | X |
| AT&T Ohio | FRANKLIN | Columbus               | X |
| AT&T Ohio | FRANKLIN | Dublin                 | X |
| AT&T Ohio | FRANKLIN | Gahanna                | X |
| AT&T Ohio | FRANKLIN | Grove City             | X |
| AT&T Ohio | FRANKLIN | Groveport              | X |
| AT&T Ohio | FRANKLIN | Harrisburg             | X |
| AT&T Ohio | FRANKLIN | Hilliard               | X |
| AT&T Ohio | FRANKLIN | Lockbourne             | X |
| AT&T Ohio | FRANKLIN | New Albany             | X |
| AT&T Ohio | FRANKLIN | Reynoldsburg           | X |
| AT&T Ohio | FRANKLIN | Westerville            | X |
| AT&T Ohio | FRANKLIN | Worthington            | X |
| AT&T Ohio | GALLIA   | Cheshire               | X |
| AT&T Ohio | GALLIA   | Gallipolis             | X |
| AT&T Ohio | GALLIA   | Guyan                  | X |
| AT&T Ohio | GALLIA   | Rio Grande             | X |
| AT&T Ohio | GALLIA   | Vinton                 | X |
| AT&T Ohio | GALLIA   | Walnut                 | X |
| AT&T Ohio | GEAUGA   | Burton                 | X |
| AT&T Ohio | GEAUGA   | Chesterland            | X |
| AT&T Ohio | GREENE   | Beavercreek            | X |
| AT&T Ohio | GREENE   | Bellbrook              | X |
| AT&T Ohio | GREENE   | Bowersville            | X |
| AT&T Ohio | GREENE   | Cedarville             | X |
| AT&T Ohio | GREENE   | Fairborn               | X |
| AT&T Ohio | GREENE   | Jamestown              | X |
| AT&T Ohio | GREENE   | Spring Valley          | X |
| AT&T Ohio | GREENE   | Xenia                  | X |
| AT&T Ohio | GREENE   | Yellow Springs-Clifton | X |
| AT&T Ohio | HANCOCK  | Findlay                | X |
| AT&T Ohio | HIGHLAND | Belfast                | X |
| AT&T Ohio | HIGHLAND | Danville [HIG]         | X |
| AT&T Ohio | HIGHLAND | Hillsboro              | X |

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Proposed Market Area (PMA) for  
CLECs Provision of Local Service

|           |           |                  |   |
|-----------|-----------|------------------|---|
| AT&T Ohio | HIGHLAND  | Marshall         | X |
| AT&T Ohio | HIGHLAND  | Rainsboro        | X |
| AT&T Ohio | HIGHLAND  | Sugar Tree Ridge | X |
| AT&T Ohio | HOCKING   | Murray City      | X |
| AT&T Ohio | JEFFERSON | Mingo Junction   | X |
| AT&T Ohio | JEFFERSON | Steubenville     | X |
| AT&T Ohio | JEFFERSON | Toronto          | X |
| AT&T Ohio | LAKE      | Leroy            | X |
| AT&T Ohio | LAKE      | Mentor           | X |
| AT&T Ohio | LAKE      | Painesville      | X |
| AT&T Ohio | LAKE      | Wickliffe        | X |
| AT&T Ohio | LAKE      | Willoughby       | X |
| AT&T Ohio | LAWRENCE  | Arabia           | X |
| AT&T Ohio | LAWRENCE  | Ironton          | X |
| AT&T Ohio | LUCAS     | Holland          | X |
| AT&T Ohio | LUCAS     | Maumee           | X |
| AT&T Ohio | LUCAS     | Toledo           | X |
| AT&T Ohio | LUCAS     | Whitehouse       | X |
| AT&T Ohio | MADISON   | London           | X |
| AT&T Ohio | MADISON   | Sedalia          | X |
| AT&T Ohio | MADISON   | South Solon      | X |
| AT&T Ohio | MADISON   | West Jefferson   | X |
| AT&T Ohio | MAHONING  | Canfield         | X |
| AT&T Ohio | MAHONING  | Lowellville      | X |
| AT&T Ohio | MAHONING  | North Jackson    | X |
| AT&T Ohio | MAHONING  | North Lima       | X |
| AT&T Ohio | MAHONING  | Sebring          | X |
| AT&T Ohio | MAHONING  | Youngstown       | X |
| AT&T Ohio | MIAMI     | Fletcher-Lena    | X |
| AT&T Ohio | MIAMI     | Piqua            | X |
| AT&T Ohio | MONROE    | Bealsville       | X |
| AT&T Ohio | MONROE    | Clarington       | X |
| AT&T Ohio | MONROE    | Duffy            | X |
| AT&T Ohio | MONROE    | Graysville       | X |
| AT&T Ohio | MONROE    | Lewisville       | X |
| AT&T Ohio | MONROE    | Woodfield        | X |

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Proposed Market Area (PMA) for  
CLECs Provision of Local Service

|           |            |                        |   |
|-----------|------------|------------------------|---|
| AT&T Ohio | MONTGOMERY | Centerville [MOT]      | X |
| AT&T Ohio | MONTGOMERY | Dayton                 | X |
| AT&T Ohio | MONTGOMERY | Miamisburg-W.Carrllton | X |
| AT&T Ohio | MONTGOMERY | Vandalia               | X |
| AT&T Ohio | MUSKINGUM  | Dresden                | X |
| AT&T Ohio | MUSKINGUM  | Fultonham              | X |
| AT&T Ohio | MUSKINGUM  | Norwich                | X |
| AT&T Ohio | MUSKINGUM  | Philo                  | X |
| AT&T Ohio | MUSKINGUM  | Zanesville             | X |
| AT&T Ohio | PERRY      | Corning                | X |
| AT&T Ohio | PERRY      | Glenford               | X |
| AT&T Ohio | PERRY      | New Lexington          | X |
| AT&T Ohio | PERRY      | Roseville              | X |
| AT&T Ohio | PERRY      | Shawnee                | X |
| AT&T Ohio | PERRY      | Somerset               | X |
| AT&T Ohio | PERRY      | Thornville             | X |
| AT&T Ohio | PICKAWAY   | New Holland            | X |
| AT&T Ohio | PORTAGE    | Atwater                | X |
| AT&T Ohio | PORTAGE    | Kent                   | X |
| AT&T Ohio | PORTAGE    | Mantua                 | X |
| AT&T Ohio | PORTAGE    | Mogadore               | X |
| AT&T Ohio | PORTAGE    | Ravenna                | X |
| AT&T Ohio | PORTAGE    | Rootstown              | X |
| AT&T Ohio | SANDUSKY   | Fremont                | X |
| AT&T Ohio | SANDUSKY   | Lindsey                | X |
| AT&T Ohio | SENECA     | Fostoria               | X |
| AT&T Ohio | SENECA     | New Riegel             | X |
| AT&T Ohio | SENECA     | Tiffin                 | X |
| AT&T Ohio | STARK      | Alliance               | X |
| AT&T Ohio | STARK      | Canal Fulton           | X |
| AT&T Ohio | STARK      | Canton                 | X |
| AT&T Ohio | STARK      | Hartville              | X |
| AT&T Ohio | STARK      | Louisville             | X |
| AT&T Ohio | STARK      | Magnolia-Waynesburg    | X |
| AT&T Ohio | STARK      | Marlboro               | X |
| AT&T Ohio | STARK      | Massillon              | X |

12/20/2010

Proposed Market Area (PMA) for  
CLECs Provision of Local Service

|               |            |                  |   |
|---------------|------------|------------------|---|
| AT&T Ohio     | STARK      | Navarre          | X |
| AT&T Ohio     | STARK      | North Canton     | X |
| AT&T Ohio     | STARK      | Uniontown        | X |
| AT&T Ohio     | SUMMIT     | Akron            | X |
| AT&T Ohio     | SUMMIT     | Greensburg       | X |
| AT&T Ohio     | SUMMIT     | Manchester [SUM] | X |
| AT&T Ohio     | TRUMBULL   | Girard           | X |
| AT&T Ohio     | TRUMBULL   | Hubbard          | X |
| AT&T Ohio     | TRUMBULL   | Kirtland         | X |
| AT&T Ohio     | TRUMBULL   | Niles            | X |
| AT&T Ohio     | TRUMBULL   | Sharon           | X |
| AT&T Ohio     | TUSCARAWAS | Gnadenhutten     | X |
| AT&T Ohio     | TUSCARAWAS | Newcomerstown    | X |
| AT&T Ohio     | TUSCARAWAS | Uhrichsville     | X |
| AT&T Ohio     | WARREN     | Franklin         | X |
| AT&T Ohio     | WASHINGTON | Belpre           | X |
| AT&T Ohio     | WASHINGTON | Marietta         | X |
| AT&T Ohio     | WASHINGTON | New Matamoras    | X |
| AT&T Ohio     | WASHINGTON | Newport          | X |
| AT&T Ohio     | WAYNE      | Dalton           | X |
| AT&T Ohio     | WOOD       | Perrysburg       | X |
| AT&T Ohio     | WYANDOT    | Upper Sandusky   | X |
| Ayersville    | DEFIANCE   | Ayersville       |   |
| Bascom Mutual | SENECA     | Bascom           |   |
| Benton Ridge  | HANCOCK    | Benton Ridge     |   |
| Benton Ridge  | HENRY      | New Bavaria      |   |
| Benton Ridge  | PUTNAM     | North Creek      |   |
| Buckland      | AUGLAIZE   | Buckland         |   |
| CC&S Telco    | WILLIAMS   | Cooney           |   |
| Century       | ERIE       | Birmingham       |   |
| Century       | ERIE       | Vermilion        |   |
| Century       | LORAIN     | Amherst          |   |
| Century       | LORAIN     | Avon             |   |
| Century       | LORAIN     | Avon Lake        |   |
| Century       | LORAIN     | Lorain           |   |
| Champaign     | CHAMPAIGN  | Terre Haute      |   |

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|                 |            |                      |   |
|-----------------|------------|----------------------|---|
| Champaign       | CHAMPAIGN  | Urbana               |   |
| Chillicothe     | ROSS       | Bainbridge [ROS]     |   |
| Chillicothe     | ROSS       | Bourneville          |   |
| Chillicothe     | ROSS       | Chillicothe          |   |
| Chillicothe     | ROSS       | Clarksburg           |   |
| Chillicothe     | ROSS       | Frankfort            |   |
| Chillicothe     | ROSS       | Hallsville           |   |
| Chillicothe     | ROSS       | Kingston             |   |
| Chillicothe     | ROSS       | Londonderry          |   |
| Chillicothe     | ROSS       | Massieville          |   |
| Chillicothe     | ROSS       | Richmondale          |   |
| Cincinnati Bell | BUTLER     | Bethany-West Chester | X |
| Cincinnati Bell | BUTLER     | Hamilton             | X |
| Cincinnati Bell | BUTLER     | Reily                | X |
| Cincinnati Bell | BUTLER     | Seven Mile           | X |
| Cincinnati Bell | BUTLER     | Shandon              | X |
| Cincinnati Bell | CLERMONT   | Bethel               | X |
| Cincinnati Bell | CLERMONT   | Clermont             | X |
| Cincinnati Bell | CLERMONT   | Little Miami         | X |
| Cincinnati Bell | CLERMONT   | Newtonsville         | X |
| Cincinnati Bell | CLERMONT   | Williamsburg         | X |
| Cincinnati Bell | HAMILTON   | Cincinnati           | X |
| Cincinnati Bell | HAMILTON   | Harrison             | X |
| Columbus Grove  | PUTNAM     | Columbus Grove       | X |
| Conneaut        | ASHTABULA  | Conneaut             |   |
| Continental     | PAULDING   | Grover Hill          |   |
| Continental     | PUTNAM     | Continental          |   |
| Continental     | PUTNAM     | Miller City          |   |
| Doylestown      | WAYNE      | Doylestown           |   |
| Farmers Mutual  | HENRY      | Okolona              |   |
| Fort Jennings   | PUTNAM     | Fort Jennings        |   |
| Germanatown     | MONTGOMERY | Germanatown          |   |
| Glandorf        | PUTNAM     | Glandorf             |   |
| Kalida          | PUTNAM     | Kalida               |   |
| Little Miami    | BROWN      | Fayetteville         |   |
| Little Miami    | WARREN     | Butlerville          |   |

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|                             |           |                    |   |
|-----------------------------|-----------|--------------------|---|
| McClure                     | HENRY     | McClure            |   |
| Middle Point Home           | VAN WERT  | Middle Point       |   |
| Minford                     | SCIOTO    | Minford            |   |
| New Knoxville               | AUGLAIZE  | New Knoxville      |   |
| Nova                        | ASHLAND   | Nova               |   |
| Nova                        | ASHLAND   | Sullivan           |   |
| Oakwood                     | PAULDING  | Oakwood            |   |
| Orwell                      | ASHTABULA | Colebrook          |   |
| Orwell                      | ASHTABULA | Orwell             |   |
| Orwell                      | ASHTABULA | Windsor            |   |
| Orwell                      | HANCOCK   | Mount Cory         |   |
| Orwell                      | PUTNAM    | Belmore            |   |
| Orwell                      | PUTNAM    | Gilboa             |   |
| Orwell                      | PUTNAM    | Leipsic            |   |
| Orwell                      | PUTNAM    | Pandora            |   |
| Orwell                      | TRUMBULL  | North Bloomfield   |   |
| Ottoville Mutual            | PUTNAM    | Cloverdale         |   |
| Ottoville Mutual            | PUTNAM    | Ottoville          |   |
| Pattersonville              | CARROLL   | Pattersonville     |   |
| Ridgeville                  | HENRY     | Ridgeville Corners |   |
| Sherwood Mutual             | DEFIANCE  | Sherwood           |   |
| Sycamore                    | SENECA    | McCutcheonville    |   |
| Sycamore                    | SENECA    | Melmore            |   |
| Sycamore                    | WYANDOT   | Sycamore           |   |
| Telephone Service Co        | AUGLAIZE  | Cridersville       |   |
| Telephone Service Co        | AUGLAIZE  | Wapakoneta         |   |
| United of Indiana           | DARKE     | Union City         |   |
| United Telephone dba Embarq | ALLEN     | Beaverdam          | X |
| United Telephone dba Embarq | ALLEN     | Bluffton           | X |
| United Telephone dba Embarq | ALLEN     | Cairo              | X |
| United Telephone dba Embarq | ALLEN     | Delphos            | X |
| United Telephone dba Embarq | ALLEN     | Elida              | X |
| United Telephone dba Embarq | ALLEN     | Gomer              | X |
| United Telephone dba Embarq | ALLEN     | Lafayette          | X |
| United Telephone dba Embarq | ALLEN     | Lima               | X |
| United Telephone dba Embarq | ALLEN     | Westminster        | X |

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|                             |           |                 |   |
|-----------------------------|-----------|-----------------|---|
| United Telephone dba Embark | ASHTABULA | Andover         | X |
| United Telephone dba Embark | ASHTABULA | Jefferson       | X |
| United Telephone dba Embark | ASHTABULA | New Lyme        | X |
| United Telephone dba Embark | ATHENS    | Glouster        | X |
| United Telephone dba Embark | AUGLAIZE  | Waynesfield     | X |
| United Telephone dba Embark | CHAMPAIGN | North Lewisburg | X |
| United Telephone dba Embark | CHAMPAIGN | Rosewood        | X |
| United Telephone dba Embark | CRAWFORD  | Bucyrus         | X |
| United Telephone dba Embark | CRAWFORD  | Chatfield       | X |
| United Telephone dba Embark | CRAWFORD  | Lykens          | X |
| United Telephone dba Embark | CRAWFORD  | New Winchester  | X |
| United Telephone dba Embark | DARKE     | Ansonia         | X |
| United Telephone dba Embark | DARKE     | Arcanum         | X |
| United Telephone dba Embark | DARKE     | Bradford        | X |
| United Telephone dba Embark | DARKE     | Gettysburg      | X |
| United Telephone dba Embark | DARKE     | Greenville      | X |
| United Telephone dba Embark | DARKE     | Hollansburg     | X |
| United Telephone dba Embark | DARKE     | New Madison     | X |
| United Telephone dba Embark | DARKE     | Rosburg         | X |
| United Telephone dba Embark | DARKE     | Versailles      | X |
| United Telephone dba Embark | DEFIANCE  | Defiance        | X |
| United Telephone dba Embark | DEFIANCE  | Jewell          | X |
| United Telephone dba Embark | DELAWARE  | Sunbury         | X |
| United Telephone dba Embark | FULTON    | Archbold        | X |
| United Telephone dba Embark | FULTON    | Lyons           | X |
| United Telephone dba Embark | FULTON    | Metamora        | X |
| United Telephone dba Embark | FULTON    | Swanton         | X |
| United Telephone dba Embark | FULTON    | Wauseon         | X |
| United Telephone dba Embark | HARDIN    | Ada             | X |
| United Telephone dba Embark | HARDIN    | Alger           | X |
| United Telephone dba Embark | HARDIN    | Dunkirk         | X |
| United Telephone dba Embark | HARDIN    | Mount Victory   | X |
| United Telephone dba Embark | HARDIN    | Ridgeway        | X |
| United Telephone dba Embark | HENRY     | Deshler         | X |
| United Telephone dba Embark | HENRY     | Florida         | X |
| United Telephone dba Embark | HENRY     | Gerald          | X |

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|                             |          |                         |   |
|-----------------------------|----------|-------------------------|---|
| United Telephone dba Embarq | HENRY    | Grelton-Malinta         | X |
| United Telephone dba Embarq | HENRY    | Hamler                  | X |
| United Telephone dba Embarq | HENRY    | Holgate                 | X |
| United Telephone dba Embarq | HENRY    | Liberty Center          | X |
| United Telephone dba Embarq | HENRY    | Napoleon                | X |
| United Telephone dba Embarq | HOLMES   | Big Prairie             | X |
| United Telephone dba Embarq | HOLMES   | Glenmont                | X |
| United Telephone dba Embarq | HOLMES   | Holmesville             | X |
| United Telephone dba Embarq | HOLMES   | Killbuck                | X |
| United Telephone dba Embarq | HOLMES   | Millersburg             | X |
| United Telephone dba Embarq | HOLMES   | Nashville               | X |
| United Telephone dba Embarq | KNOX     | Centerburg              | X |
| United Telephone dba Embarq | KNOX     | Danville [KNO]          | X |
| United Telephone dba Embarq | KNOX     | Fredericktown           | X |
| United Telephone dba Embarq | KNOX     | Gambier                 | X |
| United Telephone dba Embarq | KNOX     | Martinsburg             | X |
| United Telephone dba Embarq | KNOX     | Mount Vernon            | X |
| United Telephone dba Embarq | LICKING  | Alexandria              | X |
| United Telephone dba Embarq | LICKING  | Croton                  | X |
| United Telephone dba Embarq | LICKING  | Hebron                  | X |
| United Telephone dba Embarq | LICKING  | Johnstown               | X |
| United Telephone dba Embarq | LICKING  | Pataskala               | X |
| United Telephone dba Embarq | LICKING  | Utica-Homer             | X |
| United Telephone dba Embarq | LOGAN    | Belle Center            | X |
| United Telephone dba Embarq | LOGAN    | Bellefontaine           | X |
| United Telephone dba Embarq | LOGAN    | De Graff                | X |
| United Telephone dba Embarq | LOGAN    | East Liberty            | X |
| United Telephone dba Embarq | LOGAN    | Huntsville              | X |
| United Telephone dba Embarq | LOGAN    | Rushsylvania            | X |
| United Telephone dba Embarq | LOGAN    | Russells Point          | X |
| United Telephone dba Embarq | LOGAN    | West Liberty            | X |
| United Telephone dba Embarq | LOGAN    | West Mansfield          | X |
| United Telephone dba Embarq | LUCAS    | Richfield Center-Berkey | X |
| United Telephone dba Embarq | LUCAS    | Waterville              | X |
| United Telephone dba Embarq | MAHONING | Berlin Center           | X |
| United Telephone dba Embarq | MAHONING | Damascus                | X |

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|                             |           |                      |   |
|-----------------------------|-----------|----------------------|---|
| United Telephone dba Embarq | MAHONING  | North Benton         | X |
| United Telephone dba Embarq | MARION    | Caledonia            | X |
| United Telephone dba Embarq | MERCER    | Rockford             | X |
| United Telephone dba Embarq | MORGAN    | Chesterhill          | X |
| United Telephone dba Embarq | MORGAN    | McConnellsville      | X |
| United Telephone dba Embarq | MORGAN    | Pennsville           | X |
| United Telephone dba Embarq | MORGAN    | Reinersville-Hackney | X |
| United Telephone dba Embarq | MORGAN    | Stockport            | X |
| United Telephone dba Embarq | MORROW    | Cardington           | X |
| United Telephone dba Embarq | MORROW    | Chesterville         | X |
| United Telephone dba Embarq | MORROW    | Johnsville           | X |
| United Telephone dba Embarq | MORROW    | Marengo              | X |
| United Telephone dba Embarq | MORROW    | Mount Gilead         | X |
| United Telephone dba Embarq | MUSKINGUM | Adamsville           | X |
| United Telephone dba Embarq | MUSKINGUM | Fazeysburg           | X |
| United Telephone dba Embarq | PERRY     | Crooksville          | X |
| United Telephone dba Embarq | PERRY     | Junction City        | X |
| United Telephone dba Embarq | PICKAWAY  | Mount Sterling       | X |
| United Telephone dba Embarq | PORTAGE   | Lake Milton          | X |
| United Telephone dba Embarq | PORTAGE   | Wayland              | X |
| United Telephone dba Embarq | PORTAGE   | Windham              | X |
| United Telephone dba Embarq | PREBLE    | Camden               | X |
| United Telephone dba Embarq | PREBLE    | Eaton                | X |
| United Telephone dba Embarq | PREBLE    | Eldorado             | X |
| United Telephone dba Embarq | PREBLE    | New Paris            | X |
| United Telephone dba Embarq | PREBLE    | West Manchester      | X |
| United Telephone dba Embarq | PUTNAM    | Ottawa               | X |
| United Telephone dba Embarq | RICHLAND  | Adario               | X |
| United Telephone dba Embarq | RICHLAND  | Bellville            | X |
| United Telephone dba Embarq | RICHLAND  | Butler               | X |
| United Telephone dba Embarq | RICHLAND  | Lexington            | X |
| United Telephone dba Embarq | RICHLAND  | Lucas                | X |
| United Telephone dba Embarq | RICHLAND  | Mansfield            | X |
| United Telephone dba Embarq | RICHLAND  | Shelby               | X |
| United Telephone dba Embarq | RICHLAND  | Shiloh               | X |
| United Telephone dba Embarq | SANDUSKY  | Woodville            | X |

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|                             |            |                  |   |
|-----------------------------|------------|------------------|---|
| United Telephone dba Embarq | SENECA     | Green Springs    | X |
| United Telephone dba Embarq | SENECA     | Old Fort         | X |
| United Telephone dba Embarq | SHELBY     | Anna             | X |
| United Telephone dba Embarq | SHELBY     | Botkins          | X |
| United Telephone dba Embarq | SHELBY     | Fort Loramie     | X |
| United Telephone dba Embarq | SHELBY     | Jackson Center   | X |
| United Telephone dba Embarq | SHELBY     | Sidney           | X |
| United Telephone dba Embarq | TRUMBULL   | Bristolville     | X |
| United Telephone dba Embarq | TRUMBULL   | Cortland         | X |
| United Telephone dba Embarq | TRUMBULL   | Greene           | X |
| United Telephone dba Embarq | TRUMBULL   | Hartford         | X |
| United Telephone dba Embarq | TRUMBULL   | Johnston         | X |
| United Telephone dba Embarq | TRUMBULL   | Kinsman          | X |
| United Telephone dba Embarq | TRUMBULL   | Newton Falls     | X |
| United Telephone dba Embarq | TRUMBULL   | Warren           | X |
| United Telephone dba Embarq | UNION      | Byhalia          | X |
| United Telephone dba Embarq | UNION      | Magnetic Springs | X |
| United Telephone dba Embarq | UNION      | Marysville       | X |
| United Telephone dba Embarq | UNION      | Milford Center   | X |
| United Telephone dba Embarq | UNION      | Raymond          | X |
| United Telephone dba Embarq | UNION      | York Center      | X |
| United Telephone dba Embarq | VAN WERT   | Van Wert         | X |
| United Telephone dba Embarq | VAN WERT   | Venedocia        | X |
| United Telephone dba Embarq | WARREN     | Lebanon          | X |
| United Telephone dba Embarq | WARREN     | Mason            | X |
| United Telephone dba Embarq | WARREN     | Morrow           | X |
| United Telephone dba Embarq | WARREN     | South Lebanon    | X |
| United Telephone dba Embarq | WARREN     | Waynesville      | X |
| United Telephone dba Embarq | WASHINGTON | Bartlett         | X |
| United Telephone dba Embarq | WAYNE      | Apple Creek      | X |
| United Telephone dba Embarq | WAYNE      | Fredericksburg   | X |
| United Telephone dba Embarq | WAYNE      | Kidron           | X |
| United Telephone dba Embarq | WAYNE      | Marshallville    | X |
| United Telephone dba Embarq | WAYNE      | Orrville         | X |
| United Telephone dba Embarq | WAYNE      | Rittman          | X |
| United Telephone dba Embarq | WAYNE      | Shreve           | X |

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|                             |          |                  |   |
|-----------------------------|----------|------------------|---|
| United Telephone dba Embarq | WAYNE    | Smithville       | X |
| United Telephone dba Embarq | WAYNE    | Sterling         | X |
| United Telephone dba Embarq | WAYNE    | Wooster          | X |
| United Telephone dba Embarq | WILLIAMS | Stryker          | X |
| United Telephone dba Embarq | WOOD     | Bloomdale        | X |
| United Telephone dba Embarq | WOOD     | Cygnat           | X |
| United Telephone dba Embarq | WOOD     | Luckey           | X |
| United Telephone dba Embarq | WOOD     | Moline           | X |
| United Telephone dba Embarq | WOOD     | Portage          | X |
| United Telephone dba Embarq | WOOD     | RisingSun        | X |
| United Telephone dba Embarq | WOOD     | Stony Ridge      | X |
| United Telephone dba Embarq | HANCOCK  | Vanlue           |   |
| Vaughnsville                | PUTNAM   | Vaughnsville     |   |
| Verizon North               | ADAMS    | Manchester [ADA] | X |
| Verizon North               | ADAMS    | Peebles          | X |
| Verizon North               | ADAMS    | Seaman           | X |
| Verizon North               | ADAMS    | West Union       | X |
| Verizon North               | ALLEN    | Spencerville     | X |
| Verizon North               | ASHLAND  | Ashland          | X |
| Verizon North               | ASHLAND  | Hayesville       | X |
| Verizon North               | ASHLAND  | Loudonville      | X |
| Verizon North               | ASHLAND  | Perrysville      | X |
| Verizon North               | ASHLAND  | Polk             | X |
| Verizon North               | ASHLAND  | Redhaw           | X |
| Verizon North               | ASHLAND  | Savannah         | X |
| Verizon North               | ATHENS   | Albany           | X |
| Verizon North               | ATHENS   | Amesville        | X |
| Verizon North               | ATHENS   | Athens           | X |
| Verizon North               | ATHENS   | Guysville        | X |
| Verizon North               | ATHENS   | New Marshfield   | X |
| Verizon North               | ATHENS   | Shade            | X |
| Verizon North               | ATHENS   | The Plains       | X |
| Verizon North               | AUGLAIZE | Minster          | X |
| Verizon North               | AUGLAIZE | New Bremen       | X |
| Verizon North               | AUGLAIZE | St. Marys        | X |
| Verizon North               | BELMONT  | Flushing         | X |

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|               |            |                  |   |
|---------------|------------|------------------|---|
| Verizon North | BROWN      | Decatur          | X |
| Verizon North | BROWN      | Georgetown       | X |
| Verizon North | BROWN      | Hamersville      | X |
| Verizon North | BROWN      | Higginsport      | X |
| Verizon North | BROWN      | Mount Orab       | X |
| Verizon North | BROWN      | Russellville     | X |
| Verizon North | BROWN      | Sardinia         | X |
| Verizon North | BUTLER     | Morning Sun      | X |
| Verizon North | BUTLER     | Oxford           | X |
| Verizon North | CARROLL    | Carrollton       | X |
| Verizon North | CARROLL    | Dellroy          | X |
| Verizon North | CARROLL    | Harlem Springs   | X |
| Verizon North | CARROLL    | Malvern          | X |
| Verizon North | CARROLL    | Mechanicstown    | X |
| Verizon North | CHAMPAIGN  | Mechanicsburg    | X |
| Verizon North | CHAMPAIGN  | Woodstock        | X |
| Verizon North | CLARK      | Catawba          | X |
| Verizon North | CLERMONT   | Felicity         | X |
| Verizon North | CLINTON    | Blanchester      | X |
| Verizon North | CLINTON    | Clarksville      | X |
| Verizon North | CLINTON    | Martinsville     | X |
| Verizon North | CLINTON    | New Burlington   | X |
| Verizon North | CLINTON    | New Vienna       | X |
| Verizon North | CLINTON    | Port William     | X |
| Verizon North | CLINTON    | Sabina           | X |
| Verizon North | CLINTON    | Wilmington       | X |
| Verizon North | COLUMBIANA | East Rochester   | X |
| Verizon North | COLUMBIANA | Hanoverton       | X |
| Verizon North | COLUMBIANA | North Georgetown | X |
| Verizon North | COLUMBIANA | Winona           | X |
| Verizon North | COSHOCTON  | Cooperdale       | X |
| Verizon North | COSHOCTON  | Warsaw           | X |
| Verizon North | CRAWFORD   | Crestline        | X |
| Verizon North | CRAWFORD   | Gallion          | X |
| Verizon North | CRAWFORD   | New Washington   | X |
| Verizon North | DARKE      | North Star       | X |

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|               |           |                 |   |
|---------------|-----------|-----------------|---|
| Verizon North | DARKE     | Yorkshire       | X |
| Verizon North | DEFIANCE  | Hicksville      | X |
| Verizon North | DEFIANCE  | Ney             | X |
| Verizon North | DELAWARE  | Ashley          | X |
| Verizon North | DELAWARE  | Cheshire Center | X |
| Verizon North | DELAWARE  | Delaware        | X |
| Verizon North | DELAWARE  | Kilbourne       | X |
| Verizon North | DELAWARE  | Ostrander       | X |
| Verizon North | DELAWARE  | Radnor          | X |
| Verizon North | DELAWARE  | Rathbone        | X |
| Verizon North | ERIE      | Berlin Heights  | X |
| Verizon North | ERIE      | Huron           | X |
| Verizon North | ERIE      | Kelleys Island  | X |
| Verizon North | ERIE      | Milan           | X |
| Verizon North | FAIRFIELD | Amanda          | X |
| Verizon North | FAIRFIELD | Baltimore       | X |
| Verizon North | FAIRFIELD | Bremen          | X |
| Verizon North | FAIRFIELD | Millersport     | X |
| Verizon North | FAIRFIELD | Pleasantville   | X |
| Verizon North | FULTON    | Fayette         | X |
| Verizon North | GUERNSEY  | Byesville       | X |
| Verizon North | GUERNSEY  | Cambridge       | X |
| Verizon North | HANCOCK   | Arlington       | X |
| Verizon North | HANCOCK   | Jenera          | X |
| Verizon North | HANCOCK   | McComb          | X |
| Verizon North | HANCOCK   | Mount Blanchard | X |
| Verizon North | HANCOCK   | Rawson          | X |
| Verizon North | HANCOCK   | Van Buren       | X |
| Verizon North | HARDIN    | Forest          | X |
| Verizon North | HARRISON  | Bowerston       | X |
| Verizon North | HARRISON  | Cadiz           | X |
| Verizon North | HARRISON  | Freeport        | X |
| Verizon North | HARRISON  | Jewett          | X |
| Verizon North | HARRISON  | Scio            | X |
| Verizon North | HIGHLAND  | Greenfield      | X |
| Verizon North | HIGHLAND  | Leesburg        | X |

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|               |           |                         |   |
|---------------|-----------|-------------------------|---|
| Verizon North | HIGHLAND  | Lynchburg               | X |
| Verizon North | HIGHLAND  | Mowystown               | X |
| Verizon North | HIGHLAND  | Sinking Spring          | X |
| Verizon North | HOCKING   | Laurelville             | X |
| Verizon North | HOCKING   | Logan                   | X |
| Verizon North | HOLMES    | Berlin                  | X |
| Verizon North | HOLMES    | Lakeville               | X |
| Verizon North | HURON     | Bellevue                | X |
| Verizon North | HURON     | Greenwich               | X |
| Verizon North | HURON     | Monroeville             | X |
| Verizon North | HURON     | New London              | X |
| Verizon North | HURON     | Norwalk                 | X |
| Verizon North | HURON     | Wakeman                 | X |
| Verizon North | HURON     | Willard                 | X |
| Verizon North | JACKSON   | Jackson                 | X |
| Verizon North | JACKSON   | Oak Hill                | X |
| Verizon North | JACKSON   | Wellston                | X |
| Verizon North | JEFFERSON | Adena                   | X |
| Verizon North | JEFFERSON | Amsterdam               | X |
| Verizon North | JEFFERSON | Bergholz                | X |
| Verizon North | JEFFERSON | Brilliant               | X |
| Verizon North | JEFFERSON | Dillonvale-Mt. Pleasant | X |
| Verizon North | JEFFERSON | Knoxville               | X |
| Verizon North | JEFFERSON | Richmond                | X |
| Verizon North | JEFFERSON | Smithfield              | X |
| Verizon North | JEFFERSON | Tiltonsville            | X |
| Verizon North | LAWRENCE  | Chesapeake              | X |
| Verizon North | LORAIN    | Grafton                 | X |
| Verizon North | LORAIN    | North Eaton             | X |
| Verizon North | LORAIN    | Oberlin                 | X |
| Verizon North | LORAIN    | Wellington              | X |
| Verizon North | LUCAS     | Curtice-Oregon          | X |
| Verizon North | LUCAS     | Sylvania                | X |
| Verizon North | MADISON   | Resaca                  | X |
| Verizon North | MARION    | Green Camp              | X |
| Verizon North | MARION    | Larue                   | X |

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Proposed Market Area (PMA) for  
CLECs Provision of Local Service

|               |            |                  |   |
|---------------|------------|------------------|---|
| Verizon North | MARION     | Marion           | X |
| Verizon North | MARION     | Morrall          | X |
| Verizon North | MARION     | Prospect         | X |
| Verizon North | MARION     | Waldo            | X |
| Verizon North | MEDINA     | Brunswick        | X |
| Verizon North | MEDINA     | Chatham          | X |
| Verizon North | MEDINA     | Homerville       | X |
| Verizon North | MEDINA     | Lodi             | X |
| Verizon North | MEDINA     | Medina           | X |
| Verizon North | MEDINA     | Seville          | X |
| Verizon North | MEDINA     | Sharon Center    | X |
| Verizon North | MEDINA     | Spencer          | X |
| Verizon North | MEDINA     | Valley City      | X |
| Verizon North | MEDINA     | Wadsworth        | X |
| Verizon North | MEDINA     | Westfield Center | X |
| Verizon North | MEIGS      | Letart Falls     | X |
| Verizon North | MEIGS      | Pomeroy          | X |
| Verizon North | MEIGS      | Portland         | X |
| Verizon North | MERCER     | Celina           | X |
| Verizon North | MERCER     | Coldwater        | X |
| Verizon North | MERCER     | Fort Recovery    | X |
| Verizon North | MERCER     | Maria Stein      | X |
| Verizon North | MERCER     | Mendon           | X |
| Verizon North | MIAMI      | Laura            | X |
| Verizon North | MIAMI      | Tipp City        | X |
| Verizon North | MIAMI      | Troy             | X |
| Verizon North | MIAMI      | West Milton      | X |
| Verizon North | MONTGOMERY | Brookville       | X |
| Verizon North | MONTGOMERY | Englewood        | X |
| Verizon North | MONTGOMERY | Farmersville     | X |
| Verizon North | MONTGOMERY | Liberty          | X |
| Verizon North | MONTGOMERY | New Lebanon      | X |
| Verizon North | MONTGOMERY | Phillipsburg     | X |
| Verizon North | MONTGOMERY | Trotwood         | X |
| Verizon North | MUSKINGUM  | New Concord      | X |
| Verizon North | NOBLE      | Caldwell         | X |

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Proposed Market Area (PMA) for  
CLECs Provision of Local Service

|               |          |                 |   |
|---------------|----------|-----------------|---|
| Verizon North | NOBLE    | Dexter City     | X |
| Verizon North | NOBLE    | Summerfield     | X |
| Verizon North | OTTAWA   | Elmore          | X |
| Verizon North | OTTAWA   | Genoa           | X |
| Verizon North | OTTAWA   | Marblehead      | X |
| Verizon North | OTTAWA   | Oak Harbor      | X |
| Verizon North | OTTAWA   | Port Clinton    | X |
| Verizon North | OTTAWA   | Put-In-Bay      | X |
| Verizon North | PAULDING | Antwerp         | X |
| Verizon North | PAULDING | Payne           | X |
| Verizon North | PICKAWAY | Ashville        | X |
| Verizon North | PICKAWAY | Circleville     | X |
| Verizon North | PICKAWAY | Williamsport    | X |
| Verizon North | PIKE     | Beaver          | X |
| Verizon North | PIKE     | Idaho           | X |
| Verizon North | PIKE     | Piketon         | X |
| Verizon North | PIKE     | Waverly         | X |
| Verizon North | PORTAGE  | Garrettsville   | X |
| Verizon North | PREBLE   | Gratis          | X |
| Verizon North | PREBLE   | Lewisburg       | X |
| Verizon North | PREBLE   | West Alexandria | X |
| Verizon North | RICHLAND | Plymouth        | X |
| Verizon North | SANDUSKY | Clyde           | X |
| Verizon North | SANDUSKY | Gibsonburg      | X |
| Verizon North | SANDUSKY | Helena          | X |
| Verizon North | SCIOTO   | Portsmouth      | X |
| Verizon North | SENECA   | Attica          | X |
| Verizon North | SENECA   | Bettsville      | X |
| Verizon North | SENECA   | Bloomville      | X |
| Verizon North | SENECA   | Republic        | X |
| Verizon North | STARK    | Beach City      | X |
| Verizon North | STARK    | Brewster        | X |
| Verizon North | STARK    | Minerva         | X |
| Verizon North | STARK    | Paris           | X |
| Verizon North | STARK    | Wilmot          | X |
| Verizon North | SUMMIT   | Montrose [SUM]  | X |

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Proposed Market Area (PMA) for  
CLECs Provision of Local Service

|               |            |                   |   |
|---------------|------------|-------------------|---|
| Verizon North | TUSCARAWAS | Baltic            | X |
| Verizon North | TUSCARAWAS | Bolivar           | X |
| Verizon North | TUSCARAWAS | Mineral City      | X |
| Verizon North | TUSCARAWAS | New Philadelphia  | X |
| Verizon North | TUSCARAWAS | Strasburg         | X |
| Verizon North | TUSCARAWAS | Sugarcreek        | X |
| Verizon North | UNION      | Plain City        | X |
| Verizon North | UNION      | Richwood          | X |
| Verizon North | VAN WERT   | Convoy            | X |
| Verizon North | VAN WERT   | Ohio City         | X |
| Verizon North | VAN WERT   | Scott             | X |
| Verizon North | VAN WERT   | Willshire-Wren    | X |
| Verizon North | VINTON     | McArthur          | X |
| Verizon North | VINTON     | Wilkesville       | X |
| Verizon North | WASHINGTON | Barlow            | X |
| Verizon North | WASHINGTON | Beverly           | X |
| Verizon North | WASHINGTON | Lowell            | X |
| Verizon North | WASHINGTON | Lower Salem       | X |
| Verizon North | WASHINGTON | Watertown         | X |
| Verizon North | WAYNE      | Burbank           | X |
| Verizon North | WAYNE      | Congress          | X |
| Verizon North | WAYNE      | Creston           | X |
| Verizon North | WAYNE      | West Salem        | X |
| Verizon North | WILLIAMS   | Bryan             | X |
| Verizon North | WILLIAMS   | Edgerton          | X |
| Verizon North | WILLIAMS   | Edon              | X |
| Verizon North | WILLIAMS   | Evansport         | X |
| Verizon North | WILLIAMS   | Montpelier        | X |
| Verizon North | WILLIAMS   | Pioneer           | X |
| Verizon North | WILLIAMS   | West Unity        | X |
| Verizon North | WOOD       | Bowling Green     | X |
| Verizon North | WOOD       | Grand Rapids      | X |
| Verizon North | WOOD       | Haskins-Tontogany | X |
| Verizon North | WOOD       | North Baltimore   | X |
| Verizon North | WOOD       | Pemberville       | X |
| Verizon North | WOOD       | Wayne-Bradner     | X |

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Proposed Market Area (PMA) for  
CLECs Provision of Local Service

|                            |           |                   |   |
|----------------------------|-----------|-------------------|---|
| Verizon North              | WOOD      | Weston            | X |
| Verizon North              | WYANDOT   | Carey             | X |
| Verizon North              | WYANDOT   | Harpster          | X |
| Verizon North              | WYANDOT   | Nevada            | X |
| Verizon North              | WYANDOT   | Wharton           | X |
| Wabash Mutual              | MERCER    | Wabash            | X |
| Windstream Ohio            | CHAMPAIGN | St. Paris         |   |
| Windstream Ohio            | FULTON    | Chesterfield      |   |
| Windstream Ohio            | FULTON    | Delta             |   |
| Windstream Ohio            | FULTON    | Neapolis          |   |
| Windstream Ohio            | HARDIN    | Kenton            |   |
| Windstream Ohio            | LICKING   | Granville         |   |
| Windstream Ohio            | LICKING   | Gratiot           |   |
| Windstream Ohio            | LICKING   | Hanover-Marne*    |   |
| Windstream Ohio            | LICKING   | Newark            |   |
| Windstream Ohio            | LICKING   | St. Louisville    |   |
| Windstream Ohio            | LORAIN    | Columbia Station  |   |
| Windstream Ohio            | LORAIN    | Elyria            |   |
| Windstream Ohio            | MIAMI     | Covington         |   |
| Windstream Ohio            | MIAMI     | Pleasant Hill     |   |
| Windstream Ohio            | PAULDING  | Paulding          |   |
| Windstream Western Reserve | ASHTABULA | Ashtabula         |   |
| Windstream Western Reserve | ASHTABULA | Austintown        |   |
| Windstream Western Reserve | ASHTABULA | Dorset            |   |
| Windstream Western Reserve | ASHTABULA | Geneva            |   |
| Windstream Western Reserve | ASHTABULA | Kingsville        |   |
| Windstream Western Reserve | ASHTABULA | Pierpont          |   |
| Windstream Western Reserve | ASHTABULA | Rock Creek        |   |
| Windstream Western Reserve | ASHTABULA | Trumbull          |   |
| Windstream Western Reserve | ATHENS    | Coolville         |   |
| Windstream Western Reserve | BELMONT   | Centerville [BEL] |   |
| Windstream Western Reserve | BELMONT   | Morristown        |   |
| Windstream Western Reserve | BELMONT   | Powhatan Point    |   |
| Windstream Western Reserve | GEAUGA    | Bainbridge [GEA]  |   |
| Windstream Western Reserve | GEAUGA    | Chardon           |   |
| Windstream Western Reserve | GEAUGA    | East Claridon     |   |

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Proposed Market Area (PMA) for  
CLECs Provision of Local Service

|                            |            |                |  |
|----------------------------|------------|----------------|--|
| Windstream Western Reserve | GEAUGA     | Huntsburg      |  |
| Windstream Western Reserve | GEAUGA     | Middlefield    |  |
| Windstream Western Reserve | GEAUGA     | Montville      |  |
| Windstream Western Reserve | GEAUGA     | Newbury        |  |
| Windstream Western Reserve | GEAUGA     | Parkman        |  |
| Windstream Western Reserve | GEAUGA     | Russell        |  |
| Windstream Western Reserve | GEAUGA     | Thompson       |  |
| Windstream Western Reserve | GUERNSEY   | Cumberland     |  |
| Windstream Western Reserve | GUERNSEY   | Fairview       |  |
| Windstream Western Reserve | GUERNSEY   | Old Washington |  |
| Windstream Western Reserve | GUERNSEY   | Quaker City    |  |
| Windstream Western Reserve | HARRISON   | Hopedale       |  |
| Windstream Western Reserve | JEFFERSON  | Bloomington    |  |
| Windstream Western Reserve | LAKE       | Madison        |  |
| Windstream Western Reserve | LAKE       | Perry          |  |
| Windstream Western Reserve | MEDINA     | Hinckley       |  |
| Windstream Western Reserve | MEIGS      | Chester        |  |
| Windstream Western Reserve | PORTAGE    | Aurora         |  |
| Windstream Western Reserve | PORTAGE    | Hiram          |  |
| Windstream Western Reserve | SUMMIT     | Hudson         |  |
| Windstream Western Reserve | SUMMIT     | Northfield     |  |
| Windstream Western Reserve | SUMMIT     | Peninsula      |  |
| Windstream Western Reserve | SUMMIT     | Richfield      |  |
| Windstream Western Reserve | SUMMIT     | Twinsburg      |  |
| Windstream Western Reserve | TRUMBULL   | Mesopotamia    |  |
| Windstream Western Reserve | WASHINGTON | Little Hocking |  |
| X                          |            |                |  |

**The Public Utilities Commission of Ohio**  
**TELECOMMUNICATIONS APPLICATION FORM for ROUTINE PROCEEDINGS**  
(Effective: 01/18/2008)

In the Matter of the Application of NextGen  
Communications, Inc. to Provide Competitive Emergency  
Telecommunication Services Throughout the State of Ohio )  
)

TRF Docket No. 90-\_\_\_\_\_  
Case No. \_\_\_\_ - \_\_\_\_ - **TP** - \_\_\_\_

**NOTE: Unless you have reserved a Case # or are filing a Contract, leave the "Case No" fields BLANK.**

Name of Registrant(s) NextGen Communications, Inc. \_\_\_\_\_

DBA(s) of Registrant(s) \_\_\_\_\_

Address of Registrant(s) 275 West Street, Suite 400 Annapolis, MD 21401 \_\_\_\_\_

Company Web Address www.telecomsys.com \_\_\_\_\_

Regulatory Contact Person(s) Mr. Kim R. Scovill

Phone 410-349-7097

Fax 410-295-1884

Regulatory Contact Person's Email Address [kscovill@telecomsys.com](mailto:kscovill@telecomsys.com)

Contact Person for Annual Report Mr. Kim R. Scovill

Phone \_\_\_\_\_

Address (if different from above) \_\_\_\_\_

Consumer Contact Information Mr. Kim Scovill

Phone 1-800- \_\_\_\_\_

Address (if different from above) \_\_\_\_\_

Motion for protective order included with filing? ☐ Yes ☒ No

Motion for waiver(s) filed affecting this case? ☐ Yes ☒ No [Note: Waivers may toll any automatic timeframe.]

**Section I – Pursuant to Chapter [4901:11-6 OAC](#) – Part I – Please indicate the Carrier Type and the reason for submitting this form by checking the boxes below. CMRS providers: Please see the bottom of Section II.**

*NOTES: (1) For requirements for various applications, see the identified section of Ohio Administrative Code Section 4901 and/or the supplemental application form noted.*

| <b>Carrier Type</b> <input type="checkbox"/> Other (explain below)          | <input type="checkbox"/> ILEC                                            | <input checked="" type="checkbox"/> CLEC                                 | <input type="checkbox"/> CTS                                             | <input type="checkbox"/> AOS/IOS |
|-----------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|----------------------------------|
| <b><u>Tier 1 Regulatory Treatment</u></b>                                   |                                                                          |                                                                          |                                                                          |                                  |
| Change Rates within approved Range                                          | <input type="checkbox"/> TRF <a href="#">1-6-04(B)</a><br>(0 day Notice) | <input type="checkbox"/> TRF <a href="#">1-6-04(B)</a><br>(0 day Notice) |                                                                          |                                  |
| New Service, expanded local calling area, correction of textual error       | <input type="checkbox"/> ZTA <a href="#">1-6-04(B)</a><br>(0 day Notice) | <input type="checkbox"/> ZTA <a href="#">1-6-04(B)</a><br>(0 day Notice) |                                                                          |                                  |
| Change Terms and Conditions, Introduce non-recurring service charges        | <input type="checkbox"/> ATA <a href="#">1-6-04(B)</a><br>(Auto 30 days) | <input type="checkbox"/> ATA <a href="#">1-6-04(B)</a><br>(Auto 30 days) |                                                                          |                                  |
| Introduce or Increase Late Payment or Returned Check Charge                 | <input type="checkbox"/> ATA <a href="#">1-6-04(B)</a><br>(Auto 30 days) | <input type="checkbox"/> ATA <a href="#">1-6-04(B)</a><br>(Auto 30 days) |                                                                          |                                  |
| Business Contract                                                           | <input type="checkbox"/> CTR <a href="#">1-6-17</a><br>(0 day Notice)    | <input type="checkbox"/> CTR <a href="#">1-6-17</a><br>(0 day Notice)    |                                                                          |                                  |
| Withdrawal                                                                  | <input type="checkbox"/> ATW <a href="#">1-6-12(A)</a><br>(Non-Auto)     | <input type="checkbox"/> ATW <a href="#">1-6-12(A)</a><br>(Auto 30 days) |                                                                          |                                  |
| Raise the Ceiling of a Rate                                                 | Not Applicable                                                           | <input type="checkbox"/> SLF <a href="#">1-6-04(B)</a><br>(Auto 30 days) |                                                                          |                                  |
| <b><u>Tier 2 Regulatory Treatment</u></b>                                   |                                                                          |                                                                          |                                                                          |                                  |
| Residential - Introduce non-recurring service charges                       | <input type="checkbox"/> TRF <a href="#">1-6-05(E)</a><br>(0 day Notice) | <input type="checkbox"/> TRF <a href="#">1-6-05(E)</a><br>(0 day Notice) |                                                                          |                                  |
| Residential - Introduce New Tariffed Tier 2 Service(s)                      | <input type="checkbox"/> TRF <a href="#">1-6-05(C)</a><br>(0 day Notice) | <input type="checkbox"/> TRF <a href="#">1-6-05(C)</a><br>(0 day Notice) | <input type="checkbox"/> TRF <a href="#">1-6-05(C)</a><br>(0 day Notice) |                                  |
| Residential - Change Rates, Terms and Conditions, Promotions, or Withdrawal | <input type="checkbox"/> TRF <a href="#">1-6-05(E)</a><br>(0 day Notice) | <input type="checkbox"/> TRF <a href="#">1-6-05(E)</a><br>(0 day Notice) | <input type="checkbox"/> TRF <a href="#">1-6-05(E)</a><br>(0 day Notice) |                                  |
| Residential - Tier 2 Service Contracts                                      | <input type="checkbox"/> CTR <a href="#">1-6-17</a><br>(0 day Notice)    | <input type="checkbox"/> CTR <a href="#">1-6-17</a><br>(0 day Notice)    | <input type="checkbox"/> CTR <a href="#">1-6-17</a><br>(0 day Notice)    |                                  |
| Commercial (Business) Contracts                                             | Not Filed                                                                | Not Filed                                                                | Not Filed                                                                |                                  |
| Business Services (see "Other" below)                                       | Detariffed                                                               | Detariffed                                                               | Detariffed                                                               |                                  |

|                                                             |            |            |            |  |
|-------------------------------------------------------------|------------|------------|------------|--|
| Residential & Business Toll Services<br>(see "Other" below) | Detariffed | Detariffed | Detariffed |  |
|-------------------------------------------------------------|------------|------------|------------|--|

(2) Information regarding the number of copies required by the Commission may be obtained from the Commission's web site at [www.puco.ohio.gov](http://www.puco.ohio.gov) under the docketing information system section, by calling the docketing division at 614-466-4095, or by visiting the docketing division at the offices of the Commission.

## Section I – Part II – Certificate Status and Procedural

| Certificate Status                                                           | ILEC                                                            | CLEC                                                                    | CTS                                                             | AOS/IOS                                                           |
|------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------|
| Certification (See Supplemental ACE form)                                    |                                                                 | <input checked="" type="checkbox"/> ACE <u>1-6-10</u><br>(Auto 30 days) | <input type="checkbox"/> ACE <u>1-6-10</u><br>(Auto 30 days)    | <input type="checkbox"/> ACE <u>1-6-10</u><br>(Auto 30 days)      |
| Add Exchanges to Certificate                                                 | <input type="checkbox"/> ATA <u>1-6-09(C)</u><br>(Auto 30 days) | <input type="checkbox"/> AAC <u>1-6-10(F)</u><br>(0 day Notice)         | CLECs must attach a current CLEC Exchange Listing Form          |                                                                   |
| Abandon all Services - With Customers                                        | <input type="checkbox"/> ABN <u>1-6-11(A)</u><br>(Non-Auto)     | <input type="checkbox"/> ABN <u>1-6-11(A)</u><br>(Auto 90 day)          | <input type="checkbox"/> ABN <u>1-6-11(B)</u><br>(Auto 14 day)  | <input type="checkbox"/> ABN <u>1-6-11(B)</u><br>(Auto 14 day)    |
| Abandon all Services - Without Customers                                     |                                                                 | <input type="checkbox"/> ABN <u>1-6-11(A)</u><br>(Auto 30 days)         | <input type="checkbox"/> ABN <u>1-6-11(B)</u><br>(Auto 14 day)  | <input type="checkbox"/> ABN <u>1-6-11(B)</u><br>(Auto 14 day)    |
| Change of Official Name (See below)                                          | <input type="checkbox"/> ACN <u>1-6-14(B)</u><br>(Auto 30 days) | <input type="checkbox"/> ACN <u>1-6-14(B)</u><br>(Auto 30 days)         | <input type="checkbox"/> CIO <u>1-6-14(A)</u><br>(0 day Notice) | <input type="checkbox"/> CIO <u>1-6-14(A)</u><br>(0 day Notice)   |
| Change in Ownership (See below)                                              | <input type="checkbox"/> ACO <u>1-6-14(B)</u><br>(Auto 30 days) | <input type="checkbox"/> ACO <u>1-6-14(B)</u><br>(Auto 30 days)         | <input type="checkbox"/> CIO <u>1-6-14(A)</u><br>(0 day Notice) | <input type="checkbox"/> CIO <u>1-6-14(A)</u><br>(0 day Notice) ( |
| Merger (See below)                                                           | <input type="checkbox"/> AMT <u>1-6-14(B)</u><br>(Auto 30 days) | <input type="checkbox"/> AMT <u>1-6-14(B)</u><br>(Auto 30 days)         | <input type="checkbox"/> CIO <u>1-6-14(A)</u><br>(0 day Notice) | <input type="checkbox"/> CIO <u>1-6-14(A)</u><br>(0 day Notice)   |
| Transfer a Certificate (See below)                                           | <input type="checkbox"/> ATC <u>1-6-14(B)</u><br>(Auto 30 days) | <input type="checkbox"/> ATC <u>1-6-14(B)</u><br>(Auto 30 days)         | <input type="checkbox"/> CIO <u>1-6-14(A)</u><br>(0 day Notice) | <input type="checkbox"/> CIO <u>1-6-14(A)</u><br>(0 day Notice)   |
| Transaction for transfer or lease of property, plant or business (See below) | <input type="checkbox"/> ATR <u>1-6-14(B)</u><br>(Auto 30 days) | <input type="checkbox"/> ATR <u>1-6-14(B)</u><br>(Auto 30 days)         | <input type="checkbox"/> CIO <u>1-6-14(A)</u><br>(0 day Notice) | <input type="checkbox"/> CIO <u>1-6-14(A)</u><br>(0 day Notice)   |
| <b>Procedural</b>                                                            |                                                                 |                                                                         |                                                                 |                                                                   |
| Designation of Process Agent(s)                                              | <input type="checkbox"/> TRF<br>(0 day Notice)                  | <input type="checkbox"/> TRF<br>(0 day Notice)                          | <input type="checkbox"/> TRF<br>(0 day Notice)                  | <input type="checkbox"/> TRF<br>(0 day Notice)                    |

## Section II – Carrier to Carrier (Pursuant to 4901:1-7), CMRS and Other

| Carrier to Carrier                                                        | ILEC                                                                      | CLEC                                                                             |                                                                                            |  |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--|
| Interconnection agreement, or amendment to an approved agreement          | <input type="checkbox"/> NAG <u>1-7-07</u><br>(Auto 90 day)               | <input type="checkbox"/> NAG <u>1-7-07</u><br>(Auto 90 day)                      |                                                                                            |  |
| Request for Arbitration                                                   | <input type="checkbox"/> ARB <u>1-7-09</u><br>(Non-Auto)                  | <input type="checkbox"/> ARB <u>1-7-09</u><br>(Non-Auto)                         |                                                                                            |  |
| Introduce or change c-t-c service tariffs,                                | <input type="checkbox"/> ATA <u>1-7-14</u><br>(Auto 30 day)               | <input type="checkbox"/> ATA <u>1-7-14</u><br>(Auto 30 day)                      |                                                                                            |  |
| Introduce or change access service pursuant to 07-464-TP-COI              | <input type="checkbox"/> ATA<br>(Auto 30 day)                             |                                                                                  |                                                                                            |  |
| Request rural carrier exemption, rural carrier suspension or modification | <input type="checkbox"/> UNC <u>1-7-04</u> or <u>1-7-05</u><br>(Non-Auto) | <input type="checkbox"/> UNC <u>1-7-04</u> or <u>1-7-05</u><br>(Non-Auto)        |                                                                                            |  |
| Pole attachment changes in terms and conditions and price changes.        | <input type="checkbox"/> UNC <u>1-7-23(B)</u><br>(Non-Auto)               | <input type="checkbox"/> UNC <u>1-7-05</u><br>(Non-Auto)                         |                                                                                            |  |
| <b>CMRS Providers</b> See 4901:1-6-15                                     |                                                                           | <input type="checkbox"/> RCC<br>[Registration & Change in Operations]<br>(0 day) | <input type="checkbox"/> NAG<br>[Interconnection Agreement or Amendment]<br>(Auto 90 days) |  |
| <b>Other*</b> (explain) _____                                             |                                                                           |                                                                                  |                                                                                            |  |

\*NOTE: During the interim period between the effective date of the rules and an Applicant's Detariffing Filing, changes to existing business Tier 2 and all toll services, including the addition of new business Tier 2 and all new toll services, will be processed as 0-day TRF filings, and briefly described in the "Other" section above.

**All Section I and II applications that result in a change to one or more tariff pages require, at a minimum, the following exhibits. Other exhibits may be required under the applicable rule(s). ACN, ACO, AMT, ATC, ATR and CIO applications see the 4901:1-6-14 Filing Requirements on the Commission's Web Page for a complete list of exhibits.**

| Exhibit | Description:                                                                                                                          |
|---------|---------------------------------------------------------------------------------------------------------------------------------------|
| A       | The tariff pages subject to the proposed change(s) as they exist before the change(s)                                                 |
| B       | The Tariff pages subject to the proposed change(s), reflecting the change, with the change(s) marked in the right margin.             |
| C       | A short description of the nature of the change(s), the intent of the change(s), and the customers affected.                          |
| D       | A copy of the notice provided to customers, along with an affidavit that the notice was provided according to the applicable rule(s). |

### Section III. – Attestation

Registrant hereby attests to its compliance with pertinent entries and orders issued by the Commission.

#### AFFIDAVIT

##### *Compliance with Commission Rules and Service Standards*

I am an officer/agent of the applicant corporation, NEXTGEN COMMUNICATIONS, FWC and am authorized to make this statement on its behalf.  
(Name)

I attest that these tariffs comply with all applicable rules, including the Minimum Telephone Service Standards (MTSS) Pursuant to Chapter 4901:1-5 OAC for the state of Ohio. I understand that tariff notification filings do not imply Commission approval and that the Commission's rules, including the Minimum Telephone Service Standards, as modified and clarified from time to time, supersede any contradictory provisions in our tariff. We will fully comply with the rules of the state of Ohio and understand that noncompliance can result in various penalties, including the suspension of our certificate to operate within the state of Ohio.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on (Date) \_\_\_\_\_ at (Location) \_\_\_\_\_

\*(Signature and Title) \_\_\_\_\_

(Date) \_\_\_\_\_

- This affidavit is required for every tariff-affecting filing. It may be signed by counsel or an officer of the applicant, or an authorized agent of the applicant.

#### VERIFICATION

I, Kim Scoville

verify that I have utilized the Telecommunications Application Form for Routine Proceedings provided by the Commission and that all of the information submitted here, and all additional information submitted in connection with this case, is true and correct to the best of my knowledge.

\*(Signature and Title) [Signature] Senior Director

(Date) 1/25/11

-----\*Verification is required for every filing. It may be signed by counsel or an officer of the applicant, or an authorized agent of the applicant.-----

*Send your completed Application Form, including all required attachments as well as the required number of copies, to:*

**Public Utilities Commission of Ohio  
Attention: Docketing Division  
180 East Broad Street, Columbus, OH 43215-3793**

*Or*

*Make such filing electronically as directed in Case No 06-900-AU-WVR*

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**1/26/2011 11:23:30 AM**

**in**

**Case No(s). 11-0437-CT-COM**

Summary: Application to Provide Competitive Emergency Telecommunication Services Throughout the State of Ohio Part 3 of 3 electronically filed by Mrs. Marie Denyse Zosa on behalf of NextGen Communications, Inc. and H. Russell Frisby